

Lamellar Biomedical Ltd

Registered number: SC312123

Abbreviated accounts

For the year ended 30 June 2009

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COMPANIES HOUSE

LAMELLAR BIOMEDICAL LTD

INDEPENDENT AUDITOR'S 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 5, together with the financial statements of Lamellar Biomedical Ltd for the year ended 30 June 2009 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

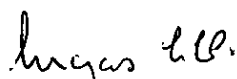
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with the regulations made under that section.

On 26 March 2010, we reported as auditor to the members of the company on the financial statements prepared under section 396 of the Companies Act 2006 and our report included the following paragraph.

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure in note 1 to the abbreviated accounts, under the heading Going Concern. The company is dependant 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.



**Mazars LLP, Chartered Accountants (Statutory auditor)
R M Downie (senior statutory auditor)**

90 St Vincent Street
Glasgow
G2 5UB

26 March 2010

LAMELLAR BIOMEDICAL LTD

Registered number: SC312123

**ABBREVIATED BALANCE SHEET
AS AT 30 JUNE 2009**

	Note	£	2009 £	£	2008 £
Fixed assets					
Intangible fixed assets	2		229,500		242,250
Tangible fixed assets	3		27,447		24,469
			<u>256,947</u>		<u>266,719</u>
Current assets					
Debtors		61,732		48,385	
Cash at bank and in hand		287,166		530,613	
		<u>348,898</u>		<u>578,998</u>	
Creditors: amounts falling due within one year	4	(208,628)		(64,282)	
Net current assets			<u>140,270</u>		<u>514,716</u>
Total assets less current liabilities			<u>397,217</u>		<u>781,435</u>
Creditors: amounts falling due after more than one year			<u>(1,011)</u>		<u>-</u>
Net assets			<u><u>396,206</u></u>		<u><u>781,435</u></u>
Capital and reserves					
Called up share capital	5		405		357
Share premium account			1,580,081		1,295,609
Profit and loss account			<u>(1,184,280)</u>		<u>(514,531)</u>
Shareholders' funds			<u><u>396,206</u></u>		<u><u>781,435</u></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 26 March 2010.


A C G Mackie
Director

The notes on pages 3 to 5 form part of these financial statements.

LAMELLAR BIOMEDICAL LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2009

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 Barwell Plc, a founding shareholder, and the terms of this facility will be submitted to shareholders for approval in the event that Mr W S Morrison continues to default on his commitments (refer note 6) and the company is obliged to call down further advances. The directors are also in active discussion with an investment bank with a view to seeking out additional funding sources who may be able to provide funds to cover the company's requirements over the next few years. Whilst this will mean delays to the company's R&D programme, the directors expect to be able to ensure the continued trading of the company.

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:

Plant & machinery	-	20% straight line
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1.5 Operating leases

Rentals under operating leases are charged 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 2009

1. Accounting policies (continued)

1.6 Research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

2. Intangible fixed assets

	£
Cost	
At 1 July 2008 and 30 June 2009	255,000
Amortisation	
At 1 July 2008	12,750
Charge for the year	12,750
At 30 June 2009	25,500
Net book value	
At 30 June 2009	229,500
At 30 June 2008	242,250

3. Tangible fixed assets

	£
Cost	
At 1 July 2008	29,703
Additions	10,886
At 30 June 2009	40,589
Depreciation	
At 1 July 2008	5,234
Charge for the year	7,908
At 30 June 2009	13,142
Net book value	
At 30 June 2009	27,447
At 30 June 2008	24,469

LAMELLAR BIOMEDICAL LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2009

4. Creditors: Amounts falling due within one year

During the year the company issued convertible loan notes totaling £94,620 to Scottish Enterprise, an existing shareholder, the loan notes were secured by a bond and floating charge.

5. Share capital

	2009 £	2008 £
Allotted, called up and fully paid		
10,000 Ordinary shares shares of 1p each	100	100
30,485 (2008 - 25,743) Ordinary 'A' shares shares of 1p each	305	257
	<hr/>	<hr/>
	405	357
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In 2009, the company issued 4,742 £0.01 'A' ordinary shares for a total consideration of £284,520.

6. Post balance sheet events

Scottish Enterprise have agreed to convert the £94,620 loan notes and associated interest of £3,030 into £9,140 £0.01 'A' Ordinary Shares in terms of an agreement dated 10th September 2009. This transaction remains to be crystallised pending satisfactory completion of the unimplemented investment agreement also dated 10th September 2009.

In terms of the investment agreement that was signed on 10th September 2009 but remains unimplemented, there were to have been issued a further £17,857 £0.01 'A' Ordinary Shares for a total consideration of £1,071,420 of which £937,500 was to be subscribed by Mr W S Morrison. The balance of subscription monies, £133,920, was received by the company's lawyers but was only to be invested when Mr W S Morrison completed his part of the transaction. As at the date of completion of these accounts, Mr Morrison's subscription money has not been received. The company is in consultation with Mr Morrison in relation to his outstanding contractual obligations and in the absence of those obligations being discharged and the subscription money being received in early course, the company will have no alternative but to use all necessary legal proceedings to enforce its rights in this regard.