Report of the Directors and

Consolidated Financial Statements

for the Year Ended 30 June 2009

for

DHAIS Plc

Contents of the Consolidated Financial Statements for the Year Ended 30 June 2009

Company Information
for the Year Ended 30 June 2009

DIRECTORS:	M Moss N Copeland P J Clover A J Williams A Kiddy
SECRETARY:	P J Clover
REGISTERED OFFICE:	61 Cowbridge Road East Cardiff CF11 9AE
REGISTERED NUMBER:	04228169 (England and Wales)
AUDITORS:	Williams & Co 8-10 South Street Epsom Surrey KT18 7PF
SOLICITORS:	Morgan Cole Bradley Court Park Place Cardiff CF10 3DP
CORPORATE ADVISORS:	Alfred Henry Corporate Finance Limited 5 – 7 Cranwood Street London EC1V 9EE

Chairman's Report
for the Year Ended 30 June 2009

I am pleased to report on the first full year of trading since Dhais was admitted to the PLUS Market in June 2008.

Historically the Company had operated as a freelance marketing company, generating sales leads for digital hearing aid retailers, manufacturers and distributors in the United Kingdom. At the time of joining PLUS, the directors had identified new business opportunities within the diverse and fragmented mobility sector which would also act as a platform for the expansion of their lead generation skills and to exploit both vertical and horizontal marketing opportunities.

In December 2008, the Company moved decisively forward with its business plan and announced two acquisitions: Hearing Health and Mobility Limited ("HHML") and a portfolio of mobility centres owned by Cranley Investments Limited, both acquisitions providing a sound starting platform for the Company's commercial plans. Coinciding with this was the appointment of Amin Kiddy as finance director. Mr Kiddy has considerable experience and skills in corporate transactional and business development work.

HHML is based in Northampton and comprised five hearing and mobility stores. The purchase consideration was part in cash and part in Dhais Plc shares. Concurrently with this, a further nine mobility stores which have been accumulated by Dhais in conjunction with an investment vehicle, Cranley Investments Limited, were transferred to HHML.

Shortly after these acquisitions, the Directors implemented a programme to improve efficiencies across the fourteen stores, to widen the range of products being sold and to establish hearing centres within each store.

In March 2009, having identified a further opportunity to widen the portfolio of stores, the Company acquired Keep Able Limited in Administration. Keep Able Limited may have been slow to react to the onset of the global recession. Accordingly, the Company felt that a turnaround opportunity existed. Following the integration which added thirteen stores to HHML's existing fourteen, six of which were subsequently shut leaving a now total of 21.

These stores have responded well to the recovery in consumer confidence and to the changes made to bring forth better run and better stocked outlets.

In a further move to exploit sector consolidation opportunities, last June, Dhais acquired the business and assets of Hearsavers Limited in Administration which operated hearing testing booths via a concession arrangement in 54 Matalan stores. These booths employed cutting edge technology and the directors felt they would respond well to better marketing and more efficient management. The technology would also over time be integrated within the mobility stores.

However, following the acquisition, and having evaluated Matalan's expectations in terms of concession rents it was felt that it would no longer be in the best interests of shareholders to continue with the concession arrangements. Nevertheless, the technology continues to be exploited.

The original lead generation activities continue to perform well having moved beyond hearing aids to mobility products. Management continues to drive efficiencies and to seek other acquisition candidates to augment the Company's strategy.

Financial Overview

Turnover during the period virtually doubled to £4.8m (2008: £ 2.5m) divided almost exactly equally between the lead generation activities and the turnover brought in through the acquisitions.

The integration efficiencies will be felt in the coming period but as is stands, the very high level of operating expenses during the year offset profitability resulting in an operating loss for the period of £375k. However, management is confident of reporting on a period of improved profitability and trading in the current period.

Chairman's Report cont'd
for the Year Ended 30 June 2009

Outlook

We remain committed to the substantial commercial opportunity which Dhais has moved rapidly to capture. Mobility and the distribution of health related products, represents a huge but fragmented marketplace and the past year has enabled us to focus on the best strategy for expansion and the exploitation of high margin revenues. We look forward to the year ahead.

Mark Moss
Chairman

30 November 2009

Report of the Directors
for the Year Ended 30 June 2009

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2009.

