MEDAVINCI PLC

Report and Financial Statements

31 March 2010

Registered No. 5379931 (England & Wales)

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MEDAVINCI PLC

Company Information, Directors and Advisors

Registered Number
5379931 (England & Wales)

Registered Office
14 Kinnerton Place South
London
SW1X 8EH

Directors

G Hirsch	
M Hough	
A Reynolds	
P Foulger	(*Appointed 8 July 2009*)
M Nolan	(*Appointed 1 September 2010*)

Secretary

P Foulger	(*Appointed 7 September 2009*)
A Whiteley	(*Resigned 7 September 2009*)

Independent Auditors
Jeffreys Henry LLP
Finsgate
5 – 7 Cranwood Street
London
EC1V 9EE

Bankers
Coutts & Co
440 Strand
London
EC2R 8LA

Solicitors
BPE Solicitors LLP
ST James' House
St James' Square
Cheltenham
GL50 3PR

Nominated Advisor & Broker
Zeus Capital Limited
3 Ralli Courts
West Riverside
Manchester
M3 5FT

Chairman's Statement

I am pleased to present the final audited results for the year ended 31 March 2010.

As highlighted in the circular to shareholders dated 9 August 2010, the Company has re-focussed the investment strategy of the company to one focused on companies involved in mineral exploration and production in Europe.

Key highlights for the year ended 31 March 2010 were as follows:

- In July 2009, the company raised £421,540 to repay certain creditors and for working capital.
- Emotion Fitness Limited, a UK Incorporated company was established to hold the company's 49% interest in its Hungarian based gymnasium business and the board is hoping to be able to sell this investment during the coming months.
- Loss for the year was £662,000 (2009 - £5,154,000).
- Post the year end, the Company raised £842,042 and invested £370,000 in Orogen Gold Limited, for a 49% interest in the issued share capital.

During the year ended 31 March 2010, the Board reviewed all investments held by the company (and made by the previous management) and as previously stated have written down the value of the company's shareholdings and loans in Demecal and Ergodynamics to £nil. The remaining investment is in Emotion Fitness, a gymnasium business based in Hungary which, as part of the re-focus, the board is hoping to be able to sell in the coming months.

Since the year end the company has re-focused the investment strategy of the company to one focused on companies involved in mineral exploration and production in Europe. As part of this re-focus the company has successfully raised £842,042 and made an investment in Orogen Gold Limited in return for a 49% shareholding. The Board is also hoping to sell its shareholding in Emotion Fitness and an appropriate impairment charge of £518,000 has been made to the carrying value of this investment. The carrying value at the reporting date was £300,000.

Orogen Gold Limited ("Orogen Gold")

In August 2010, the Company invested £370,000 in Orogen Gold Limited for a 49% interest in the enlarged issued share capital. Orogen Gold is an Irish company incorporated in April 2010 for the purpose of holding investments in companies involved in mineral exploration and related activities. Its initial focus will be on the Deli Jovan Gold Project, a 69 sq km permit area in eastern Serbia covering two shallow underground gold mines that were last in production pre World War II. Under an Earn-in Agreement with TSX (Toronto Stock Exchange) listed Reservoir Capital Corporation, Orogen Gold has the right to an initial 55% interest in the Deli Jovan Gold Project, if it spends a minimum of approximately US$1.5 million on exploration by June 2012, and a further interest of 20% will be obtained upon an additional spend of approximately US$2 million by December 2013, giving Orogen Gold an aggregate interest in 75% of the Deli Jovan Gold Project.

Outlook

We now believe we have secured the future for Medavinci Plc and will focus purely on our investment in Orogen Gold. We have an option to acquire the remaining 51% of Orogen Gold which, subject to positive results from the Phase 1 Exploration Programme, we intend to exercise over the next twelve months. At that stage it is the intention that the remaining directors of Orogen Gold will be appointed to the Medavinci board and the Company will become a minerals and exploration business, with a name change to reflect this new direction.

We are currently looking to dispose of our shareholding in the Hungarian gymnasium business which we would like to conclude within the next six months. As previously stated, the disposal of this investment would represent a fundamental change of business for the Company, and, under the AIM Rules, would be subject to the prior approval of Shareholders.

Chairman's Statement
continued

All shareholders will be kept fully informed regarding our progress with Orogen Gold and although the past 24 months has been a difficult period for Medavinci Plc we aim to restore as much value back to shareholders as possible.

Adam Reynolds
Chairman

29 September 2010

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 March 2010.

Principal activities and business review

The principal activity of the company during the year continued to be that of investing in health and wellness based companies. However since the year end the directors have re-focussed the company's investment strategy to one focussed on companies involved in mineral exploration and production in Europe.

The company incurred a loss before taxation of £662,000 (2009: £5,154,000). There are no significant issues worth highlighting to shareholders other than the ones highlighted in the Chairman's Statement. During the year ended 31 March 2010 the company's subsidiaries were dormant and immaterial and accordingly the financial statements are presented on an unconsolidated basis i.e. as a single entity rather than consolidated as reported in the previous year.

Going concern

The directors have considered and confirm that it is appropriate to prepare the financial statements on the basis that the company has adequate resources for the foreseeable future, therefore the company has adopted the going concern basis in preparing the financial statements.

Directors

The directors who served since the beginning of the year are as follows:

Adam Reynolds
Glyn Hirsch
Michael Hough
Paul Foulger (appointed 8 July 2009)
Michael Nolan (appointed 1 September 2010)
Robert Westerhof (resigned 6 July 2009)

All directors are subject to retirement by rotation under the company's articles of association.

The directors retiring by rotation are Michael Hough and Adam Reynolds, who offer themselves for re-election at the Annual General Meeting.

