

# **Mesuro Limited**

## **Directors' report and financial statements**

Registered number  
6706702

463 day period ended  
31 December 2009



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## Directors' report

The directors present their first directors' report and the audited financial statements for the 463 day period ended 31 December 2009

### Principal activities

The company was incorporated on 24 September 2008 and is principally engaged in the measurement and testing of high frequency circuits

### Business review

The company made a loss of £668,138 for the period

The trading results for the period and the company's financial position at the end of the period are shown in the attached financial statements

### Proposed dividend

The directors do not recommend payment of a dividend

### Creditor payment policy

The company has not adopted any specific standard code of practice with regard to the payment of suppliers. The company does make individual arrangements with certain suppliers with regard to payment and any such terms are agreed at the time the transaction is entered into. The average creditor payment period at 31 December 2009 was 43 days.

### Directors

The directors who held office during the 15 month period were as follows

D G Baynes	(appointed 30 September 2008)
J Benedikt	(appointed 5 March 2009)
R J P Emsley	(appointed 22 April 2009)
D A Wilson	(appointed 22 April 2009)
T P Gardiner	(appointed 30 September 2008, resigned 22 April 2009)
J Round	(appointed 30 September 2008, resigned 22 April 2009)

### Financial risk management objectives and policies

The company uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade creditors that arise directly from its operations.

In respect of bank balances the financial risk is managed by ensuring sufficient liquidity is available to meet foreseeable needs, with cash assets invested in overnight treasury deposit accounts.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts as they fall due for payment.

### **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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 these financial statements, the directors are required to

- 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, and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.


### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Hebblethwaites will therefore continue in office.

By order of the board



**D Baynes**  
*Director*

**27.6.2010**

Floor 8 Eastgate House  
35-43 Newport Road  
Cardiff  
CF24 0AB

## **Independent auditors' report to the members of Mesuro Limited**

We have audited the financial statements of Mesuro Limited for the 463 day period ended 31 December 2009 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 2, 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 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**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **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 2009 and of its loss for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, 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 £668,138 during the financial period ended 31 December 2009, which has been financed by equity share subscriptions throughout the 463 day period.

As disclosed in note 1 and note 16 to the financial statements, the company has raised additional funding in the new accounting period, through a further equity issue to support the product launch and sales. The timing of anticipated customer orders together with working capital requirements over the next twelve months is uncertain and further external funding may be required indicating the existence of a material uncertainty which may cast doubt on the company's ability to continue as a going concern.

## **Independent auditors' report to the members of Mesuro Limited** *(continued)*

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period 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



28 June 2010

Richard Murdoch (Senior Statutory Auditor)  
**For and on behalf of Hebblethwaites, Statutory Auditor**  
Chartered Accountants  
Hebblethwaites  
Westbrook Court  
Sharrow Vale Road  
Sheffield  
S11 8YZ

## Profit and loss account

For the 463 day period ended 31 December 2009

	Note	2009 £
Administrative expenses		(667,403)
<b>Operating loss</b>		<b>(667,403)</b>
Interest payable and similar charges	5	(807)
Interest receivable and similar income	6	72
<b>Loss on ordinary activities before taxation</b>	2	<b>(668,138)</b>
Tax on loss on ordinary activities	7	-
<b>Loss on ordinary activities after taxation</b>	12	<b>(668,138)</b>

The results derive from the continuing operations of the company

There are no recognised gains or losses in the current period other than those noted above and accordingly, no separate statement of total recognised gains and losses has been presented

## Reconciliation of movement in shareholders' funds

For the 463 day period ended 31 December 2009

	2009 £
<b>Loss for financial period</b>	<b>(668,138)</b>
New share capital subscribed/(net of issue costs)	1,001,239
<b>Net addition to shareholders' funds</b>	<b>333,101</b>
Opening shareholders' funds	-
<b>Closing shareholders' funds</b>	<b>333,101</b>

