

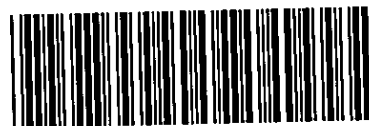
3E Development Limited

UNAUDITED FINANCIAL STATEMENTS

for the year ended

31 December 2008

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COMPANIES HOUSE

Company Registration No. SC160955

3E Development Limited

COMPANY INFORMATION

DIRECTORS	T J Williams R Y Brown P Torrie S Evans H Uberoi
SECRETARY	Lycidas Secretaries Limited
COMPANY NUMBER	SC160955
REGISTERED OFFICE	c/o McClure Naismith Nova House 3 Ponton Street Edinburgh Great Britain EH3 9QQ
ACCOUNTANTS	Baker Tilly Tax and Accounting Limited Marlborough House Victoria Road South Chelmsford Essex CM1 1LN

3E Development Limited

DIRECTORS' REPORT

For the year ended 31 December 2008

The directors present their report and financial statements for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were those of holding company of 3E Europe Limited and Ciris Healthcare Limited and owning the patent and intellectual property rights for the XXEN and Ciris products.

DIRECTORS

The following directors have held office since 1 January 2008:

T J Williams

R Y Brown

P Torrie

S Evans

H Uberoi

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



T J Williams

DIRECTOR

14.10.09.

3E Development Limited

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE Unaudited financial statements of 3E Development Limited


In accordance with the engagement letter dated 8 August 2006, and in order to assist you to fulfil your duties under the Companies Acts 1985 to 2006, we have compiled the financial statements of 3E Development Limited which comprise the Profit and Loss Account, Balance Sheet and the related notes as set out on pages 3 to 9 from the accounting records and information and explanations you have given to us.

Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to you that we have done so, and state those matters we have agreed to state to you in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 December 2008 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Acts 1985 to 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



BAKER TILLY TAX AND ACCOUNTING LIMITED

Chartered Accountants
Marlborough House
Victoria Road South
Chelmsford
Essex
CM1 1LN

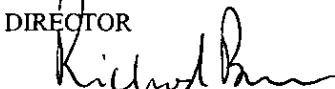
16 October 2009

DIRECTORS' CONFIRMATION

On behalf of the board of directors, I acknowledge that it is the responsibility of the directors for ensuring the company maintains proper accounting records and preparing financial statements which give a true and fair view and have been prepared in accordance with the Companies Acts 1985 to 2006.

I have accepted the draft financial statements set out on pages 3 to 9, and confirm that all information and explanations relevant to their compilation have been made available.

R Y Brown
DIRECTOR



14.10.09

3E Development Limited

UNAUDITED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2008

	Notes	2008 £	2007 £
Other operating expenses	1	(201,037)	(99,925)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(201,037)</u>	<u>(99,925)</u>
Taxation	2	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	6	<u>(201,037)</u>	<u>(99,925)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

3E Development Limited

UNAUDITED BALANCE SHEET

As at 31 December 2008


	Notes	2008 £	2007 £
FIXED ASSETS			
Investments	3	2	2
CURRENT ASSETS			
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	4	(200)	(200)
NET CURRENT LIABILITIES		(200)	(200)
NET LIABILITIES		(198)	(198)
CAPITAL AND RESERVES			
Called up share capital	5	29,349	14,675
Share premium account	6	1,533,991	1,347,628
Profit and loss account	6	(1,563,538)	(1,362,501)
SHAREHOLDERS' FUNDS	7	(198)	(198)

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 3 to 9 were approved by the board of directors and authorised for issue on 14.10.09 and are signed on its behalf by:



R Y Brown
DIRECTOR

3E Development Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention.

INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value.