Directors' interests

The directors who served the company during the year together with their interests (including family interests) in the shares of the company were as follows:

	Ordinary shares of 0.1p each 31 March 2010	Ordinary shares of 1p each 31 March 2009
Adam Reynolds	24,250,000	–
Glyn Hirsch	52,000,000	–
Michael Hough	52,000,000	–
Paul Foulger	24,250,000	–

Directors' Report

continued

Substantial shareholdings

As at 21 September 2010 notification has been received of the following interests in 3% or more of the issued share capital of the company:

Name	Number of Ordinary shares held	Percentage
Anton Bilton	125,000,000	12.8%
David Newton	107,700,000	11.0%
Glyn Hirsch	82,000,000	8.4%
Michael Hough	82,000,000	8.4%
Richard and Clare Hughes	74,500,000	7.6%
Adam Reynolds	43,000,000	4.4%
Paul Foulger	43,000,000	4.4%

Principal risks and uncertainties

The directors have identified a number of risk factors which they thought might affect the company's ability to deliver its strategic goals. The directors are of the opinion that, in general, the risk factors identified are relevant to the business. A list of these risks is given below. This list does not purport to be an exhaustive summary of the risks affecting the company, is given in no particular order of priority and contains risks considered to be outside the control of the directors.

- **Management, employees and overseas consultants**
  The success of the company depends to a significant extent on key directors and employees both within the company as well as those employed by the invested companies. Although the directors believe they have access to strength and depth in the management team, the loss of one or more of the key directors or employees could have an adverse effect on the company.

- **Future acquisitions**
  The directors intend to grow the company both organically and by acquisition. There can be no guarantee that the directors will be able to agree the acquisitions of further suitable companies and/or businesses on acceptable terms, nor any guarantee that the company will be able to raise sufficient future finance at such time. Insofar as the directors do agree further acquisitions on behalf of the company, while they will seek to protect the company by conducting full due diligence and agreeing suitable warranties and indemnities from the vendors, there can be no assurance that such new acquisitions could be successfully integrated into the enlarged group. Finally, under the AIM Rules, acquisitions over a certain size would constitute a reverse takeover, and therefore in the event that the company announced such an acquisition prior to the publication of an admission document, the company's ordinary shares would be suspended from trading on AIM.

- **Currency risk**
  The company's investments are in foreign countries and could be adversely affected by exchange rate volatility which will result in a shortfall in income and net assets from these investments.

Key Performance Indicators ("KPIs")

Given the straightforward nature of the business, the company's directors consider that the overheads and loss figures are suitable as a basis for an understanding of the development, performance and position of the business.

Charitable and political donations

No charitable or political donations were made during the year (2009: nil).

Third party indemnity provision for directors

Qualifying third party indemnity provision is in place for the benefit of all the directors of the company.

Directors' Report

continued

Policy and practice on payment to suppliers

The company's policy is normally to pay suppliers according to agreed terms of business. These terms are agreed with suppliers upon entering into contracts (usually nett 30 days) and the company's policy is to adhere to the payment terms providing the supplier meets its obligations. The company's creditor days were 32 days (2009: 62 days).

Events after reporting period

On 1 September 2010 the company issued 421,021,000 shares of 0.1 pence each at 0.2 pence per share. The total cash consideration received amounted to £842,042.

On 1 September 2010 the company also completed a 49% acquisition of Orogen Gold Limited for a total consideration of £370,000, with an option to acquire the remaining 51% over the next 12 months. The consideration of £370,000 was satisfied by the issue of 62,500,000 ordinary shares of 0.1p each at 0.2p per share and subscribing to 12,000,000 shares in Orogen Gold Limited of €0.001 each at 2.042p per share.

On 1 September 2010 the company granted warrants over 5,000,000 Ordinary Shares of 0.1p each to Zeus Capital Limited in respect of corporate finance advice. The subscription price is 0.2p per Ordinary Share and the exercise period is five years from the date of grant.

Disclosure of information given to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

Jeffreys Henry LLP were appointed as auditor to the company and a resolution to appoint and authorise the directors to determine their remuneration will be proposed at the Annual General Meeting.

Directors' responsibilities

The directors are responsible for preparing the Annual report and financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by European Union.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Company and of the profit or loss for that year. In preparing these financial statements, the directors are required to:

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

The directors confirm that they have complied with the above requirements.

The directors are responsible for keeping proper accounting records which 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 Companies Act 2006. 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.

Directors' Report

continued

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.

Annual general meeting

The Annual General Meeting of the Company is to be held at The Pantechnicon, 2nd Floor, 10 Motcomb Street, London, SW1X 8LA on 16 November 2010 at 11am.

The notice of meeting appears in the document accompanying the report and accounts.

Recommendation

The board considers that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and it is unanimous recommendation that shareholders support these proposals as the Board intends to do in respect of their own holdings.

On behalf of the board

P Foulger
Director

29 September 2010

Independent Auditors' Report to the Shareholders of Medavinci Plc

We have audited the financial statements of MeDaVinci plc for the year ended 31 March 2010 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the Company's members those matters which we are required to include in an auditors report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and 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 directors' responsibilities, set out in the Directors' report, 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 (APB) 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 and 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 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 the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2010 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report 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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Sanjay Parmar (Senior Statutory Auditor)
For and behalf of Jeffrey Henrys LLP, Statutory Auditor

Finsgate, 5 – 7 Cranwood Street
London EC1V 9EE

Date: 29 September 2010

Statement of Comprehensive Income

for the year ended 31 March 2010

	Notes	2010 £'000	2009 £'000
– Recurring administrative expenses	3	**(144)**	(307)
– Impairment of investments, capital contribution and receivables from investments	8	**(518)**	(4,857)
Administrative expenses		**(662)**	(5,164)
Finance income – bank interest		**–**	10
Loss before taxation		**(662)**	(5,154)
Income tax expense	6	**–**	–
Loss for the year attributable to owners of the company		**(662)**	(5,154)
Other comprehensive income			
Exchange difference on translating foreign balances		**–**	135
Total comprehensive income for the year attributable to owners of the company		**(662)**	(5,019)
		Pence	Pence
Loss per share			
Basic and diluted	7	**(0.2)**	(7.0)

The notes on pages 13 to 26 form part of these financial statements

Statement of Financial Position

as at 31 March 2010

	Notes	2010 £'000	2009 £'000
Assets			
Non-current assets			
Investments	8	**300**	742
Total non-current assets		**300**	742
Current assets			
Trade and other receivables	9	**–**	14
Cash at bank and in hand	10	**160**	117
Total current assets		**160**	131
Total assets		**460**	873
Equity and Liabilities			
Equity attributable to owners of the company			
Share capital	11	**1,158**	736
Share premium reserve		**5,305**	5,305
Retained loss		**(6,077)**	(5,415)
Total equity		**386**	626
Current liabilities			
Trade and other payables	12	**74**	247
Total current liabilities		**74**	247
Total equity and liabilities		**460**	873

The financial statements were approved and authorised for issue by the board on 29 September 2010 and signed on behalf of the board of directors.