PRINCIPAL ACTIVITY
The principal activity of the group in the year under review was that of the generation of leads for the digital hearing aid and mobility industries, selling of mobility equipment and the provision of hearing tests.

REVIEW OF BUSINESS AND FUTURE PROSPECTS
The results for the year and the financial position of the group are as shown in the annexed financial statements.

During the year the group made a number of acquisitions resulting in a significant increase in group turnover.

The turnover of the group's historic lead generation business has remained steady whilst costs of consolidation and integration of the acquired hearing and mobility businesses have led to an overall loss for the year.

The directors are implementing controls and measures to ensure that the group returns to profitability.

The future strategy of the group is to develop the business of generating marketing leads for other sectors, including mobility aids, cosmetic surgery and professional injury insurance claims whilst developing and expanding its retail chain.

DIVIDENDS
No dividends will be distributed for the year ended 30 June 2009.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 July 2008 to the date of this report.

M Moss
N Copeland
P J Clover
A J Williams

Other changes in directors holding office are as follows:

A Kiddy - appointed 28 November 2008

GROUP'S POLICY ON PAYMENT OF CREDITORS
The group's current payment policy concerning the payment of creditors is to :

(i) Settle terms of payment with suppliers when agreeing the terms of transactions.

(ii) Ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts.

(iii) Pay in accordance with its contractual and legal obligations.

Trade creditors at 30 June 2009 were equivalent to 110 days (2008 : 57 days) of purchases during the year ended on that date.

Report of the Directors
for the Year Ended 30 June 2009

FINANCIAL INSTRUMENTS
The directors have monitored the progress of the group and individual strategic elements by reference to certain financial key performance indicators :

	2009	2008
Gross Margin	43%	24%
Net Margin (Before Exceptional Items)	(9)%	20%
Current Ratio	1.7	2.42

PRINCIPAL RISKS AND UNCERTAINTIES
The management of the business and the company's strategy are subject to a number of risks. The directors have set out the below risks facing the business. The directors are of the opinion that a thorough risk management process is adopted that involves the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

Competition

The parent company operates in a competitive market and as a result there is constant pressure on pricing and margins with the added risk that customers could choose to do their own advertising. To mitigate this risk the company operates a policy of continuous improvement and new sector development to enable it to stay ahead of the competition and to grow revenues and maintain margins and profits. A policy of constant price monitoring and continuing to focus on high service is also in place to mitigate such risks.

Economic recession or adverse trends within the key sectors that would reduce the requirement for the company's activities

The success of the business is reliant on continued requirements from end users of products advertised, in particular, for living aids. A global economic downturn resulting in a reduction in personal spending, will have a direct impact on the income achieved by parent the company. To mitigate this risk the company operates a policy of increasing service revenues and market diversification to spread the risk from a downturn in a single market.

Deterioration in foreign exchange rates

Some of the products advertised by the parent company are imported from other countries. Exchange rate volatility could affect demand for such products in the market place. The parent company does not however export its services abroad and in that regard is not subject to exchange rate fluctuation.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
The group uses financial instruments comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial statements is to raise finance for the group's operations. The main risks arising from the group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods.

INTEREST RATE RISK
The group initially financed its operations by way of retained profits. More recently the group has arranged funding at fixed interest rates which mitigates exposure to interest rate fluctuations on its borrowings.

Report of the Directors
for the Year Ended 30 June 2009

LIQUIDITY RISK
The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS
The auditors, Williams & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A Kiddy - Director

30 November 2009

Report of the Independent Auditors to the Members of
DHAIS Plc

We have audited the financial statements of Dhais Plc for the year ended 30 June 2009 on pages eight to twenty five. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2009 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Paul Smith (Senior Statutory Auditor)
for and on behalf of Williams & Co
8-10 South Street
Epsom
Surrey
KT18 7PF

