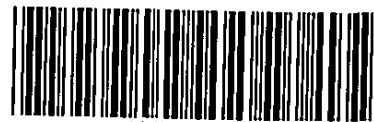


COMPANY REGISTRATION NUMBER 6706702

MESURO LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2011

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MESURO LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

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MESURO LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements of the company for the year ended 31 December 2011

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the measurement and testing of high frequency circuits

DIRECTORS

The directors who served the company during the year were as follows

R J P Emsley
D A Wilson
G H H Ainsworth
D G Baynes
J Benedikt

G H H Ainsworth was appointed as a director on 3 November 2011

DIRECTORS' RESPONSIBILITIES

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 of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

MESURO LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2011

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office

Signed on behalf of the directors


R J P Emsley

Director

Approved by the directors on

18th SEPTEMBER 2012

MESURO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MESURO LIMITED

YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of MESURO LIMITED for the year ended 31 December 2011 on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 (APB'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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual 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.

MESURO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MESURO LIMITED (continued)

YEAR ENDED 31 DECEMBER 2011

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

EMPHASIS OF MATTER - GOING CONCERN

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a loss of £556,528 before taxation during the financial period ended 31 December 2011, which has been financed by sales and debenture loan notes, (note 7)

As disclosed in note 1 and note 12 to the financial statements, the company has raised additional funding post year end, through a further equity issue. This, together with anticipated customer orders later in the year has been considered. The directors are satisfied that the business will continue to be a trading entity over the next twelve months.

OPINION ON OTHER MATTERS 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.

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

21 September 2012

Westbrook Court
Sharrow Vale Road
Sheffield
S11 8YZ

RICHARD MURDOCH BA (HONS) ACA
(Senior Statutory Auditor)
For and on behalf of
HEBBLETHWAITES
Chartered Accountants
& Statutory Auditor

MESURO LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
TURNOVER		213,333	—
Cost of sales		<u>95,891</u>	—
GROSS PROFIT		117,442	—
Administrative expenses		<u>619,718</u>	<u>748,400</u>
OPERATING LOSS	3	(502,276)	(748,400)
Interest receivable and similar income		34	1,984
Interest payable and similar charges		<u>(54,286)</u>	<u>(5,206)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(556,528)	(751,622)
Tax on loss on ordinary activities		<u>(24,520)</u>	<u>(35,101)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(532,008)</u>	<u>(716,521)</u>

The notes on pages 7 to 12 form part of these financial statements

MESURO LIMITED

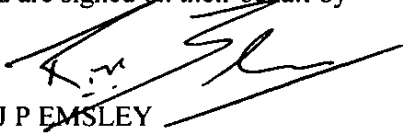
BALANCE SHEET

31 DECEMBER 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Tangible assets	4	<u>16,345</u>	<u>53,065</u>
CURRENT ASSETS			
Stocks		64,898	—
Debtors	5	251,585	54,654
Cash at bank		<u>93,248</u>	<u>68,356</u>
		409,731	123,010
CREDITORS: Amounts falling due within one year	6	<u>413,574</u>	<u>130,448</u>
NET CURRENT LIABILITIES		<u>(3,843)</u>	<u>(7,438)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,502</u>	<u>45,627</u>
CREDITORS: Amounts falling due after more than one year	7	<u>577,501</u>	<u>78,618</u>
		<u>(564,999)</u>	<u>(32,991)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10	2,422	2,422
Share premium account	11	1,349,246	1,349,246
Profit and loss account	11	<u>(1,916,667)</u>	<u>(1,384,659)</u>
DEFICIT	11	<u>(564,999)</u>	<u>(32,991)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 18th SEPTEMBER 2012 and are signed on their behalf by


R J P EMSLEY
Director

Company Registration Number 6706702

The notes on pages 7 to 12 form part of these financial statements.

MESURO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons

The company is engaged in the development and selling of products which are used in the measurement and testing of high frequency circuits. During the year the company successfully established sales channels for its products and negotiations for new sales were ongoing.

Post balance sheet date, a further cash injection of £699,843 by way of an equity share issue has been agreed with existing investor shareholders in the company.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	33.33%
Equipment	-	33.33%

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Pension costs

The company makes payments to personal pension schemes for certain employees. The annual contributions payable are charged to the profit and loss account.

Foreign currencies

Foreign currency transactions are translated into £Sterling at the commercial exchange rate in operation on the date the transaction occurred.

