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Parent company balance sheet

	Note	31 October 2009 £'000	31 October 2008 £'000
Fixed assets			
Investments	III	1,202	1,202
		1,202	1,202
Current assets			
Debtors	IV	6,652	6,829
		6,652	6,829
Creditors: Amounts falling due within one year	V	(21)	(129)
Net current assets		6,631	6,700
Total assets less current liabilities		7,833	7,902
Creditors: Amounts falling due after more than one year		-	(20)
Net assets		7,833	7,882
Capital and reserves			
Called up share capital	VI	3,770	3,770
Share premium account	VI	5,813	5,813
Share based payment reserve	VI	6	1
Profit and loss account	VII	(1,756)	(1,702)
Shareholders' funds		7,833	7,882

The financial statements were approved by the Board on 25th January 2010 and signed on its behalf by:

P G Stimpson
Director

Notes to the Parent Company's Financial Statements

I. Accounting Policies

The Financial Statements have been prepared on the historical cost basis. The principal accounting policies are noted below.

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

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included an income statement in these financial statements. The loss attributable to members of the parent Company for the period ended 31 October 2009 was £55,000 (2008: £ 417,000).

The separate Financial Statements of the Company are presented as required by the Companies Act 2006. As permitted by that Act, the separate Financial Statements have been prepared in accordance with United Kingdom accounting standards.

The Company's financial risk management policies are disclosed in the consolidated financial statements.

II. Operating loss

The auditors' remuneration for audit and other services is disclosed in note 6 of the consolidated financial statements.

The Company has no employees other than the Directors and the related Directors' emolument disclosures can be found in note 7 to the consolidated financial statements.

III. Subsidiaries

Details of the Company's subsidiaries at 31 October 2009 can be found in Note 15 of the attached consolidated Financial Statements.

	2009	2008
	£'000	£'000
Net book value of Shares in subsidiary undertakings		
Cost		
As at 1 November	1,202	1,228
Movement in the Year	-	(26)
At 31 October	1,202	1,202

IV. Debtors

	2009	2008
	£'000	£'000
Amounts owed by Group undertakings	6,621	6,789
Prepayments and accrued income	31	40
	6,652	6,829

V. Creditors: amounts falling due within one year

	2009	2008
	£'000	£'000
Bank loan and overdraft	21	62
Amounts owed to Group undertakings	-	51
Accruals and deferred income	-	16
	21	129

VI. Share capital, share premium account and other reserve

The movements on these items are disclosed in notes 25 through 28 to the consolidated financial statements.

VII. Profit and loss reserves

	2009	2008
	£'000	£'000
Balance at 1 November	(1,702)	(1,285)
(Loss) for the year	(54)	(417)
Balance at 31 October	(1,756)	(1,702)

VIII. Controlling party

The Directors consider that there is no ultimate controlling party.

IX. Contingent assets and liabilities

The Company is also party to a group VAT registration. At 31 October 2009, the total VAT receivable of the companies in the group amounted to £10,000 (2008: Liability £6,000).

The Company has guaranteed the bank borrowings of Medi-Watch UK Limited, Mediwatch Biomedical Limited and Mediwatch Diagnostic Clinics Limited which at 31 October 2009 amounted to £649,000 (2008: £641,000).

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Mediwatch Plc (the "Company") will be held at Swift House, Cosford Lane, Swift Valley Industrial Estate, Rugby, CV21 1QN on 23rd April 2010 at 1.00pm to transact the following business:

Ordinary Business

1. To receive the reports of the directors and the auditors and the financial statements for the 12 months ended 31 October 2009
2. To reappoint RSM Tenon Audit Limited as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company
3. To authorise the directors to set the remuneration of the auditors of the Company
4. To re-elect Charles Cattaneo as a director of the Company

Special Business

5. To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

THAT the board be and it is hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to allot shares in the company and to grant rights to subscribe for or to convert any security into shares in the company up to an aggregate nominal amount of £461,000 provided that this authority shall expire on the earlier of fifteen months from the date of this Resolution or the conclusion of the annual general meeting of the Company in 2011 save that the company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the board may allot shares or grant rights to subscribe for or convert securities into shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

6. Subject to the passing of the previous resolution under Agenda item 5, to consider and, if thought fit, pass the following resolution as a Special Resolution:

THAT the directors be and are hereby authorised pursuant to Section 570 of the Companies Act 2006 to allot equity securities (within the meaning of Section 560 of the CA 2006) for cash of up to an aggregate nominal amount of £69,800 for cash pursuant to the authority conferred by the previous resolution as if Section 561(1) of the CA 2006 did not apply to any such allotment provided that this power shall expire at the conclusion of the annual general meeting of the Company in 2011 save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot Relevant Securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

7. To consider and, if thought fit, pass the following resolution as a Special Resolution:

THAT, with immediate effect:

- (a) the Articles of Association of the Company be amended by deleting clauses 1 to 6 of the Company's Memorandum of Association, which under section 28 of the CA 2006 are treated as provisions of the Company's Articles of Association; and
- (b) the Articles of Association produced to the meeting (and signed by the Chairman for the purposes of identification) be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association of the Company.

