

Registered number 05052016

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## **ZEOMEDICAL PLC**

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### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2012**

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## **ZEOMEDICAL PLC**

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### **COMPANY INFORMATION**

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<b>Directors</b>	R Smith F Lewis N Lyons (resigned 25 January 2012)
<b>Company secretary</b>	Buckingham Corporate Services Limited
<b>Company number</b>	05052016
<b>Registered office</b>	42 Welbeck Street London W1G 8DU
<b>Auditors</b>	Nyman Libson Paul Statutory Auditors and Chartered Accountants Regina House 124 Finchley Road London NW3 5JS

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**ZEOMEDICAL PLC**

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## **ZEOMEDICAL PLC**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 29 FEBRUARY 2012**

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The directors present their report and the financial statements for the year ended 29 February 2012

#### **Principal activities**

The principal activity of the company is to develop, produce and market a range of natural health supplements

#### **Business review**

The directors of Zeomedical are delighted with the progress of the company and anticipate an admission date to PLUS Markets in the very near future. Once listed on PLUS the company will have sufficient funds to continue its product research and development and will look forward, subject to successful research and development, to introducing new products to the market.

#### **Results**

The loss for the year, after taxation, amounted to £58,222 (2011 - loss £9,612)

#### **Directors**

The directors who served during the year were

R Smith  
F Lewis  
N Lyons (resigned 25 January 2012)

#### **Financial instruments**

The company's financial instruments comprise a bank balance and convertible loan stock. The purpose of these instruments is to finance the company's operations. Due to the nature of the financial instruments used by the company there is no exposure to price risk or credit risk. The company manages its exposure to cash flow risk and liquidity risk by ensuring that funds are available to meet liabilities as they fall due.

#### **Company's policy for payment of creditors**

The company's policy is to agree terms of payment with suppliers in advance of each transaction, to ensure that suppliers are made aware of the terms of payment, and to abide by the terms of payment.

Trade creditors at the year end represented 45 days' purchases. There were no trade creditors at 28 February 2011.

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

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## ZEOMEDICAL PLC

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### DIRECTORS' REPORT FOR THE YEAR ENDED 29 FEBRUARY 2012

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

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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditors

The auditors, Nyman Libson Paul, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

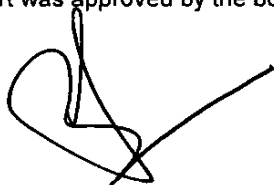
#### Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.

This report was approved by the board on 28<sup>th</sup> August 2012 and signed on its behalf

F Lewis  
Director



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## **ZEOMEDICAL PLC**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ZEOMEDICAL PLC**

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We have audited the financial statements of Zeomedical PLC for the year ended 29 February 2012, set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the directors' responsibilities statement, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 29 February 2012 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Emphasis of matter**

Without qualifying our opinion, we draw your attention to note 1 in the financial statements which indicates that the company has net liabilities at the balance sheet date of £67,834. These circumstances which are detailed fully in note 1 indicate the existence of a material uncertainty in connection with the company's ability to continue as a going concern.

#### **Opinion on other matter 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.

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**ZEOMEDICAL PLC**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ZEOMEDICAL PLC**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Richard Paul (senior statutory auditor)

for and on behalf of  
**Nyman Libson Paul**

Statutory Auditors and Chartered Accountants

Regina House  
124 Finchley Road  
London  
NW3 5JS

28 August 2012

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**ZEOMEDICAL PLC**

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**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 29 FEBRUARY 2012**

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	Note	2012 £	2011 £
Administrative expenses		(58,222)	(9,612)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(58,222)</b>	<b>(9,612)</b>
Tax on loss on ordinary activities		-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	<b>8</b>	<b>(58,222)</b>	<b>(9,612)</b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

The notes on pages 9 to 13 form part of these financial statements



**ZEOMEDICAL PLC**  
**REGISTERED NUMBER: 05052016**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 29 FEBRUARY 2012**

	Note	29 February 2012 £	28 February 2011 £
<b>CURRENT ASSETS</b>			
Cash at bank		89,344	140,388
<b>CREDITORS: amounts falling due within one year</b>	6	<u>(157,178)</u>	<u>(150,000)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(67,834)</u>	<u>(9,612)</u>
<b>NET LIABILITIES</b>		<u><u>(67,834)</u></u>	<u><u>(9,612)</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	55,845	55,845
Share premium account	8	722	722
Profit and loss account	8	<u>(124,401)</u>	<u>(66,179)</u>
<b>SHAREHOLDERS' DEFICIT</b>	9	<u><u>(67,834)</u></u>	<u><u>(9,612)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

28 August 2012



**F Lewis**  
Director

The notes on pages 9 to 13 form part of these financial statements

**ZEOMEDICAL PLC**  
**REGISTERED NUMBER. 05052016**

**COMPANY BALANCE SHEET**  
**AS AT 29 FEBRUARY 2012**

	Note	29 February 2012 £	28 February 2011 £
<b>FIXED ASSETS</b>			
Investments	4	2	2
<b>CURRENT ASSETS</b>			
Cash at bank		89,344	140,388
<b>CREDITORS</b> amounts falling due within one year	6	(157,180)	(150,002)
<b>NET CURRENT LIABILITIES</b>		(67,836)	(9,614)
<b>NET LIABILITIES</b>		(67,834)	(9,612)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	55,845	55,845
Share premium account	8	722	722
Profit and loss account	8	(124,401)	(66,179)
<b>SHAREHOLDERS' DEFICIT</b>	9	(67,834)	(9,612)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