MESURO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. TURNOVER

81% of sales were to countries outside of the United Kingdom.

3. OPERATING LOSS

Operating loss is stated after charging

	2011	2010
	£	£
Directors' remuneration	97,000	97,000
Staff pension contributions	5,600	2,800
Depreciation of owned fixed assets	38,127	37,316
Auditor's fees	<u>3,600</u>	<u>3,000</u>

MESURO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

4. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Equipment £	Total £
COST			
At 1 January 2011	107,478	6,463	113,941
Additions	–	1,407	1,407
At 31 December 2011	<u>107,478</u>	<u>7,870</u>	<u>115,348</u>
DEPRECIATION			
At 1 January 2011	59,386	1,490	60,876
Charge for the year	35,826	2,301	38,127
At 31 December 2011	<u>95,212</u>	<u>3,791</u>	<u>99,003</u>
NET BOOK VALUE			
At 31 December 2011	<u>12,266</u>	<u>4,079</u>	<u>16,345</u>
At 31 December 2010	<u>48,092</u>	<u>4,973</u>	<u>53,065</u>

5. DEBTORS

	2011 £	2010 £
Trade debtors	203,591	–
Corporation tax repayable	24,520	35,101
Other debtors	10,848	6,265
Prepayments and accrued income	12,626	13,288
	<u>251,585</u>	<u>54,654</u>

6. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Trade creditors	80,060	33,009
Other creditors including taxation and social security		
Amounts owed to related parties	13,198	67,879
PAYE and social security	11,263	7,732
Other creditors	2,572	–
Accruals and deferred income	306,481	21,828
	<u>413,574</u>	<u>130,448</u>

MESURO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

7. CREDITORS: Amounts falling due after more than one year

	2011	2010
	£	£
Amounts owed to related parties	496,805	—
Other creditors	80,696	78,618
	<u>577,501</u>	<u>78,618</u>

The debenture loan notes totalling £496,805 are repayable 2 years after the subscription date and are subject to a fixed and floating charge over the assets of the company

8. PENSIONS

The company makes contributions to personal pension schemes for certain employees. Contributions to the pension schemes amounted to £5,600 in the year (2010 £2,800). No contributions were outstanding at the year end.

MESURO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

9. RELATED PARTY TRANSACTIONS

During the year ended 31 December 2011 the company purchased services and were recharged expenses totalling £23,330 (2010 £22,405) from Fusion IP Cardiff Limited, a shareholder in the company. These fees were rolled up into a loan note entitled 'Series A' and will accrue interest at 24% per annum. Fusion IP Cardiff Limited also made a cash injection into the company in the year totalling £50,000 ('Series B' loan note) which will accrue interest at 24% per annum. At the year end the company owed Fusion IP Cardiff Limited £269,364 (including interest of £20,398) (2010 £9,158).

Also during the year, the company purchased services and were recharged expenses totalling £18,346 (2010 £20,563) from ERA Foundation Limited, a shareholder in the company. These fees were rolled up into a loan note entitled 'Series A' and will accrue interest at 24% per annum. ERA Foundation Limited also made a cash injection into the company in the year totalling £50,000 ('Series B' loan note) which will accrue interest at 24% per annum. At the year end the company owed ERA Foundation Limited £77,227 (including interest of £4,544) (2010 £3,275).

Also during the year, the company purchased services and were recharged expenses totalling £4,506 (2010 £3,985) from Finance Wales Investments (5) Limited, a shareholder in the company. These fees were rolled up into a loan note entitled 'Series A' and will accrue interest at 24% per annum. Finance Wales Investments (5) Limited also made a cash injection into the company in the year totalling £100,000 ('Series B' loan note) which will accrue interest at 24% per annum. At the year end the company owed Finance Wales Investments (5) Limited £112,786 (including interest of £6,465) (2010 £nil).

Also during the year, the company purchased services from Sheffield University Enterprises Limited totalling £7,920 (2010 £6,522) a related party of Fusion IP Plc. At the year end the company owed Sheffield University Enterprises Limited £1,600 (2010 £685).

Also during the year, the company purchased services and were recharged expenses totalling £7,680 (2010 £39,346) from Cardiff University, a related party of Fusion IP Plc. At the year end the company owed Cardiff University £9,216 (2010 £46,232).

Also during the year, the company re-imbursed expenses totalling £2,090 (2010 £13,357) to R Emsley, a director of the company. At the year end the company owed R Emsley £1,582 (2010. £Nil).