P Foulger
Director

Company registration number: 5379931

The notes on pages 13 to 26 form part of these financial statements

Statement of Changes in Equity

for the year ended 31 March 2010

	Share Capital £'000	Share Premium £'000	Share Warrant Reserve £'000	Retained loss £'000	Total £'000
At 1 April 2008	736	5,305	278	(674)	**5,645**
Loss for the year	–	–	–	(5,154)	**(5,154)**
Reserve transfer	–	–	(278)	278	**–**
Exchange rate movement	–	–	–	135	**135**
Movement in year	–	–	(278)	(4,741)	**(5,019)**
At 31 March 2009	**736**	**5,305**	**–**	**(5,415)**	**626**
Loss for the year	–	–	–	(662)	**(662)**
Shares issued during the year	422	–	–	–	**422**
Movement in year	422	–	–	(662)	**(240)**
At 31 March 2010	**1,158**	**5,305**	**–**	**(6,077)**	**386**

The notes on pages 13 to 26 form part of these financial statements

Statement of Cash Flows

for the year ended 31 March 2010

	Notes	2010 £'000	2009 £'000
Cash flows from operating activities			
Loss before taxation		**(662)**	(5,154)
Impairment loss on investments		**518**	4,857
Decrease/(increase) in trade and other receivables		**14**	(197)
(Decrease)/increase in trade and other payables		**(173)**	138
Interest received		**–**	(10)
Net cash outflow from operating activities		**(303)**	(366)
Cash flows from investing activities			
Increase in loans to investments		**(76)**	–
Interest received		**–**	10
Net cash (outflow)/inflow from investing activities		**(76)**	10
Cash flows from financing activities			
Proceeds from issue of equity instruments		**422**	–
Net cash inflow from financing activities		**422**	–
Net increase/(decrease) in cash and cash equivalents		**43**	(356)
Cash and cash equivalents at beginning of the year		**117**	473
Cash and cash equivalents at end of the year	**10**	**160**	117

The notes on pages 13 to 26 form part of these financial statements

Notes to the Financial Statements

for the year ended 31 March 2010

1. PRINCIPAL ACCOUNTING POLICIES

MeDaVinci plc is a public limited liability company governed by UK law, established in the UK and listed on the Alternative Investment Market (AIM). The company's registered office is in the UK. Its office address is 14 Kinnerton Place South, London, SW1X 8EH.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented and in preparing an opening International Financial Reporting Standards (IFRS) balance sheet at 1 April 2008, unless otherwise stated.

Basis of preparation of the financial statements

These financial statements of MeDaVinci Plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention, as modified by the measurement at fair value of available-for-sale financial assets and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

For all years to 31 March 2009 the Company prepared its audited financial statements under UK Generally Accepted Accounting Principles (UK GAAP). For the year ended 31 March 2010 the company has prepared its financial statements under IFRS.

This report has been prepared in accordance with the accounting policies set out below, taking into account the requirements and options in IFRS 1 – First time adoption of International Financial Reporting Standards. The transition date for the company's application of IFRS is 1 April 2008. A reconciliation of the statement of comprehensive income (previously profit and loss account) and statement of financial position (previously balance sheet) from previously reported UK GAAP to IFRS is not required as the transition to IFRS has not resulted in any changes being required to the amounts already disclosed.

The comparative figures for the year ended 31 March 2009 have been restated for the adoption of IFRS, and these changes are for presentation only. Accordingly, it has been deemed unnecessary to provide a reconciliation of equity and reconciliation of loss to highlight the effect on the figures of the transition from UK GAAP to IFRS.

New and amended standards adopted by the Company

The company has adopted the following new and amended IFRSs as of 1 April 2009.

- IAS 1 (revised). 'Presentation of financial statements' – effective 1 January 2009. The revised standard requires 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. Comparative information has been represented so that it also is in conformity with the revised standard. As the change in accounting policy is only presentational there is no impact on loss per share. The company has adopted to present a single statement of comprehensive income.

- Amended IFRS 1 and IAS 27. 'Cost of an Investment in a subsidiary, jointly-controlled entity or associate' – effective 1 January 2009. The amendment allows a first-time adopter that, in its separate financial statements, electing to measure its investments in subsidiaries, jointly controlled entities or associates at cost to initially recognise these investments either at cost determined in accordance with IAS 27 or deemed cost (being either its fair value at the date of transition to IFRSs or its previous GAAP carrying amount at that date). The Amendments also removes the definition of the cost method of accounting for an investment in a subsidiary, jointly controlled entity or associate. This has the effect of removing the requirement to deduct distributions received that arise from pre-acquisition profits from the cost of the investment. Instead, the dividend is recognised as income and the cost of investment is subject to an impairment test.

Notes to the Financial Statements

continued

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Mandatory new standards or interpretations, effective for accounting periods beginning on or after 1 April 2009, not covered specifically above have no impact on the company's financial statements.

Standards, interpretations and amendments to published standards that are not yet effective

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 April 2009 and have not been early adopted:

- IFRS 3 (revised), 'Business combinations' and consequential amendments to IAS 27, 'Consolidated and separate Financial statements', IAS 28, 'Investments in associates' and IAS 31, 'Interests in joint ventures', effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. Management is assessing the impact of the new requirements regarding acquisition accounting, consolidation and associates on the company.

  The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the minority interest in the acquiree either at fair value or at the minority interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The company will apply IFRS 3 (revised) to all business combinations from 1 May 2010.

- IAS 27 (revised), 'Consolidated and separate financial statements', (effective from 1 July 2009). The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. The company will apply IAS 27 (revised) prospectively to transactions with non-controlling interests from 1 May 2010.

- IAS 38 (amendment), 'Intangible assets'. The amendment is part of the IASB's annual improvements project published in April 2009 and the company will apply IAS 38 (amendment) from the date IFRS 3 (revised) is adopted. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has a similar useful economic life. The amendment will not result in a material impact on the company's financial statements.

- IFRIC 17, 'Distributions of non-cash assets to owners', effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the company, as it has not made any non-cash distributions.