By order of the Board

Philip Harrison
Company Secretary

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Explanatory Notes

1. Only Ordinary Shares in the capital of the Company entitle the holders thereof to attend and vote at the Annual General Meeting. If you have sold or transferred all of your shares, you should pass this documentation and the Form of Proxy to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.
2. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. The appointment of a proxy will not preclude a member from attending and voting in person.
3. A proxy may be appointed by completing and returning the enclosed Form of Proxy (and any power of attorney or other authority under which it is executed or a notarially certified copy thereof) and depositing the same with the Company's registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL not later than 48 hours before the time fixed for the Annual General Meeting. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's registrars.
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him / her and the shareholder by whom he / she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he / she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
6. There will be available at the Registered Office of the Company during normal business hours on weekdays (excluding Saturdays, Sundays and public holidays) from the date of this Notice until the conclusion of the Annual General Meeting and at the place of the meeting from 10.45 am until the conclusion of the Annual General Meeting, copies of all service contracts of the directors of the Company having an unexpired term of at least 12 months and a copy of the proposed new Articles of Association of the Company, together with a copy of the existing Articles of Association of the Company marked to show the changes being proposed.
7. In accordance with Regulation 41(1) of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders who are registered in the Company's register of members at 6.00pm on 21st April 2010 (or, in the case of an adjournment, 48 hours before the time of the adjourned meeting) will be entitled to attend or vote at the Annual General Meeting and that the number of votes which any such shareholder may cast, upon a poll, will be determined by reference to the number of shares registered in such shareholder's name at that time.
8. As at 29th January 2010 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 139,713,502 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 29th January 2010 are 139,713,502.

Appendix

Explanatory notes on the principal changes to the company's articles of association

The notes on the following pages give an explanation of the proposed resolution to adopt new articles of association. It is proposed in resolution 11 to adopt new articles of association (the "New Articles") in order to update the Company's current articles of association (the "Current Articles") primarily to take account of changes in English company law brought about by the Companies Act 2006 ("CA 2006").

The CA 2006 was implemented in phases, with the final phase having come into force on 1 October 2009. The Current Articles were adopted at the 2009 Annual General Meeting ("AGM") and incorporated changes to reflect those stages of the CA 2006 that had come into force prior to the 2009 AGM.

The principal changes introduced in the New Articles are summarised below. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the CA 2006 have not been noted. The New Articles showing all the changes to the Current Articles are available for inspection at the Registered Office of the Company during normal business hours on weekdays (excluding Saturdays, Sundays and public holidays) from the date of this Notice until the conclusion of the AGM and at the place of the AGM for at least 15 minutes prior to the AGM and during the AGM.

1. Memorandum

Under the CA 2006, the memorandum of association of companies incorporated after 1 October 2009 will be a purely historical document recording the initial subscribers for shares. Additional matters contained in the memorandum of an existing company, such as the company's name, objects, authorised share capital and the statement that the liability of the members is limited, are deemed to be provisions of the articles of association.

There is no longer any requirement for companies to have an authorised share capital, and any authorised share capital in the memorandum or articles of existing companies will continue to have effect as a limit on the amount of shares that may be allotted. A company's objects will now be unrestricted unless its articles include any restriction. The New Articles remove any limitation on the Company's objects and on the number of shares that the Company may allot. A statement that the liability of members is limited is still required and has been included as a new Article 2 in the New Articles.

2. Authorities

Under the CA 2006, a company no longer needs authority in its articles in order to reduce, sub-divide or consolidate its share capital or purchase its own shares, although the articles may restrict such activities. Some small amendments have been made to the New Articles to clarify that where reference is made to the Company's ability to carry out such activities, no limitation on its powers under the CA 2006 is intended.

3. Redeemable Shares

Under the CA 2006, the directors may determine the terms, conditions and manner of redemption of shares if they are authorised to do so by the articles of association. The New Articles have been amended to authorise the directors to carry out such determination.

4. Notice of General Meetings

Under the CA 2006, where special notice is required to be given of a general meeting, the period of notice required is twenty-eight clear days'. This is the same notice period that was required under the Companies Act 1985. Under the Current Articles, the twenty-one day notice period prescribed for resolutions requiring special notice is inconsistent with the requirements of the CA 2006. The New Articles have been amended to reflect the requirements of the CA 2006.

Special notice is only required of resolutions to remove a director before the expiration of his period of office or appoint somebody instead of a director so removed, to remove an auditor from office or (in certain circumstances) to appoint an auditor in place of an auditor whose office has ended or is to end at the end of the next accounts meeting.

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5. Electronic Meetings

A new Article 15.5 has been included to reflect the clarification in the CA 2006 that general meetings can be held by electronic means.

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