30 November 2009

DHAIS Plc

Consolidated Profit and Loss Account
for the Year Ended 30 June 2009

	Notes	2009 £	2009 £	2008 £	2008 £
TURNOVER			4,802,490		2,454,155
Continuing operations		2,460,464		2,454,155	
Acquisitions		2,342,026		-	
		4,802,490		2,454,155	
Cost of sales	2		2,745,202		1,851,193
GROSS PROFIT	2		2,057,288		602,962
Net operating expenses	2		2,432,428		31,024
OPERATING (LOSS)/PROFIT	4		(375,140)		571,938
Continuing operations		117,393		571,938	
Acquisitions		(492,533)		-	
		(375,140)		571,938	
Flotation costs			-		85,033
			(375,140)		486,905
Interest receivable and similar income			31,773		11,415
			(343,367)		498,320
Interest payable and similar charges	5		94,059		1,589
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(437,426)		496,731
Tax on (loss)/profit on ordinary activities	6		(24,372)		171,617
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			(413,054)		325,114
Earnings per share expressed in pence per share:	8				
Basic			-0.80		5.20
Diluted			-0.80		5.20

TOTAL RECOGNISED GAINS AND LOSSES
The group has no recognised gains or losses other than the loss for the current year and the profit for the previous year.

The notes form part of these financial statements

Consolidated Balance Sheet
30 June 2009

	Notes	2009 £	2009 £	2008 £	2008 £
FIXED ASSETS					
Intangible assets	9		1,934,478		-
Tangible assets	10		462,834		437
			2,397,312		437
CURRENT ASSETS					
Stocks	12	701,920		-	
Debtors	13	1,929,780		1,242,315	
Cash at bank and in hand		620,008		128,594	
		3,251,708		1,370,909	
CREDITORS					
Amounts falling due within one year	14	1,916,683		565,455	
NET CURRENT ASSETS			1,335,025		805,454
TOTAL ASSETS LESS CURRENT LIABILITIES			3,732,337		805,891
CREDITORS					
Amounts falling due after more than one year	15		1,904,500		-
NET ASSETS			1,827,837		805,891
CAPITAL AND RESERVES					
Called up share capital	18		59,486		50,000
Share premium	19		1,425,514		-
Other reserves	19		11,210		11,210
Profit and loss account	19		331,627		744,681
SHAREHOLDERS' FUNDS	22		1,827,837		805,891

The financial statements were approved by the Board of Directors on 30 November 2009 and were signed on its behalf by:

A Kiddy - Director

The notes form part of these financial statements

Company Balance Sheet
30 June 2009

	Notes	2009 £	2009 £	2008 £	2008 £
FIXED ASSETS					
Tangible assets	10		13,470		437
Investments	11		799,909		-
			813,379		437
CURRENT ASSETS					
Debtors	13	4,018,202		1,242,315	
Cash at bank		447,021		128,594	
		4,465,223		1,370,909	
CREDITORS					
Amounts falling due within one year	14	909,015		565,455	
NET CURRENT ASSETS			3,556,208		805,454
TOTAL ASSETS LESS CURRENT LIABILITIES			4,369,587		805,891
CREDITORS					
Amounts falling due after more than one year	15		1,825,000		-
NET ASSETS			2,544,587		805,891
CAPITAL AND RESERVES					
Called up share capital	18		59,486		50,000
Share premium	19		1,425,514		-
Other reserves	19		11,210		11,210
Profit and loss account	19		1,048,377		744,681
SHAREHOLDERS' FUNDS	22		2,544,587		805,891

The financial statements were approved by the Board of Directors on 30 November 2009 and were signed on its behalf by:

A Kiddy - Director

Consolidated Cash Flow Statement
for the Year Ended 30 June 2009

	Notes	2009 £	2009 £	2008 £	2008 £
Net cash (outflow)/inflow from operating activities	23		(297,249)		577,742
Returns on investments and servicing of finance	24		(62,286)		9,826
Taxation	24		(168,498)		(184,056)
Capital expenditure	24		(2,394,773)		(524)
			(2,922,806)		402,988
Financing	24		3,414,220		(813,823)
Increase/(Decrease) in cash in the period			491,414		(410,835)

	Notes	2009 £	2009 £	2008 £	2008 £
Reconciliation of net cash flow to movement in net funds	25				
Increase/(Decrease) in cash in the period		491,414		(410,835)	
Cash inflow from increase in debt and lease financing		(1,979,220)		-	
Change in net funds resulting from cash flows			(1,487,806)		(410,835)
New finance leases			(137,427)		-
Movement in net funds in the period			(1,625,233)		(410,835)
Net funds at 1 July			128,594		539,429
Net (debt)/funds at 30 June			(1,496,639)		128,594

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
for the Year Ended 30 June 2009

1. ACCOUNTING POLICIES

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

Basis of consolidation
The group financial statements consolidate the accounts of Dhais Plc and all its subsidiary undertakings made up to 30th June 2009. The group profit and loss account includes the results of all subsidiary undertakings. Turnover and profits arising on trading between group companies are excluded.