- IFRIC 18, 'Transfers of assets from customers', effective for transfers of assets received on or after 1 July 2009. This is not relevant to the company, as it has not received any assets from customers.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 April 2009, but are not currently relevant for the company:

- IFRS 2 (revised) 'share based payments'.

- IFRS 8 'Operating segments'.

- IAS 23 (amendment), 'Borrowing costs'.

- IAS 32 (amendment), 'Financial instruments: Presentation'.

- IFRIC 13, 'Customer loyalty programmes'.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

- IFRIC 15, ‘Agreements for the construction of real estate’.
- IFRIC 16, ‘Hedges of a net investment in a foreign operation’.
- IAS 39 (amendment), ‘Financial instruments: Recognition and measurement’.
- IFRS 7 (disclosure amendment); ‘Financial instruments: fair value measurement and liquidity risk’

Going concern

The company has changed its investment strategy to investing in companies involved in mineral exploration and has also successfully completed a fundraising. The directors confirm that, after giving due consideration to the financial position and cash flows of the company they have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason the company adopted the going concern basis in preparing the financial statements.

Exemption from preparing consolidated financial statements

The financial statements contain information about MeDaVinci Plc as an individual company and does not contain consolidated financial information as the parent of a group. The company is exempt under Section 405(2) of the Companies Act 2006 from the requirements to prepare consolidated financial statements, as the subsidiary undertakings are not material for the purpose of giving a true and fair view.

Foreign currency translation

Foreign currency translations are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Investments

The company classifies its investments depending on the purpose for which the investments were acquired. Management determines the classification of its investments on purchase and re-evaluates this designation at every reporting date. Fixed asset investments in subsidiaries are shown at cost less any provision for impairment.

Impairment of non-financial assets

The company assesses at each reporting date whether an asset may be impaired. If any such indicator exists the company tests for impairment by estimating the recoverable amount. If the recoverable amount is less than the carrying value of an asset, an impairment loss is required. In addition to this, assets with indefinite lives and goodwill are tested for impairment at least annually.

The value in use is calculated as the present value of estimated future cash flows expected to result from the use of assets and their eventual disposal proceeds. In order to calculate the present value of estimated future cash flows the company uses a discount rate based on the company’s estimated weighted average cost of capital, together with any risk premium determined appropriate. Estimated future cash flows used in the impairment calculation represents management’s best view of the likely future market conditions and current decisions on the use of each asset or asset group.

For the purpose of assessing impairment, assets are grouped at the lowest levels at which there are separately identifiable cash flows.

Notes to the Financial Statements

continued

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows. The amount of the provision is recognised in the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held on call with banks.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense.

The current tax payable is based on an estimation of the amount due on the taxable profit for the year. Taxable profit is different from net profit as reported in the statement of comprehensive income because it excludes items of income or expenditure which are not taxable or deductible in the year as a result of either the nature of the item or the fact that it is taxable or deductible in another year. The company's liability to current tax is calculated by using tax rates that have been enacted or substantially enacted by the year end date.

Deferred tax is accounted for on the basis of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is recognised for all taxable temporary differences, except to the extent where it arises from the initial recognition of an asset or liability in a transaction that is not a business combination. Deferred tax is not provided for on the initial recognition of goodwill. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is charged or credited to the comprehensive income statement, except when it relates to items charged or credited directly to equity, in which case it is dealt with within equity. It is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

Finance income

Finance income, which includes bank interest and interest on loans to associates, are recognised on a time proportion basis, using the effective interest method.

Financial assets

The company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables. The classification depends on the purpose for which the financial assets were acquired.

Management determines the classification of the company's financial assets at initial recognition.

(a) ***Available for sale financial assets***

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

When investments classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as "gains and losses from investment". Interest on available for sale investments calculated using the effective interest method is recognised in the income statement. Dividends on available for sale investments are recognised in the statement of comprehensive income when the company's right to receive payments is established.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Regular purchases and sales of investments are recognised on the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the investments have expired expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Available for sale investments and investments held for sale are subsequently carried at fair value.

If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and the option pricing models, making maximum use of market inputs and relying as little as possible on entity specific inputs. If the fair value of an unquoted equity instrument cannot be measured reliably, it is measured at cost.

(b) ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' in the balance sheet.

(c) ***Loans to associates***

Convertible loans are financial instruments consisting of a loan constituent and a derivative financial instrument: the conversion right. The conversion right is presented separately as a derivative and is classified as held for trading. The loan constituent is initially recognised at fair value and subsequently at amortised cost using the effective interest method, less impairment adjustments, such as provisions for bad debts.

Impairment adjustments are recognised based on objective factors and indications. Significant financial difficulty being experienced by the associate company, probability of entering bankruptcy or financial restructuring are all considered indicators of impairment.

The amount of provision is the difference between the carrying value and the estimated present value of future cash flows discounted at the original effective interest rate. Impairment losses are recognised in the income statement.

The loan constituent is classified within loans and receivables and is separately presented on the face of the balance sheet as non current assets.

(d) ***Derivative financial instruments***

Derivatives are recognised at fair value using generally accepted valuation techniques. If there is an active market for the derivatives, they are recognised at the quoted market price. If fair value cannot be determined in a reliable manner, derivatives are recognised at cost. Compound derivatives are separated from the basic contract and recognised at fair value using generally accepted valuation techniques. If the fair value of the separated individual derivative financial instrument cannot be determined in a reliable manner, the entire compound contract is held as a financial asset or financial liability for trading purposes.

Share capital and share premium

Ordinary shares are classified as equity.

Share premium represents the amounts received in excess of the nominal value of the ordinary shares less cost of share issued and is classified as equity.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Critical Judgements and Key Sources of Estimation Uncertainty

MeDaVinci makes estimates and assumptions regarding the future. The resultant budgeted and accounting outcomes will rarely be the same as the actual results. Estimates and assumptions are evaluated on an ongoing basis and are based on experience and other factors, including expectations of future events that are perceived as reasonable based on the circumstances. The following estimates and assumptions bear a significant inherent risk, which could result in material adjustments to the carrying amount of assets and liabilities in the coming year:

(a) ***Impairment of Financial Assets (Non-current)***

Where there are indications of impairment and at least once a year, MeDaVinci tests financial assets for impairment. The realisable value of financial assets is determined using generally accepted valuation techniques, including value-in-use calculations. These calculations and valuations require the use of estimates.

