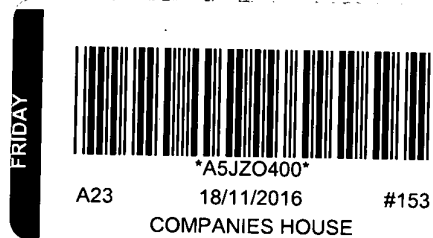


Registered number: 03950383

LionMedical Limited

**Annual report and financial statements
for the year ended 31 December 2015**



LionMedical Limited

Annual report and financial statements for the year ended 31 December 2015

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LionMedical Limited

Company Information

DIRECTORS

S Hubbert
W Kullback
P Phillips

COMPANY SECRETARY

W Kullback

REGISTERED NUMBER

03950383

REGISTERED OFFICE

Lombard Medical House
4 Trident Park
Basil Hill Road
Didcot, Oxfordshire
OX11 7HJ

LionMedical Limited

Directors' report for the year ended 31 December 2015

The directors present their annual report and the unaudited financial statements of the Company for the year ended 31 December 2015.

Principal activity, review of the business and future developments

LionMedical Limited is a private limited company incorporated in the United Kingdom under the Companies Act, and it is domiciled within the United Kingdom. Lombard Medical, Inc. is the ultimate parent of the Group to which the Company belongs. The Company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the year and preceding financial period. It is anticipated the Company will remain dormant for the foreseeable future.

The Company has chosen to present the financial statements in accordance with FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland', which entitles the Company to adopt the exemption in paragraph 35.10 of FRS 102 allowing the Company to retain its previous accounting policies, prepared under UK GAAP, until there is any change to balances or the Company undertakes new transactions.

The annual financial statements have not been audited because the Company is entitled to the exemption provided by section 480 of the Companies Act 2006 relating to dormant companies and its members have not required the Company to obtain an audit of these financial statements in accordance with section 476.

Dividends

The directors do not recommend the payment of a dividend on ordinary shares for the year ended 31 December 2015 (2014: £nil).

Going Concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Lombard Medical, Inc. The directors have received confirmation that Lombard Medical, Inc. intends to support the Company for at least one year after these financial statements are signed.

Based on management forecasts, Lombard Medical, Inc. expects to use up its current cash resources within three months. This projection is based on Lombard Medical, Inc.'s management expectations regarding product sales, cost structure, current cash burn rate and operating assumptions. Management of Lombard Medical, Inc. is currently exploring various other alternatives including debt and equity financing vehicles, strategic partnerships, a sale of the Company, as well as trying to generate additional sales and increase margins. However, at this time the Lombard Medical, Inc. has no commitments to obtain any additional funds, and there can be no assurance such funds will be available on acceptable terms or at all.

The failure of Lombard Medical, Inc. to obtain sufficient funds on acceptable terms when needed could have a material adverse effect on its ability to provide financial support to the Company and hence on the Company's business results of operations and financial condition. These circumstances represent a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not contain any adjustments that might result from the outcome of this uncertainty.

LionMedical Limited

Directors' report for the year ended 31 December 2015 (continued)

Principal risk and uncertainties

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.

Key performance indicators

The Company did not trade during the year and so there are no key performance indicators.

Directors

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

S Hubbert
W Kullback
P Phillips

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

It is the Group's policy to maintain indemnity insurance for Directors and officers.

On behalf of the board



William Kullback
Director & Company Secretary
14 November 2016

LionMedical Limited

Balance sheet As at 31 December

| | Note | 2015 £ | 2014 £ |
|---|----------|-------------|-------------|
| 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 2015 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 4 to 8 were approved by the Board on 14 November 2016 and were signed on its behalf by:



William Kullback
Director

LionMedical Limited registered in England number: 03950383

LionMedical Limited

Notes to the financial statements for the year ended 31 December 2015

1 General information

LionMedical Limited is a private limited company incorporated in the United Kingdom under the Companies Act, and it is domiciled within the United Kingdom. Lombard Medical, Inc. is the ultimate parent of the Group to which the Company belongs.

The address of the Company's registered office is Lombard Medical House, 4 Trident Park, Basil Hill Road, Didcot, Oxfordshire OX11 7HJ. The Company's registered number is 03950383.

2 Summary of principal accounting policies

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' ("FRS 102"), as issued by the Financial Reporting Council becomes effective for accounting periods beginning on or after 1 January 2015. The Company has undergone transition from reporting under United Kingdom Accounting Standards ("UK GAAP") to FRS 102 during the period.

As permitted by paragraph 35.10 of FRS 102, the Company has taken advantage of the exemption available under that standard in relation to the retention of the Company's previous accounting policies until there is any change to balances or the Company undertakes new transactions.