Turnover
Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill
Goodwill, being the amount paid in connection with the acquisition of several business during the year, is being amortised evenly over its estimated useful life of twenty years.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

continued...

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2009

2. ANALYSIS OF OPERATIONS

	2009		
	Continuing	Acquisitions	Total
	£	£	£
Cost of sales	2,070,973	674,229	2,745,202
Gross profit	389,491	1,667,797	2,057,288
Net operating expenses:			
Distribution costs	88,610	1,860,005	1,948,615
Administrative expenses	183,488	314,985	498,473
Other operating income	-	(14,660)	(14,660)
	272,098	2,160,330	2,432,428

	2008		
	Continuing	Acquisitions	Total
	£	£	£
Cost of sales	1,851,193	-	1,851,193
Gross profit	602,962	-	602,962
Net operating expenses:			
Administrative expenses	31,024	-	31,024

3. STAFF COSTS

	2009	2008
	£	£
Wages and salaries	1,104,539	-

The average monthly number of employees during the year, including directors was as follows:

	2009	2008
Administration	11	-
Sales & distribution	69	-
	80	-

continued...

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2009

4. OPERATING (LOSS)/PROFIT

The operating loss (2008 - operating profit) is stated after charging:

	2009	2008
	£	£
Hire of plant and machinery	21,603	-
Depreciation - owned assets	81,438	87
Depreciation - assets on hire purchase contracts	2,863	-
Goodwill amortisation	51,024	-
Auditors' remuneration	6,455	2,500
Auditors' remuneration for non audit work	-	500
Directors' remuneration	109,154	-

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Bank interest	128	1,589
Loan interest	91,667	-
Hire purchase	2,264	-
	94,059	1,589

6. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	2009	2008
	£	£
Current tax:		
UK corporation tax	(22,000)	171,617
Deferred tax	(2,372)	-
Tax on (loss)/profit on ordinary activities	(24,372)	171,617

continued...

Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2009

6. **TAXATION - continued**

Factors affecting the tax (credit)/charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2009	2008
	£	£
(Loss)/profit on ordinary activities before tax	(437,427)	496,731
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 - 30%)	(122,480)	149,019
Effects of:		
Marginal rate relief	(10,430)	-
Expenses not deductible for tax	22,073	25,622
Capital allowances in excess of depreciation	(753)	(131)
Change in tax rate to 28%	-	(5,817)
Unrelieved trading losses c/fwd	82,271	-
Overprovision	7,319	2,924
Current tax (credit)/charge	(22,000)	171,617

7. **PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £303,696 (2008 - £325,114).

This figure include sales from the parent company to the subsidiary of £286,261 resulting in a adjusted consolidated profit of £117,393.

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Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2009

8. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Reconciliations are set out below.

	Earnings £	2009 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(413,054)	51,896,494	-0.80
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	(413,054)	51,896,494	-0.80

	Earnings £	2008 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	325,114	6,250,087	5.20
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	325,114	6,250,087	5.20

continued...

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
Additions	1,985,502
At 30 June 2009	1,985,502
AMORTISATION	
Amortisation for year	51,024
At 30 June 2009	51,024
NET BOOK VALUE	
At 30 June 2009	1,934,478
At 30 June 2008	-

The goodwill acquisitions in the year represent businesses purchased by Hearing Health & Mobility Limited, a 100% subsidiary of Dhais Plc.

10. TANGIBLE FIXED ASSETS

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 July 2008	86,197	50,689	-	136,886
Additions	160,079	190,469	156,469	507,017
Disposals	-	(2,500)	-	(2,500)
At 30 June 2009	246,276	238,658	156,469	641,403
DEPRECIATION				
At 1 July 2008	59,245	35,023	-	94,268
Charge for year	20,873	24,894	38,534	84,301
At 30 June 2009	80,118	59,917	38,534	178,569
NET BOOK VALUE				
At 30 June 2009	166,158	178,741	117,935	462,834
At 30 June 2008	26,952	15,666	-	42,618

continued...