Based on these tests, possible impairment must be reported. However, where the actual performance of the underlying activities, businesses and cash-generating units is substantially worse, actual impairment losses could be incurred and/or differ from the reported impairment losses. These impairment losses could have a material impact on the carrying amount of financial assets.

(b) ***Carrying Value of Deferred Tax Assets and Deferred Tax Liabilities***

Assumptions play a major role in the determination of deferred tax assets and deferred tax liabilities. Many uncertain factors can affect the amount of carry-forward tax losses. MeDaVinci values the carrying amounts of deferred tax assets relating to carry-forward tax losses, and the carrying amount of deferred tax liabilities relating to carry-back tax losses on the basis of its best estimates. Where actual outcomes differ from the original estimates, the differences will affect taxes and the income statement, as well as the deferred tax assets and/or deferred tax liabilities in the period in which these differences occur.

(c) ***Determination of Significant Influence***

Where the group holds investments in associates the directors must consider whether a significant influence is held over the ability for the investee company to operate. This consideration determines how the investment is accounted for in the financial statements.

(d) ***Determination of power to control***

The investment in Emotion Fitness Mag Kft, through it subsidiary undertaking Emotion Fitness Limited, is stated as a 49% shareholding in line with a shareholders agreement that details this holding. Additionally MeDaVinci holds exercisable convertible loans that, if converted, would result in an additional 14.7% shareholding of Emotion Fitness Mag Kft. However, the directors have concluded that they do not have the power to control Emotion Fitness Mag Kft due to the terms described in the shareholders agreement. Consequently, Emotion Fitness Mag Kft has not been consolidated and has been treated as an investment in the accounts.

2. SEGMENT INFORMATION

The board of directors do not receive management reports that analyse the performance or financial position of the company by business segment. The main activity of the company is to invest in international health and wellness companies and consequently the only items in the comprehensive income statement that are attributable to these activities are the income from these investments, the finance income receivable from cash deposits and loans advanced and the change in fair value of the embedded derivatives separately recognised. All other amounts are unallocated and relate to the operation of the corporate headquarters.

From the perspective of the statement of financial position, such segment assets would include the carrying value of the investments in associates, loans advanced and the derivatives. All other assets and liabilities are unallocated and relate to the corporate activities undertaken.

The company does not have any external revenues.

Notes to the Financial Statements

continued

3. LOSS BEFORE TAXATION

	2010 £'000	2009 £'000
The following items have been included in arriving at loss before taxation:		
Staff costs (see note 4)	**20**	66
Services provided by the company's auditors		
– Audit fees and expenses – statutory audit	**24**	15
– Tax compliance	**2**	2
Foreign exchange gains and losses	**–**	150

4. STAFF COSTS

	2010 £'000	2009 £'000
Aggregate directors' emoluments	**20**	66

There were no employees except for the directors during the year.

During the year £Nil (2009: £5,875) was paid to HHSS LLP for the services of a director, a company in which Mr Hough is also a director. No amount was outstanding at the balance sheet date.

£20,000 (2009: £4,792) was paid to Wilton International Marketing Limited, a company in which A Reynolds and P Foulger are directors, for the services of the directors. No amount was outstanding at the balance sheet date.

G Hirsch and M Hough have not received any remuneration during the year. They have waived their remuneration entitlement.

The directors are considered to be the key management personnel. Directors' remuneration and fees comprises the whole of the compensation for these individuals. The directors hold no share options.

5. RELATED PARTY TRANSACTIONS

During the year £39,250 (2009 : £Nil) was paid to Wilton International Marketing Limited, a company in which A Reynolds and P Foulger are directors, for corporate finance and administration services. No amount was outstanding at the year end.

A further £30,109 (2009: £3,169) was paid to Hansard Communications Limited, a company in which A Reynolds and P Foulger are directors, for public relation services, disbursements and related services. The amount outstanding at the balance sheet date was £4,875 (2009: £3,169).

At the year end, £300,000 (2009 – £742,000), as detailed in note 8, relates to the investment and capital contribution recoverable from Emotion Fitness Mag Kft through the company's new subsidiary undertaking Emotion Fitness Limited.

Notes to the Financial Statements

continued

6. TAXATION

There is no UK Corporation tax charge due to tax losses incurred during the year, subject to agreement with HM Revenue & Customs. There is a potential deferred tax asset of approximately £1,725,000 (2009: £1,458,000) relating to the cumulative tax losses totalling approximately £6,159,000 (2009: £5,559,000) carried forward. The deferred tax asset is not provided for as the directors are uncertain when the company will generate sufficient profits on capital gains for the losses to be offset against.

The charge per the Statement of Comprehensive Income for the year can be reconciled to the tax losses as follows:

	2010 £'000	2009 £'000
Loss before taxation	**(662)**	(5,154)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009: 28%)	**(185)**	(1,443)
Effects of:		
Current tax losses not utilised	**185**	1,443
Total taxation	–	–

7. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of ordinary shares in issue during the year.

	2010 £'000	2009 £'000
Loss attributable to equity holders of the company	**(662)**	(5,154)
Weighted average number of ordinary shares in issue (thousands)	**389,755**	73,600
Basic loss per share (pence)	**(0.2)**	(7.0)

The company had no dilutive potential ordinary shares in either year, which would serve to increase the loss per ordinary share. Therefore, there is no difference between the loss per ordinary share and the diluted loss per ordinary share.