**Balance sheet**  
*As at 31 December 2009*

	<i>Note</i>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Tangible assets	8		83,918
<b>Current assets</b>			
Debtors	9	56,394	
Cash at bank and in hand		319,007	
		<u>375,402</u>	
<b>Creditors</b> amounts falling due within one year	10	(126,219)	
		<u></u>	
<b>Net current assets</b>			249,183
			<u></u>
<b>Net assets</b>			<u>333,101</u>
			<u></u>
<b>Capital and reserves</b>			
Called up share capital	11		2,053
Share premium	12		999,186
Profit and loss account	12		(668,138)
			<u></u>
<b>Shareholders' funds</b>			<u>333,101</u>
			<u></u>

These financial statements were approved by the board of directors on  
 on its behalf by

27.6.2010 and were signed



D Baynes  
 Director

Mesuro Limited – registered number 6706702



## Cash flow statement

*For the 463 day period ended 31 December 2009*

	£	£
<b>Cashflows from operating activities</b>		
Loss for the period	(668,138)	
Depreciation	23,560	
Net interest income	(72)	
Increase in debtors	(56,395)	
Increase in creditors	126,219	
	<hr/>	
<b>Net cash outflow from operating activities</b>		(574,826)
Interest received	72	
	<hr/>	
<b>Net cash inflow from investments and servicing of finance</b>		72
Purchase of tangible fixed assets	(107,478)	
	<hr/>	
<b>Net cash outflow from capital expenditure</b>		(107,478)
Issue of ordinary share capital	1,001,239	
	<hr/>	
<b>Net cash inflow from financing activities</b>		1,001,239
		<hr/>
<b>Net increase in cash and cash equivalents</b>		319,007
<b>Cash and cash equivalents at 24 September 2008</b>		0
		<hr/>
<b>Cash and cash equivalents at 31 December 2009</b>		319,007
		<hr/>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

#### *Basis of preparation*

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

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 period the company has successfully launched its first products and is now engaged in establishing sales channels for its products and negotiations with new customers. Additional equity funding of £350,000 was raised in May 2010 from the existing investor shareholders. The directors believe that this funding is sufficient to support the business beyond the next twelve months as new customer orders are processed and despatched with the company expected to become cash generative over the next twelve months without the need for additional equity or debt financing.

#### *Fixed assets and depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Equipment	-	33.33% per annum
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#### *Taxation*

The charge for taxation is based on the loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

### 2 Loss on ordinary activities before taxation

£

*Loss on ordinary activities before taxation is stated after charging*

Auditors' remuneration	Audit of these financial statements	2,000
Depreciation and other amounts written off tangible fixed assets		23,560
		<hr/>

## Notes (continued)

### 3 Staff numbers and costs

The average number of staff (excluding non-executive directors) employed by the company during the financial period amounted to

	No
Number of staff	3
	<u>3</u>

The aggregate payroll costs of the above were

	£
Wages and salaries	96,965
Social security costs	10,685
	<u>107,650</u>

### 4 Remuneration of directors

Remuneration in respect of directors was as follows

	£
Emoluments receivable	79,376
	<u>79,376</u>

### 5 Interest payable and similar charges

	£
Other interest payable	807
	<u>807</u>

### 6 Interest receivable and similar income

	£
Bank interest receivable	72
	<u>72</u>

## Notes (continued)

### 7 Taxation on profit on ordinary activities

Analysis of charge in period

	£
<i>UK corporation tax</i>	
Current tax on income for the period	-
	<hr/>
Tax on loss on ordinary activities	-
	<hr/>

No provision has been made for the deferred tax asset on trading losses carried forward. The total amount unprovided for at 31 December 2009 is £130,927. At present it is not envisaged that future taxable profits will be sufficient for these timing differences to be reversed.

	£
Tax losses	135,008
Accelerated capital allowances	(4,081)
	<hr/>
	130,927
	<hr/>

Factors affecting the tax charge for the current period

Current tax on income for the period is higher than the standard rate of corporation tax in the UK (21%). The differences are explained below.