GROUP ACCOUNTS

The company and its subsidiary undertakings comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

3E Development Limited

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

1	OTHER OPERATING EXPENSES	2008 £	2007 £
	Administrative expenses	201,037	99,925
2	TAXATION	2008 £	2007 £
	UK Corporation tax		
	Current tax on loss of the period	-	-
	CURRENT TAX CHARGE	-	-
FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR			
The tax assessed for the year is higher than the standard rate of corporation tax (21%) as explained below:			
	Loss on ordinary activities before taxation	(201,037)	(99,925)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2007 - 20.00%)	(42,218)	(19,985)
	Effects of:		
	Non deductible expenses	42,218	19,985
		42,218	19,985
	CURRENT TAX CHARGE	-	-

The company has estimated losses of £91 (2007 - £91) available for carry forward against future non-trading profits.

A deferred tax asset of £7,422 has not been provided for due to the uncertainty of when the losses will be utilised.

3E Development Limited

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2008

3 FIXED ASSET INVESTMENTS

	Shares in group undertakings and participating interests
	£
COST	
At 1 January 2008 & at 31 December 2008	30,041
PROVISIONS FOR DIMINUTION IN VALUE	
At 1 January 2008 & at 31 December 2008	30,039
NET BOOK VALUE	
At 31 December 2008	2
At 31 December 2007	2

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

COMPANY	Country of registration or incorporation	Shares held Class	%
SUBSIDIARY UNDERTAKINGS			
3E Europe Limited	United Kingdom	Ordinary	100.00
Ciris Healthcare Limited	United Kingdom	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2008 £	Profit for the year 2008 £
	Principal activity		
3E Europe Limited	Sales of Ciris products	(1,602,098)	(207,464)
Ciris Healthcare Limited	Dormant	1	-

4	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2008 £	2007 £
	Other creditors	200	200

3E Development Limited

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2008

5 SHARE CAPITAL	2008 £	2007 £
AUTHORISED		
750,000 Ordinary 'A' shares of 10p each	75,000	22,500
750,000 Ordinary 'B' shares of 10p each	75,000	22,500
	<u>150,000</u>	<u>45,000</u>
 ALLOTTED, CALLED UP AND FULLY PAID		
180,550 Ordinary 'A' shares of 10p each	18,055	9,582
112,940 Ordinary 'B' shares of 10p each	11,294	5,093
	<u>29,349</u>	<u>14,675</u>
 EQUITY SHARES		
180,550 Ordinary 'A' shares of 10p each	18,055	9,582
112,940 Ordinary 'B' shares of 10p each	11,294	5,093
	<u>29,349</u>	<u>14,675</u>

During the year the company issued 84,734 'A' shares and 62,008 'B' shares at a premium of £1.27 each (2007:42,695 'A' shares and 30,779 'B' shares at a premium of £1.26 each), giving proceeds of £201,037.

The 'A' and 'B' ordinary shares rank pari passu in all respects.

6 RESERVES	Share premium account £	Profit and loss account £
Balance at 1 January 2008	1,347,628	(1,362,501)
Loss for the year	-	(201,037)
Premium on shares issued during the year	186,363	-
	<u>1,533,991</u>	<u>(1,563,538)</u>

3E Development Limited

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2008

7	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2008 £	2007 £
	Loss for the financial year	(201,037)	(99,925)
	Proceeds from issue of shares	201,037	99,925
		<hr/>	<hr/>
	Net depletion in shareholders' funds	-	-
	Opening shareholders' funds	(198)	(198)
		<hr/>	<hr/>
	Closing shareholders' funds	(198)	(198)
		<hr/>	<hr/>

8 CONTINGENT LIABILITIES

The company has given an undertaking to provide financial support to its subsidiary companies, 3E Europe Limited and Ciris Healthcare Limited, for a period of twelve months from the date of these financial statements.

9 RELATED PARTY TRANSACTIONS

During the year the amount owed by 3E Europe Limited a 100% subsidiary of 3E Development Limited increased by £201,037 (2007: £99,925). At the year end 3E Europe Limited owes 3E Development Limited £1,507,144 (2007: £1,306,107). As at the year end £1,507,144 had been provided against (2007: £1,306,107).