Notes to the Financial Statements

continued

8. INVESTMENTS

Investments in subsidiaries and associates	2010 £'000	2009 £'000
Cost		
At 1 April	**4,288**	4,288
Capital contribution made	**76**	–
At 31 March	**4,364**	4,288
Impairment		
At 1 April	**3,546**	–
Impairment during the year	**518**	3,546
At 31 March	**4,064**	3,546
Net book value at 31 March	**300**	742

Details of these investments held are as follows:

	No. of ordinary shares	% Held	Carrying Value £'000	Nature of Business
MeDaVinci Health Care Services BV	18,000	100%	–	Holding company for investments in innovative technologies for the healthcare sector
Emotion Fitness Limited	100	100%	–	Investment holding company
MeDaVinci Development BV*	25	5%	–	Development of innovative products in the medical industry
ErgoDynamics Participations BV*	89	49%		Holding company for investment in Ergodynamics Applications BV
Emotion Fitness Mag Kft**	2,700	47%	300	Fitness centres
Demecal Europe BV*	5,400	30%	–	Development and Selling of blood tests

Key
* indirectly held through MedaVinci Health Care Services BV
** indirectly held through Emotion Fitness Limited

The above companies are incorporated in the following jurisdiction:

	Country of incorporation:
MeDaVinci Health Care Services BV	Netherlands
Emotion Fitness Limited	England & Wales
MeDaVinci Development BV*	Netherlands
ErgoDynamics Participations BV*	Netherlands
Emotion Fitness Mag Kft**	Hungary
Demecal Europe BV*	Netherlands

8. INVESTMENTS (continued)

The company's subsidiary undertakings, MeDaVinci Health Care Services BV and Emotion Fitness Limited have been dormant throughout the year.

The investments in MeDaVinci Health Care Services BV, MeDaVinci Development BV, ErgoDynamics Participations BV and Demecal Europe BV have been fully impaired. Demecal Europe BV was declared backcrupt in Dutch Courts on 26 May 2009.

In October 2009 the company incorporated Emotion Fitness Limited and transferred its investment and capital contribution in Emotion Fitness Mag Kft from MeDaVinci Health Care Services BV for €1,165,000 including an advance of €625,000. Subsequently a debt instrument was created and transferred by MeDavinci Health Care Services BV to the company. Since the year end the company has decided to change its investment strategy and consequently the investment in Emotion Fitness has been impaired to the carrying value of £300,000 and the directors are hoping to sell this investment during the coming months.

The company has also provided a loan to Emotion Fitness Mag Kft through its former parent undertaking, MeDaVinci Heath Care Services BV and has been fully impaired. The loan can be converted into ordinary shares at any time of whole or part thereof provided that total conversion will lead to 68.88% of the outstanding share capital post conversion or pro rata percentage thereof post conversion as a result of partial conversion.

Further, MeDaVinci has warrant instruments on shares in Ergo Dynamics Participations BV. In determining the fair value of the instruments the directors have considered that there is no active market for these instruments and therefore the value of these instruments have been assessed using the Black & Scholes pricing model. Following impairment review the fair value of the warrant instrument on shares in ErgoDynamics Participations BV is as a consequence €nil.

The company's associated undertakings, Ergo Dynamics Participations BV, Emotion Fitness Mag Kft and Demecal Europe BV prepared their financial statements as of 31 December each year. Ergo Dynamics Participations BV and Demecal Europe BV financials are unavailable and hence the figures cannot be disclosed in these financial statements. The company's remaining associate undertaking's financial information is as follows:

	31 December 2010 £'000	31 December 2009 £'000
Revenue	**111**	180
Result for the year	**68**	(211)
Total assets	**1,260**	1,366
Total liabilities and obligations	**(971)**	(1,145)
Total equity	**289**	221

9. TRADE AND OTHER RECEIVABLES

	2010 £'000	2009 £'000
Prepayments and accrued income	**–**	14

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

Notes to the Financial Statements

continued

10. CASH AND CASH EQUIVALENTS

	2010 £'000	2009 £'000
Cash at bank and in hand	**160**	117

11. CALLED UP SHARE CAPITAL

	2010 £'000	2009 £'000
Authorised		
5,000,000,000 Ordinary shares of 0.1 pence each (2009 – 500,000,000 of 1p each)	**5,000**	5,000
73,599,817 Deferred shares of 0.9 pence each	**662**	–
	5,662	5,000
Alloted, called up and fully paid		
495,139,817 (2009 – 73,599,817) Ordinary shares of 0.1 pence each	**496**	736
73,599,817 Deferred shares of 0.9 pence each	**662**	–
	1,158	736

On 26 May 2009 the nominal share value was reduced from 1 pence to 0.1 pence each. Following this restructuring the company's share capital consisted of 73,599,817 ordinary shares of 0.1 pence each and 73,599,817 deferred ordinary shares of 0.9 pence each. Since then the following ordinary shares have been issued:

- On 8 July 2009 the company issued 421,540,000 shares of 0.1 pence each at par value. The total cash consideration received amounted to £421,540.
- On 1 September 2010 the company issued 421,021,000 shares of 0.1 pence each at 0.2 pence per share. The total cash consideration received amounted to £842,042.
- On 1 September 2010 the company issued 62,500,000 shares of 0.1 pence each at 0.2 pence per share. The company issued these shares as part of the consideration to satisfy the purchase price of £370,000 to acquire 49% of Orogen Gold Limited.

12. TRADE AND OTHER PAYABLES

	2010 £'000	2009 £'000
Trade payables	**22**	113
Other payables	**–**	22
Accruals and deferred income	**52**	112
	74	247

Trade and other payables principally comprise amounts outstanding for on-going overhead costs. The directors consider that the carrying amount of trade payables approximately their fair value.

13. EVENTS AFTER THE REPORTING PERIOD

On 1 September 2010 the company issued 421,021,000 shares of 0.1 pence each at 0.2 pence per share. The total cash consideration received amounted to £842,042.

On 1 September 2010 the company also completed a 49% acquisition of Orogen Gold Limited for a total consideration of £370,000, with an option to acquire the remaining 51% over the next 12 months. The consideration of £370,000 was satisfied by the issue of 62,500,000 ordinary shares of 0.1 pence each at 0.2 pence per share and subscribing to 12,000,000 shares in Orogen Gold Limited.

On 1 September 2010 the company granted warrants over 5,000,000 Ordinary Shares of 0.1 pence each to Zeus Capital Limited in respect of corporate finance advice. The subscription price is 0.2 pence per Ordinary Share and the exercise period is five years from the date of grant.

14. FINANCIAL RISK MANAGEMENT

MeDaVinci's risk management consists of the management of its operations and investments over the long term and the mitigation of the related business risks to the maximum possible extent. Depending on the nature and the relative significance of the risks associated with MeDaVinci's investments the risks are quantified where possible.

