

Registered number 03950383

LionMedical Limited

Annual report and financial statements
for the year ended 31 December 2012



LionMedical Limited

Annual report and financial statements for the year ended 31 December 2012

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Directors' report for the year ended 31 December 2012

The directors present their report with the unaudited financial statements of the company for the year ended 31 December 2012

Principal activities

The profit and loss account for the year is set out on page 3

The principal activity of the company is the holding of investments in medical devices companies

Review of business and future developments

The company is supported by its parent company (see note 1 for further details)

The directors of Lombard Medical Technologies PLC manage the group's risks at a group level. For this reason, the Company's directors believe that a discussion of the Company's risks and key performance indicators would not be appropriate for an understanding of the development performance, or position of, LionMedical Limited's business. The principal group risks, uncertainties and business developments, which include those for this Company, are discussed in the group's business review in its annual report, which does not form part of this report

Dividends

The directors do not recommend the payment of a dividend for the year ended 31 December 2012 (2011: £nil)

Directors

The directors who held office during 2012 and up to the date of the signing of the financial statements were as follows

S Hubbert

I Ardill – appointed 23 January 2012

Directors' Responsibilities Statement

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

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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business (see note 1 under Accounting Policies)

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Directors' report

for the year ended 31 December 2012 (continued)

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

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the board

A handwritten signature in black ink, appearing to read 'Ian Ardill', written in a cursive style.

Ian Ardill
Company Secretary
8 April 2013

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Profit and loss account for the year ended 31 December 2012

	Notes	2012 £	2011 £
Impairment provision – investment	4	-	(850,000)
Result/(loss) on ordinary activities before taxation	2	-	(850,000)
Tax on ordinary activities	3	-	-
Result/(loss) for the financial year	7	-	(850,000)

All activity relates to continuing operations

There is no difference between the (loss)/result on ordinary activities before taxation and the (loss)/result for the years stated above, and their historical cost equivalents

The company has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented

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Balance sheet as at 31 December 2012

	Notes	2012 £	2011 £
Creditors amounts falling due after more than one year	5	(1)	(1)
Net liabilities		(1)	(1)
Capital and reserves			
Called up share capital	6	2,760,576	2,760,576
Profit and loss account deficit	7	(2,760,577)	(2,760,577)
Total shareholders' deficit	8	(1)	(1)

For the year ending 31 December 2012 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The financial statements on pages 3 to 8 were approved by the board of directors on 8 April 2012 and were signed on its behalf by



Ian Ardill
Director

LionMedical Limited registered in England no 03950383

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Notes to the financial statements for the year ended 31 December 2012

1 Principal accounting policies

The financial statements have been prepared in accordance with the Companies Act and applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, are set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention. The company is a wholly owned subsidiary of Lombard Medical Technologies PLC ('LMT') and the cash flows of the company are included in the consolidated group cash flow statement of LMT which is publicly available. Consequently the company is exempt under the terms of Financial Reporting Standard 1 (Revised), "Cash Flow Statements", from publishing a cash flow statement.

Basis of preparing the financial statements – financing

The Group has obtained regulatory approval in the United States for Aorfix™ on 14 February 2013 and intends to launch the product in the US market during 2013. The Group expects to incur more costs than will be recovered by revenues during this launch period and will continue to be loss making until sales increase to a sufficient level. This is not expected in the near term. Therefore based on current forecasts the Directors will have to raise additional funding, which has not yet been secured, prior to the period when the group becomes cash generative through these increased sales levels. The Directors are confident that they will be able to raise suitable additional funding and based on this the going concern basis has been adopted in the preparation of these financial statements.

These circumstances nonetheless represent a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Should the Group be unable to obtain further funding, adjustments would be required to reduce balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets as current assets.

Investments

Investments are carried at cost, together with any expenses of acquisition. Provisions are made against them if it is considered that a diminution in value has occurred.

Impairment of fixed assets

The carrying values of fixed assets are reviewed for impairment where there is an indication that the assets might be impaired. Impairment is determined by reference to the higher of net realisable value and value in use, which is measured by reference to discounted cash flows. Indicative net realisable value has been used in these financial statements due to the considerable uncertainties attaching to future cash flows. Any provision for impairment is charged in the profit and loss account for the year.

Deferred taxation

Deferred taxation is provided in full in respect of timing differences resulting in a liability. Deferred taxation assets are recognised when it is more likely than not that they will be realised.

Related party transactions

In preparing these financial statements, the directors have taken advantage of the exemption available under Financial Reporting Standard 8, Related Party Disclosures, and have not disclosed transactions with other group undertakings on the grounds that it is a wholly owned subsidiary of a group headed by Lombard Medical Technologies PLC.

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Notes to the financial statements

for the year ended 31 December 2012 (continued)

2 Loss on ordinary activities before taxation

There were no employees other than the 2 directors and no employment costs (2011 none) The directors receive no emoluments for their services from the company They are remunerated by Lombard Medical Technologies PLC and no specific recharge is made Their emoluments are shown in the financial statements of Lombard Medical Technologies PLC

Auditors' remuneration of £2,000 was borne by the parent company (2011 £2,000)

3 Taxation

Tax losses of approximately £1 million are available to be carried forward against future income No deferred tax asset has been recognised in respect of the losses to be carried forward as the directors consider that future realisation is uncertain

The tax assessed for the year is £nil (2011 £nil)

4 Fixed asset investments

	£
Cost	
At 1 January 2012 and at 31 December 2012	1,386,563
Provision for impairment	
At 1 January 2012 and at 31 December 2012	1,386,563
Net book value	
At 31 December 2012	-
At 31 December 2011	-

The company holds 9.4% (2011 9.4%) of the ordinary share capital of Vascular Concepts Holdings Limited, a company incorporated in the Isle of Man which is the holding company for companies engaged in the development and marketing of medical devices, principally in India. The investment is not readily realisable, being unquoted, and values can only be indicative of future prospects. The audited consolidated financial accounts of Vascular Concepts Holdings Limited record a profit before tax of £704,000 and a loss after tax of £1,173,000 for the year ended 31 March 2010 and net assets of £4,375,000 at that date. The audit opinion was qualified in respect of a limitation of scope relating to two subsidiary companies. Due to uncertainties regarding the after tax profitability of the investment and it not being readily realisable the investment has been fully provided against

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Notes to the financial statements for the year ended 31 December 2012 (continued)

5 Creditors: amounts falling due after more than one year

	2012	2011
	£	£
Amounts owed to group undertakings	1	1

The amounts owed to group undertakings have no fixed repayment date and are interest free

6 Share capital

	2012	2011
	£	£
Authorised, allotted called up and fully paid		
2,760,576 (2011 2,760,576) ordinary shares of £1 each	2,760,576	2,760,576

7 Profit and loss account deficit

	£
At 1 January 2012	(2,760,577)
Loss for the financial year	-
At 31 December 2012	(2,760,577)

8 Reconciliation of movements in total shareholders' (deficit)/funds

	2012	2011
	£	£
Loss for the financial year	-	(850,000)
Opening shareholders' funds	(1)	849,999
Closing shareholders' (deficit)/funds	(1)	(1)

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Notes to the financial statements for the year ended 31 December 2012 (continued)

9 Ultimate controlling party

The ultimate controlling party is considered to be Lombard Medical Technologies PLC, which is the company's immediate and ultimate parent company

The results of the company are reported within the consolidated financial statements of Lombard Medical Technologies PLC. Copies of these consolidated financial statements can be obtained from the Company Secretary at Lombard Medical House, 4 Trident Park, Didcot, Oxfordshire, OX11 7HJ