

Lamellar Biomedical Ltd

Registered number: SC312123

Abbreviated accounts

For the year ended 30 June 2011

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COMPANIES HOUSE

LAMELLAR BIOMEDICAL LTD

INDEPENDENT AUDITORS' REPORT TO LAMELLAR BIOMEDICAL LTD UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 2 to 6, together with the financial statements of Lamellar Biomedical Ltd for the year ended 30 June 2011 prepared under section 396 of the Companies Act 2006.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion on financial statements

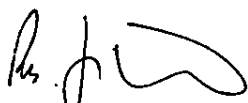
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts on pages 2 to 6 have been properly prepared in accordance with the regulations made under that section.

Emphasis of matter

On 7 November 2011 we reported as auditors to the company on the financial statements prepared under section 396 of the Companies Act 2006 and included the following statement:

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures in note 1, under the heading Going Concern. The company is dependent on obtaining sufficient funding for the foreseeable future and therefore the adoption of the going concern basis assumes that the company reaches a satisfactory conclusion to its current funding negotiations.

These conditions indicate the existence of a material uncertainty which may cast doubt over the company's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments which would result if the company was unable to continue as a going concern.



P B Jibson (Senior Statutory Auditor)

for and on behalf of Mazars LLP
Chartered accountants and Registered auditors

90 St Vincent Street
Glasgow
G2 5UB

7 November 2011

LAMELLAR BIOMEDICAL LTD

Registered number: SC312123

**ABBREVIATED BALANCE SHEET
AS AT 30 JUNE 2011**

	Note	£	2011 £	£	2010 £
Fixed assets					
Intangible assets	3		204,000		216,750
Tangible assets	4		14,489		19,249
			<u>218,489</u>		<u>235,999</u>
Current assets					
Debtors		57,447		95,251	
Cash at bank and in hand		114,513		78,488	
		<u>171,960</u>		<u>173,739</u>	
Creditors: amounts falling due within one year	5	(807,217)		(627,937)	
Net current liabilities			(635,257)		(454,198)
Total assets less current liabilities			<u>(416,768)</u>		<u>(218,199)</u>
Capital and reserves					
Called up share capital	6		462		405
Share premium account			1,922,324		1,580,081
Profit and loss account			<u>(2,339,554)</u>		<u>(1,798,685)</u>
Shareholders' deficit			<u>(416,768)</u>		<u>(218,199)</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf on 2 November 2011.


A C G Mackie
Director

The notes on pages 3 to 6 form part of these financial statements.

LAMELLAR BIOMEDICAL LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011

1. Accounting policies

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Going concern

These Financial Statements have been prepared on a going concern basis which assumes that the company is able to realise its assets and discharge its liabilities in the normal course of business.

The company has arranged a short term loan facility with existing shareholders, Barwell PLC, Scottish Enterprise Co-Investment Fund and various TriCapital members. The directors have also engaged the services of a broker, with a view to accessing additional funding sources to cover the company's requirements over the next few years. This work is being led by Dr Iain McDougall, the commercial director recently appointed to the company. The directors expect these negotiations to be successful and to be able to ensure the continued trading of the company including the progressing of the company's R&D programme on a focused basis.

Therefore, the directors consider it appropriate to prepare the Financial Statements on a going concern basis as they expect the company to have sufficient funding to enable it to meet its liabilities as they fall due.

1.3 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of intangible assets, less their estimated residual value, over their expected useful lives on the following basis:

Amortisation is provided at the following rates:

Patents	-	5% straight line
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1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

1.5 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

LAMELLAR BIOMEDICAL LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011

1. Accounting policies (continued)

1.6 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the profit and loss account.

	2011 £	2010 £
Amortisation - intangible fixed assets	12,750	12,750
Depreciation of tangible fixed assets:		
- owned by the company	4,647	8,198
Auditors' remuneration	3,200	3,100
Auditors' remuneration - non-audit	11,300	10,943
Directors' emoluments	162,958	155,220
Pension costs	1,386	4,184
Research and development expenditure written off	<u>192,349</u>	<u>243,435</u>

2. Director's remuneration

	2011 £	2010 £
Aggregate emoluments	<u>171,277</u>	<u>142,536</u>

During the year retirement benefits were accruing to 1 director (2010 - 1) in respect of money purchase pension schemes.

Dr D Lawrence, S Taylor and A C G Mackie were granted share options to purchase 752,301 and 226 A ordinary shares of 1p each respectively at a price of £50.35 per share. The option period is from 16 May 2008 to 15 May 2018.

LAMELLAR BIOMEDICAL LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011

3. Intangible fixed assets

	£
Cost	
At 1 July 2010 and 30 June 2011	255,000
Amortisation	
At 1 July 2010	38,250
Charge for the year	12,750
At 30 June 2011	51,000
Net book value	
At 30 June 2011	204,000
At 30 June 2010	216,750

4. Tangible fixed assets

	£
Cost	
At 1 July 2010	40,590
Additions	930
Disposals	(24,566)
At 30 June 2011	16,954
Depreciation	
At 1 July 2010	21,341
Charge for the year	2,465
On disposals	(21,341)
At 30 June 2011	2,465
Net book value	
At 30 June 2011	14,489
At 30 June 2010	19,249

5. Creditors: Amounts falling due within one year

The company has issued convertible loan notes totaling £75,000 to Scottish Enterprise, and £215,000 to Barwell Plc, both existing shareholders, and the loan notes were secured by a bond and floating charge.

LAMELLAR BIOMEDICAL LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011

6. Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
10,000 Ordinary shares shares of £0.01 each	100	100
36,205 (2010 - 30,500) Ordinary 'A' shares shares of £0.01 each	362	305
	<hr/>	<hr/>
	462	405
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In 2011, the company issued 5,705 £0.01 'A' ordinary shares for a total consideration of £342,300, included within this consideration was £342,243 of a share premium.