10. **TANGIBLE FIXED ASSETS - continued**

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
Additions	137,427
At 30 June 2009	137,427
DEPRECIATION	
Charge for year	2,863
At 30 June 2009	2,863
NET BOOK VALUE	
At 30 June 2009	134,564

11. **FIXED ASSET INVESTMENTS**

Company

	Shares in group undertakings £
COST	
Additions	799,909
At 30 June 2009	799,909
NET BOOK VALUE	
At 30 June 2009	799,909

continued...

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2009**

11. FIXED ASSET INVESTMENTS - continued

The company's investment at the balance sheet date in the share capital of companies includes the following:

Subsidiary

Hearing Health & Mobility Limited
Nature of business: Sale of mobility equipment & hearing tests

	% holding
Class of shares:	
Ordinary	100.00

	2009 £
Aggregate capital and reserves	(465,651)
Loss for the year	(616,748)

Dhais Plc purchased the entire share capital of Hearing Health & Mobility Limited on 28th November 2008.

12. STOCKS

	Group 2009 £	Group 2008 £
Stocks	701,920	-

13. DEBTORS

	Group 2009 £	Group 2008 £	Company 2009 £	Company 2008 £
Amounts falling due within one year:				
Trade debtors	634,130	498,923	735,061	498,923
Amounts owed by group undertakings	-	-	2,167,650	-
Other debtors and prepayments	119,547	743,392	15,491	743,392
VAT	76,103	-	-	-
	829,780	1,242,315	2,918,202	1,242,315
Amounts falling due after more than one year:				
Loans	1,100,000	-	1,100,000	-
Aggregate amounts	1,929,780	1,242,315	4,018,202	1,242,315

On the 28th November 2008, the company novated the loan made to Cranley Investments Limited of £885,000 (2008 : £740,000) to it's newly acquired 100% subsidiary, Hearing health & Mobility Limited. The subsidiary in turn used these funds to fund the purchase of the hearing and mobility business of Cranley Investments. Cranley Investments Limited is a company controlled by Mark Moss.

The Company advanced £1,100,000 by way of interest free loan to two employees to enable them to purchase shares within the company. These loans qualify for as exempt tax benefits within the rules defined by s353 ICTA 1988 and s178 ITEPA 2003.

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Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2009

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Other loans (see note 16)	175,000	-	175,000	-
Hire purchase contracts (see note 17)	37,147	-	-	-
Trade creditors	1,380,825	388,838	418,107	388,838
Amounts owed to group undertakings	-	-	123,872	-
Tax	(21,253)	171,617	40,000	171,617
Social security and other taxes	84,755	-	-	-
VAT	-	-	40,164	-
Other creditors and accruals	260,209	5,000	111,872	5,000
	1,916,683	565,455	909,015	565,455

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Other loans (see note 16)	1,825,000	-	1,825,000	-
Hire purchase contracts (see note 17)	79,500	-	-	-
	1,904,500	-	1,825,000	-

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Amounts falling due within one year or on demand:				
Other loans	175,000	-	175,000	-
Amounts falling due between one and two years:				
Other loans - 1-2 years	175,000	-	175,000	-
Amounts falling due between two and five years:				
Other loans - 2-5 years	1,650,000	-	1,650,000	-

The company has taken out commercial loans with 3 other companies within the period.

One of these loans amounting to £500,000 is from Zigzag Water Company Limited, a company controlled by Mark Moss & A Kiddy. The loan is repayable within 5 years and attracts an interest rate of 11%.

continued...

17. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2009	2008
	£	£
Gross obligations repayable:		
Within one year	46,334	-
Between one and five years	86,617	-
	132,951	-
Finance charges repayable:		
Within one year	9,187	-
Between one and five years	7,117	-
	16,304	-
Net obligations repayable:		
Within one year	37,147	-
Between one and five years	79,500	-
	116,647	-

Annual commitments under operating leases are as follows:

Group

	Land and buildings		Other operating leases	
	2009	2008	2009	2008
	£	£	£	£
Expiring:				
Within one year	9,540	-	18,880	-
Between one and five years	172,050	-	20,736	-
In more than five years	79,120	-	-	-
	260,710	-	39,616	-

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2009	2008
			£	£
59,486,013	Ordinary	0.001	59,486	50,000
(2008 - 50,000,000)				

During the year, the company issued 2,576,923 shares in November 2008 and 6,909,090 shares in June 2009.