Also during the year, the company purchased services and were recharged expenses totalling £Nil (2010 £6,017) from Afion Media Limited, a company related to R Emsley by way of directorship and shareholding. At the year end the company owed Afion Media Limited £Nil (2010 £Nil).

Also during the year, the company re-imbursed expenses totalling £Nil (2010 £706) to D Wilson, a director of the company. At the year end the company owed D Wilson £Nil (2010 £Nil).

Also during the year, the company purchased services totalling £8,400 (2010 £8,400) from J Benedikt, a director of the company. These fees were rolled up into a loan note entitled 'Series A' and will accrue interest at 24% per annum. At the year end the company owed J Benedikt £19,648 (including interest of £1,540) (2010 £8,400).

MESURO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

9. RELATED PARTY TRANSACTIONS *(continued)*

Also during the period, the company purchased services and re-imbursed expenses totalling £19,893 (2010 £Nil) from G Ainsworth, a director of the company. These fees were rolled up into a loan note entitled 'Series A' and will accrue interest at 24% per annum. At the year end the company owed G Ainsworth £20,180 (including interest of £1,442) (2010 £Nil)

10. SHARE CAPITAL

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
2,422 Ordinary shares of £1 each	<u>2,422</u>	<u>2,422</u>	<u>2,422</u>	<u>2,422</u>

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital	Share premium account	Profit and loss account	Total share-holders' funds
	£	£	£	£
Balance brought forward	2,422	1,349,246	(1,384,659)	(32,991)
Loss for the year	—	—	(532,008)	(532,008)
Balance carried forward	<u>2,422</u>	<u>1,349,246</u>	<u>(1,916,667)</u>	<u>(564,999)</u>

12. POST BALANCE SHEET EVENTS

Post balance sheet date, the company secured further funding from existing shareholders totalling £699,843

13. ULTIMATE CONTROLLING PARTY

The company has a range of investors with no shareholder having overall control

MESURO LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 31 DECEMBER 2011

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 3 to 5**

MESURO LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2011

	2011	2010
	£	£
TURNOVER	213,333	—
COST OF SALES		
Purchases	148,210	—
Direct costs	<u>12,579</u>	—
	160,789	—
Closing stock	<u>(64,898)</u>	—
	<u>95,891</u>	—
GROSS PROFIT	<u>117,442</u>	—
OVERHEADS		
Administrative expenses	<u>619,718</u>	748,400
OPERATING LOSS	(502,276)	(748,400)
Interest receivable and similar income	<u>34</u>	1,984
	(502,242)	(746,416)
Interest on other loans	<u>(54,286)</u>	(5,206)
LOSS ON ORDINARY ACTIVITIES	<u>(556,528)</u>	<u>(751,622)</u>

MESURO LIMITED

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2011

	2011	2010
	£	£
ADMINISTRATIVE EXPENSES		
Personnel costs		
Directors salaries	97,000	97,000
Wages and salaries	165,576	147,665
Employers national insurance contributions	31,848	28,153
Staff pension contributions	5,600	2,800
	<u>300,024</u>	<u>275,618</u>
Establishment expenses		
Rent	6,000	6,000
Insurance	18,281	26,641
	<u>24,281</u>	<u>32,641</u>
General expenses		
Travel and subsistence	31,624	66,829
Telephone	7,428	7,657
Hire of equipment	41,896	36,600
Printing, stationery and postage	1,428	1,260
Other staff related benefits	—	4,500
Recruitment fees	199	13,000
Admin expenses	(1,018)	1,909
Contract termination payment	—	4,000
Hardware development	1,612	9,488
Consultancy	10,664	56,194
University research charges	1,920	—
Marketing	8,271	4,330
Entertaining	2,384	1,847
Management charges payable	66,649	46,381
Legal and professional fees	11,918	15,158
Incorporation costs	—	75,000
IP costs	60,291	48,150
Accountancy fees	8,420	7,522
Auditors remuneration	3,600	3,000
Depn of plant and machinery	35,826	35,826
Depreciation of office equipment	2,301	1,490
	<u>295,413</u>	<u>440,141</u>
	<u>619,718</u>	<u>748,400</u>
INTEREST RECEIVABLE AND SIMILAR INCOME		
Bank interest receivable	34	447
Other similar income	—	1,537
	<u>34</u>	<u>1,984</u>