The key accounting policies, which have been applied consistently, are set out below:

Basis of accounting

The financial statements of LionMedical Limited have been prepared under the historical cost convention. As set out in the Directors' report, the board of directors have assessed the ability of the Company to continue as a going concern and these financial statements have been prepared on a going concern basis. The financial statements are presented in Pounds Sterling (£), which is also the Company's functional currency.

Cash flow statement

In accordance with the dormant company exemption allowed by FRS 102, a cash flow statement for the Company has not been provided.

Parent company

These financial statements are separate financial statements. Details of the ultimate parent of the Group, Lombard Medical, Inc. ('LM Inc.'), in whose consolidated financial statements the Company is included are publicly available. See Note 9 for details of the ultimate parent company.

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.

LionMedical Limited

Notes to the financial statements for the year ended 31 December 2015 (continued)

2 Summary of principal accounting policies (continued)

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 disclosures

In accordance with the dormant company exemption allowed by FRS 102, the Company is not required to disclose related party transactions with other Lombard Medical, Inc. Group undertakings.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Lombard Medical, Inc. The directors have received confirmation that Lombard Medical, Inc. intends to support the Company for at least one year after these financial statements are signed.

Based on management forecasts, Lombard Medical, Inc. expects to use up its current cash resources within three months. This projection is based on Lombard Medical, Inc.'s management expectations regarding product sales, cost structure, current cash burn rate and operating assumptions. Management of Lombard Medical, Inc. is currently exploring various other alternatives including debt and equity financing vehicles, strategic partnerships, a sale of the Company, as well as trying to generate additional sales and increase margins. However, at this time the Lombard Medical, Inc. has no commitments to obtain any additional funds, and there can be no assurance such funds will be available on acceptable terms or at all.

The failure of Lombard Medical, Inc. to obtain sufficient funds on acceptable terms when needed could have a material adverse effect on its ability to provide financial support to the Company and hence on the Company's business results of operations and financial condition. These circumstances represent a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not contain any adjustments that might result from the outcome of this uncertainty.

3 Operating result

The Company has been dormant throughout the year and the preceding financial period and, as such, has no operating profit or loss (2014: £nil).

4 Directors' remuneration and employees

The Company had no employees during the year ended 31 December 2015 (2014: nil).

The directors receive no emoluments for their services from the Company (2014: £nil). Their emoluments are shown in the financial statements of Lombard Medical, Inc.

5 Taxation

Tax losses of approximately £0.8 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 (2014: £nil).

LionMedical Limited

Notes to the financial statements for the year ended 31 December 2015 (continued)

6 Fixed asset investments

Amounts owed to Group undertakings are unsecured, interest free, have no fixed repayment date and are repayable upon demand.

| | £ |
|---|-----------|
| Cost | |
| At 1 January 2015 and at 31 December 2015 | 1,386,563 |
| Provision for impairment | |
| At 1 January 2015 and at 31 December 2015 | 1,386,563 |
| Net book value | |
| At 31 December 2015 | – |
| At 31 December 2014 | – |

The company holds 9.4% (2014: 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. Due to uncertainties regarding the after tax profitability of the investment and it not being readily realisable the investment has been fully provided against.

7 Creditors: amounts falling due after more than one year

| | 31 December 2015 | 31 December 2014 |
|------------------------------------|---------------------|---------------------|
| | £ | £ |
| Amounts owed to Group undertakings | 1 | 1 |

Amounts owed to Group undertakings are unsecured, interest free and have no fixed repayment date.

LionMedical Limited

Notes to the financial statements for the year ended 31 December 2015 (continued)

8 Called up share capital

| | 31 December 2015 | 31 December 2014 |
|--|---------------------|---------------------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| 2,760,576 (2014: 2,760,576) ordinary shares of £1 each | 2,760,576 | 2,760,576 |

The Company is authorised to issue 2,760,576 ordinary shares.

9 Profit and loss account deficit

| | £ |
|-----------------------------|--------------------|
| At 1 January 2015 | (2,760,577) |
| Loss for the financial year | – |
| At 31 December 2015 | (2,760,577) |

10 Reconciliation of movements in total shareholders' deficit

| | 2015 | 2014 |
|-------------------------------------|------|------|
| | £ | £ |
| Opening total shareholders' deficit | (1) | (1) |
| Profit for the financial year | – | – |
| Closing total shareholders' deficit | (1) | (1) |

11 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Lombard Medical Technologies Limited (formerly Lombard Medical Technologies PLC).

The ultimate controlling party and the smallest and largest Group to consolidate these financial statements is Lombard Medical, Inc., a company registered in the Cayman Islands. Copies of Lombard Medical, Inc. consolidated financial statements can be obtained from the Company secretary at Lombard Medical House, 4 Trident Park, Didcot, Oxfordshire, OX11 7HJ or on the website at www.lombardmedical.com.