The company is exposed to the following risks in relation to the use of financial instruments:

- Credit risk
- Liquidity risk
- Currency risk
- Interest rate risk

These notes provide information about MeDaVinci's exposure to each of the above mentioned risks, the objectives, principles and processes used to control and measure these risks and MeDaVinci's management of its capital.

The goal of MeDaVinci's risk policy is to identify the risks faced by MeDaVinci, analyse them, determine appropriate limits and control measures for them and monitor the risks and compliance with the defined limits. Risk management policies and systems are regularly evaluated and adjusted where necessary to changes in market circumstances and MeDaVinci's activities.

(a) *Credit Risk*

Credit risk is the risk of financial loss to MeDaVinci in cases where the buyer or counterparty to a financial instrument does not respect the contractual commitments made. Credit risks primarily result from loans provided to investments.

MeDaVinci's exposure to credit risk is primarily determined by the individual characteristics of individual investments and the countries in which they are vested.

If loans are provided to investments, they are assessed in terms of their creditworthiness and where possible a conversion right is exacted. To the extent possible, an assessment is carried out to determine whether the investment can provide sufficient certainty in the form of a security.

14. FINANCIAL RISK MANAGEMENT (continued)

(b) ***Treasury policy and financial risk***

The main financial risk faced by the company is liquidity risk. The company controls this risk by aiming to maximise returns from funds held on deposit.

The company's financial instruments comprise cash and various items such as loans to investments, trade payable etc that arise directly from its operations. It is not company policy to trade in financial instruments.

There is no material difference between the book value and the fair value of the financial instruments in the current or prior year.

The company incurs currency risk as a result of transactions that are denominated in a currency other than British pounds. If required, a portion of these risks will be hedged with financial instruments, such as forward exchange transactions and currency options. MeDaVinci did not make use of such instruments at the balance sheet date.

The main credit risk is in relation to its loans to investments. This is managed by monitoring the performance of these investments and considering their ability to repay these loans. The maximum exposure to credit risk is the carrying value of the loans.

Categories of financial assets and financial liabilities

	2010 £'000	**2009 £'000**
Finance assets – Loans and receivables		
Current financial assets		
Cash and cash equivalents	**160**	117
Non-current financial assets		
Loans and capital contribution to investments	**300**	742
Financial liabilities – Measured at amortised cost		
Current financial liabilities		
Trade and other payables	**247**	135

All financial liabilities mature for payment within six months of the balance sheet date and there is no material difference between their book and fair values.

(c) ***Liquidity Risk***

The liquidity risk is the risk that MeDaVinci is not able to meet its financial commitments at the required point in time. The basic premise of the liquidity risk management approach is to, as far as possible, maintain sufficient cash and cash equivalents to be able to meet current and future financial commitments, under normal and difficult circumstances, without incurring unacceptable losses or endangering MeDaVinci's reputation in the process. Management have a number of strategies for generating additional cash which include disposing of investments, seeking debt financing and additional equity share issues as appropriate.

MeDaVinci monitors its cash flows on a regular basis. A summary of the company's cash and cash equivalents is produced on a monthly basis. A yearly cash flow forecast is prepared every 6 months. These reports help ensure that MeDaVinci has access to sufficient liquid assets over the short as well as long term in order to meet its operating and financial commitments. The cash flow reports do not take extreme circumstances into consideration.

Notes to the Financial Statements

continued

14. FINANCIAL RISK MANAGEMENT (continued)

(d) ***Currency Risk***

Currency risk is the risk that MeDaVinci's income or the value of assets is adversely affected by fluctuations in exchange rates. The objective of managing currency risk is to maintain this risk within acceptable limits with an optimal return. MeDaVinci's conduct of business exposes the operation and the reported financial results and cash flows to risks due to fluctuating exchange rates.

MeDaVinci's investments in associates and loans to associates are denominated in Hungarian Forints (HUF) and Euros (EUR).

To mitigate the impact of currency exchange rate fluctuations, management continuously assesses its foreign currency exchange rate position. If required, a portion of these risks will be hedged with financial instruments, such as forward exchange transactions and currency options. Management did not consider the need to make use of such instruments during this or the previous financial year.

(e) ***Interest Rate Risk***

Interest rate risk is the risk that MeDaVinci's income or the value of assets is adversely affected by fluctuations in interest rates. The objective of managing interest rate risk is to maintain this risk within acceptable limits with an optimal return. Currently MeDaVinci is not exposed to interest bearing liabilities. Loans granted to associates, where applicable, are subject to fixed interest rates which expose the group to fair value interest rate risk.

There are no material differences between book value (amortised cost) and fair value at both balance sheet dates

An increase or decrease of 100 basis points in the interest rate effective 31 March 2010 and 2009 would not have had a material impact on equity and or operational results.

(f) ***Management of capital***

The directors refer to capital as the Company's net assets and liabilities.

MeDaVinci's policy is focused on maintaining the strong financial position needed to maintain the confidence of investors, creditors and markets and to safeguard the future development of business operations.

MeDaVinci strives to maintain healthy balance sheet ratios, with a solvency target exceeding 50%. This ratio is reviewed on a regular basis at board meetings. No changes were made to MeDaVinci's approach to managing its capital during the year under review.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Medavinci Plc will be held at The Pantechnicon, 2nd Floor, 10 Motcomb Street, London, SW1X 8LA on 16 November at 11.00 a.m. for the following purposes:

1. To receive and adopt the statement of accounts for the year ended 31 March 2010 together with the reports of the directors and the auditors thereon.

2. To re-elect Michael James Hough, who retires by rotation as a director.

3. To re-elect Adam Reynolds, who retires by rotation as a director.

4. To elect Michael Nolan, who was appointed since the last Annual General Meeting, as a director.

5. To re-appoint Messrs Jeffreys Henry LLP as auditors to act as such until the conclusion of the next General Meeting of the Company at which the requirements of section 437 of the Companies Act 2006 ("the Act") are complied with and to authorise the directors of the Company to fix their remuneration.

To consider, and if thought fit, pass the following resolutions of which resolution 6 will be proposed as an ordinary resolution and resolutions 7 and 8 as special resolutions:

ORDINARY RESOLUTION

6. That the directors be generally and unconditionally authorised in accordance with section 551 of the Act to allot shares in the Company and grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £491,840 equating to approximately 50 per cent of the issued ordinary share capital of the Company immediately following the passing of this resolution, provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire on the conclusion of the next annual general meeting of the Company, save that the Company may at any time before such expiry make an offer or agreement which might require shares to be allotted or Rights to be granted after such expiry and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority hereby conferred had not expired. This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the Act.