28 August 2012

**F Lewis**  
 Director



The notes on pages 9 to 13 form part of these financial statements

**ZEOMEDICAL PLC**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 29 FEBRUARY 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	10	(51,044)	(9,612)
<b>CASH OUTFLOW BEFORE FINANCING</b>		<u>(51,044)</u>	<u>(9,612)</u>
Financing	11	-	150,000
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<u><u>(51,044)</u></u>	<u><u>140,388</u></u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 29 FEBRUARY 2012**

	2012 £	2011 £
(Decrease)/Increase in cash in the year	(51,044)	140,388
Cash inflow from increase in debt and lease financing	-	(150,000)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<u>(51,044)</u>	<u>(9,612)</u>
Net debt at 1 March 2011	(9,612)	-
<b>NET DEBT AT 29 FEBRUARY 2012</b>	<u><u>(60,656)</u></u>	<u><u>(9,612)</u></u>

The notes on pages 9 to 13 form part of these financial statements

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## ZEOMEDICAL PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2012

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

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

##### 1.2 Basis of consolidation

The financial statements consolidate the accounts of Zeomedical PLC and all of its subsidiary undertakings ('subsidiaries')

The results of subsidiaries acquired during the year are included from the effective date of acquisition

##### 1.3 Investments

Investments in subsidiaries are valued at cost less provision for impairment

##### 1.4 Going concern

The company shows net liabilities at the balance sheet date of £67,834. The shareholders have agreed to provide funds to meet the liabilities of the company as they fall due until the company is admitted to the PLUS Markets. Once listed on PLUS the directors believe that the company will have sufficient funding to continue trading and to continue its product research and development. The directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

Should such support be withdrawn, the company may be unable to continue trading and adjustments would have to be made to reduce the value of assets to their recoverable amount and to provide for any further liabilities which may arise.

##### 1.5 Convertible loan stock

Convertible loan stock is recorded at the amount of the net proceeds. Any finance costs representing the difference between the net proceeds and the redemption value of the loan will be charged to the profit and loss account at a constant rate over the period to redemption.

#### 2. LOSS

During the year, no director received any emoluments (2011 - £NIL)

#### 3. STAFF COSTS

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

	2012 No	2011 No
Directors	<u>3</u>	<u>3</u>

# ZEOMEDICAL PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2012

### 4. FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 March 2011 and 29 February 2012	2
Net book value	
At 29 February 2012	2
At 28 February 2011	2

### 5. SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Zeolite Research Company Limited	England	100%	Dormant company
Zeolite Trading Limited	England	100%	Dormant company

### 6. CREDITORS

Amounts falling due within one year

	Group		Company	
	29 February 2012 £	28 February 2011 £	29 February 2012 £	28 February 2011 £
Convertible loan stock	150,000	150,000	150,000	150,000
Trade creditors	7,178	-	7,178	-
Amounts owed to group undertakings	-	-	2	2
	157,178	150,000	157,180	150,002

On 31 January 2011, the company issued £150,000 of convertible loan stock. The loan stock is unsecured and interest free. The company has the right to redeem the loan stock at any time. The company will repay the stockholders on 26 January 2013 unless the loan stock has been previously converted or repaid by that date.

The stockholders were entitled, but not obliged, to convert the loan stock at any time from the date of the preliminary announcement of the results of the company for the 2011 financial year end. Unless otherwise previously converted, all of the loan stock will automatically convert on the first working day following the three day notice of listing of the company.

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**ZEOMEDICAL PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2012**

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**7. SHARE CAPITAL**

	29 February 2012 £	28 February 2011 £
<b>Allotted, called up and fully paid</b>		
55,844,400 Ordinary shares of £0.001 each	55,845	55,845

**8. RESERVES**

	Share premium account £	Profit and loss account £
<b>Group</b>		
At 1 March 2011	722	(66,179)
Loss for the year	-	(58,222)
At 29 February 2012	722	(124,401)
<b>Company</b>		
At 1 March 2011	722	(66,179)
Loss for the year	-	(58,222)
At 29 February 2012	722	(124,401)

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**ZEOMEDICAL PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2012**

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**9 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	29 February 2012 £	28 February 2011 £
<b>Group</b>		
Opening shareholders' deficit	(9,612)	-
Loss for the year	(58,222)	(9,612)
	<u>(67,834)</u>	<u>(9,612)</u>
Closing shareholders' deficit	<u>(67,834)</u>	<u>(9,612)</u>
	29 February 2012 £	28 February 2011 £
<b>Company</b>		
Opening shareholders' deficit	(9,612)	-
Loss for the year	(58,222)	(9,612)
	<u>(67,834)</u>	<u>(9,612)</u>
Closing shareholders' deficit	<u>(67,834)</u>	<u>(9,612)</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account

The loss for the year dealt with in the accounts of the company was £58,222 (2011 - £9,612)

**10. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2012 £	2011 £
Operating loss	(58,222)	(9,612)
Increase in creditors	7,178	-
	<u>(51,044)</u>	<u>(9,612)</u>
<b>Net cash outflow from operating activities</b>	<u>(51,044)</u>	<u>(9,612)</u>

**11. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2012 £	2011 £
<b>Financing</b>		
Other new loans	-	150,000
	<u>-</u>	<u>150,000</u>

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**ZEOMEDICAL PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2012**

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**12. ANALYSIS OF CHANGES IN NET DEBT**

	1 March 2011 £	Cash flow £	Other non-cash changes £	29 February 2012 £
Cash at bank and in hand	140,388	(51,044)	-	89,344
<b>Debt</b>				
Debts due within one year	(150,000)	-	-	(150,000)
<b>Net debt</b>	<u>(9,612)</u>	<u>(51,044)</u>	<u>-</u>	<u>(60,656)</u>

**13. CONTROLLING PARTY**

There is no controlling party as none of the shareholders have a large enough individual share in the company