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Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2009

19. RESERVES

Group

	Profit and loss account £	Share premium £	Other reserves £	Totals £
At 1 July 2008	744,681	-	11,210	755,891
Deficit for the year	(413,054)			(413,054)
Share issue	-	1,425,514	-	1,425,514
At 30 June 2009	331,627	1,425,514	11,210	1,768,351

Company

	Profit and loss account £	Share premium £	Other reserves £	Totals £
At 1 July 2008	744,681	-	11,210	755,891
Profit for the year	303,696			303,696
Share issue	-	1,425,514	-	1,425,514
At 30 June 2009	1,048,377	1,425,514	11,210	2,485,101

20. RELATED PARTY DISCLOSURES

Company

PJ Clover and N Copeland are directors and shareholders in Copeland and Charrington Limited. The company incurred advertising & marketing costs at arms length from Copeland & Charrington Limited amounting to £1,692,745 (2008 : £1,689,109).

Subsidiary

During the year, the company recharged costs to Dhais Plc of £2,343 and spent £286,261 on advertising with its parent company at arms length. At the 30th June 2009 and included in trade creditors is an amount owing to Dhais Plc of £224,007.

21. ULTIMATE CONTROLLING PARTY

The company has no controlling party.

continued...

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2009

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2009	2008
	£	£
(Loss)/Profit for the financial year	(413,054)	325,114
Share issue	1,435,000	-
Share payment reserve	-	11,210
Net addition to shareholders' funds	1,021,946	336,324
Opening shareholders' funds	805,891	469,567
Closing shareholders' funds	1,827,837	805,891

Company

	2009	2008
	£	£
Profit for the financial year	303,696	325,114
Shares issued	1,435,000	-
Share payment reserve	-	11,210
Net addition to shareholders' funds	1,738,696	336,324
Opening shareholders' funds	805,891	469,567
Closing shareholders' funds	2,544,587	805,891

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2009

23. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2009	2008
	£	£
Operating (loss)/profit	(375,140)	571,938
Depreciation charges	135,326	87
Increase in stocks	(701,920)	-
Increase in debtors	(687,465)	(74,079)
Increase in creditors	1,331,950	79,796
Net cash (outflow)/inflow from operating activities	(297,249)	577,742

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2009	2008
	£	£
Returns on investments and servicing of finance		
Interest received	31,773	11,415
Interest paid	(91,795)	(1,589)
Interest element of hire purchase payments	(2,264)	-
Net cash (outflow)/inflow for returns on investments and servicing of finance	(62,286)	9,826
Taxation		
Taxation paid	(170,870)	(184,056)
Deferred tax	2,372	-
Net cash outflow for taxation	(168,498)	(184,056)
Capital expenditure		
Purchase of intangible fixed assets	(1,985,502)	-
Purchase of tangible fixed assets	(411,771)	(524)
Sale of tangible fixed assets	2,500	-
Net cash outflow for capital expenditure	(2,394,773)	(524)
Financing		
New loans in year	2,000,000	(740,000)
Capital repayments in year	(20,780)	-
Share issue	9,486	-
Share premium	1,425,514	11,210
Flotation costs	-	(85,033)
Net cash inflow/(outflow) from financing	3,414,220	(813,823)

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2009

25. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7.08 £	Cash flow £	Other non-cash changes £	At 30.6.09 £
Net cash:				
Cash at bank and in hand	128,594	491,414		620,008
	128,594	491,414		620,008
Debt:				
Hire purchase	-	20,780	(137,427)	(116,647)
Debts falling due within one year	-	(175,000)	-	(175,000)
Debts falling due after one year	-	(1,825,000)	-	(1,825,000)
	-	(1,979,220)	(137,427)	(2,116,647)
Total	128,594	(1,487,806)	(137,427)	(1,496,639)