SPECIAL RESOLUTIONS

7. That, subject to and conditional upon the passing of resolution 6, the directors be generally empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash as if section 561(1) of the Act did not apply to any such allotment pursuant to the general authority conferred on them by Resolution 6 above (as varied from time to time by the Company in general meeting) PROVIDED THAT such power shall be limited to:

   (a) the allotment of equity securities in connection with a rights issue or any other pre-emptive offer in favour of holders of equity securities where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as may be) to the respective amounts of equity securities held by them subject only to such exclusions or other arrangements as the directors may consider appropriate to deal with fractional entitlements or legal or practical difficulties under the laws of or the requirements of any recognised regulatory body in any territory or otherwise; and

   (b) the allotment (otherwise than pursuant to sub paragraph (a) above) of equity securities up to an aggregate nominal amount of £491,840 equating to approximately 50 per cent of the issued ordinary share capital of the Company immediately following the passing of this resolution

Notice of Annual General Meeting

continued

and the power hereby conferred shall operate in substitution for and to the exclusion of any previous power given to the directors pursuant to section 570 of the Act and shall expire on the conclusion of the next annual general meeting of the Company (unless renewed varied or revoked by the Company prior to or on that date) 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 equity securities in pursuance of such offer or agreement notwithstanding that the power conferred by this resolution has expired.

8. That the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693 of the Act) of ordinary shares of 0.1p each in the capital of the Company ("**Ordinary Shares**") provided that:

   (a) the maximum number of Ordinary Shares authorised to be purchased is 146,799,150 equating to approximately 15 per cent. of the ordinary share capital of the Company immediately following the passing of this resolution;

   (b) the minimum price which may be paid for an Ordinary Share is 0.1p;

   (c) the maximum price which may be paid for an Ordinary Share is an amount equal to 105% of the average of the middle-market prices shown in the quotation for an Ordinary Share as derived from the Stock Exchange Alternative Trading Service of the London Stock Exchange for the 10 business days immediately preceding the day on which the Ordinary Share is purchased;

   (d) the authority hereby conferred shall expire on the earlier of the date falling fifteen months after this annual general meeting or the conclusion of the next annual general meeting; and

   (e) the Company may make a contract to purchase its Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such contract.

By Order of the Board

Paul Foulger
Company Secretary

Registered Office
14 Kinnerton Place South
London SW1X 8EH

29 September 2010

Notice of Annual General Meeting

continued

Notes:

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at 6 p.m. on 14 November 2010 shall be entitled to attend and vote at the Meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's registrars at the address set out in note 5(b). The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

5. To appoint a proxy using the proxy form, the form must be:

   (a) completed and signed;

   (b) sent or delivered to Capita Registrars at Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; and

   (c) received by Capita Registrars no later than at 11.00 am on 14 November 2010.

   In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

   Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

7. Members who have general queries about the Meeting should call Paul Foulger, the Company Secretary, on 020 7245 1100.

8. You may not use any electronic address to communicate with the Company for any purposes.

9. As at 5.00pm on the day immediately prior to the date of posting of this notice of Annual General Meeting, the Company's issued ordinary share capital comprised 978,660,817 ordinary shares of 0.1p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 5.00 p.m. on the day immediately prior to the date of posting of this notice of Annual General Meeting is 978,660,817.

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MEDAVINCI PLC

(the "Company")

FORM OF PROXY

FOR USE AT THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD AT THE OFFICES OF THE PANTECHNICON, 2ND FLOOR, 10 MOTCOMB STREET, LONDON, SW1X 8LA ON 16 NOVEMBER 2010 AT 11.00 A.M.

I/We (name(s) in full) ____(see note 1)
(BLOCK LETTERS)

of (address)____

being a holder(s) of shares in the Company hereby appoint

____

(*add the name of the proxy you wish to appoint here – see Note 3*) or failing him, the Chairman of the meeting, as my/our proxy to attend and, on a poll or on a show of hands, to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 11.00 a.m. on 16 November 2010, and at every adjournment thereof.

I/We direct the proxy to vote in respect of the resolution to be proposed as shown below.

RESOLUTIONS	FOR	AGAINST	VOTE WITHHELD
1. Ordinary resolution to receive and adopt the Accounts for the year ended 31 March 2010 together with the reports of the directors and auditors thereon.			
2. Ordinary resolution to re-elect Michael James Hough as a director of the Company.			
3. Ordinary resolution to re-elect Adam Reynolds as a director of the Company.			
4. Ordinary resolution to elect Michael Nolan as a director of the Company.			
5. Ordinary resolution to re-appoint Messrs Jeffreys Henry LLP as auditors and to authorise the directors of the Company to fix their remuneration.			
6. Ordinary Resolution to authorise the directors to allot shares in the Company and grant rights to subscribe for or to convert any security into shares in the Company pursuant to Section 551 of the Companies Act 2006 ("the **Act**").			
7. Special Resolution to disapply the pre-emption provision of Section 570 of the Act.			
8. Special Resolution that the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 693 of the Act).			

Please indicate with an "X" in the spaces provided how you wish your votes to be cast. If no specific direction is given the proxy will vote or abstain at his discretion.

Signature(s) or Common Seal: ______________________________ Dated: ____________________
(see notes 7 and 8)

Notes

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
2. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact Capita Registrars at the address at note 6 below.
5. To direct your proxy how to vote on the resolution mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. To appoint a proxy using this form, the form must be:
   - completed and signed;
   - sent or delivered to Capita Registrars at Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; and
   - received by Capita Registrars Limited no later than 11.00 a.m. on 14 November 2010.
7. In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
8. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members.
10. To change your proxy instructions simply submit a new proxy appointment using the method set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

    Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Registrars Limited at the address at note 6 above.

    If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
11. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Registrars at Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

    The revocation notice must be received by Capita Registrars Limited no later than 11.00 a.m. on 14 November 2010.

[PLEASE RETURN USING ADDRESSED ENVELOPE PROVIDED]

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