	£
<i>Current tax reconciliation</i>	
Loss on ordinary activities before tax	(668,138)
	<hr/>
Current tax at 21%	(140,309)
<i>Effects of</i>	
Expenses not deductible for tax purposes	9,382
Capital allowances in excess of depreciation	(4,081)
Unrelieved tax losses carried forward	135,008
	<hr/>
Total current tax charge (see above)	-
	<hr/>

## Notes (continued)

### 8 Tangible assets

	Equipment £
<i>Cost</i>	
Additions	107,478
<b>At 31 December 2009</b>	<b>107,478</b>
<i>Depreciation</i>	
Charge for period	23,560
<b>At 31 December 2009</b>	<b>23,560</b>
<i>Net book value</i>	
<b>At 31 December 2009</b>	<b>83,918</b>

### 9 Debtors

	£
Prepayments and accrued income	14,542
Other taxes	41,852
	<b>56,394</b>

### 10 Creditors, amounts falling due within one year

	£
Trade creditors	40,085
Accruals and deferred income	33,967
Amounts owed to related parties	46,434
Social security & other taxation	5,733
	<b>126,219</b>

**Notes (continued)**

**11 Called up share capital**

	£
<i>Authorised</i>	
Equity 100,000 Ordinary shares of £1 each	100,000
	<hr/>
	100,000
	<hr/>
<i>Allotted, called up and fully paid</i>	
Equity 2,053 Ordinary shares of £1 each	2,053
	<hr/>
	2,053
	<hr/>

The company was incorporated on 24 September 2008 having allotted share capital of 1 Ordinary share of £1  
 On 27 March 2009, 999 Ordinary shares of £1 each were issued at £1 per share  
 On 22 April 2009, 701 Ordinary shares of £1 each were issued at £950 per share  
 On 21 December 2009, 352 Ordinary shares of £1 each were issued at £950 per share

**12 Reserves**

	Share premium account	Profit and loss account
	£	£
Issued during the period	999,186	-
Loss for the financial period	-	668,138
	<hr/>	<hr/>
Balance carried forward	999,186	668,138
	<hr/>	<hr/>

### **13 Related party transactions**

During the period ended 31 December 2009 the company purchased services and were recharged expenses totalling £35,584 from Fusion IP Cardiff Limited, a shareholder in the company. At the period end the company owed Fusion IP Cardiff Limited £2,013.

Also during the period, the company purchased services and were recharged expenses totalling £22,447 from ERA Foundation Limited, a shareholder in the company. At the period end the company owed ERA Foundation Limited £208.

Also during the period, the company purchased services and were recharged expenses totalling £20,663 from Finance Wales Investments (5) Limited, a shareholder in the company. At the period end the company owed Finance Wales Investments (5) Limited £nil.

Also during the period, the company purchased services from Sheffield University Enterprises Limited totalling £5,142 a related party of Fusion IP Plc. At the period end the company owed Sheffield University Enterprises Limited £592.

Also during the period, the company purchased services and were recharged expenses totalling £74,986 from Cardiff University, a related party of Fusion IP Plc. At the period end the company owed Cardiff University £20,917.

Also during the period, the company re-imbursed expenses totalling £23,985 to R Emsley, a director of the company. At the period end the company owed R Emsley £13,758.

Also during the period, the company purchased services and were recharged expenses totalling £14,150 from Afion Media Limited, a company related to R Emsley by way of directorship and shareholding. At the period end the company owed Afion Media Limited £3,346.

Also during the period, the company re-imbursed expenses totalling £456 to D Wilson, a director of the company. At the period end the company owed D Wilson £nil.

Also during the period, the company purchased services totalling £5,600 from J Benedikt, a director of the company. At the period end the company owed J Benedikt £5,600.

### **14 Capital commitments**

The company had no capital commitments at 31 December 2009.

### **15 Contingent liabilities**

There were no contingent liabilities at 31 December 2009.

### **16 Post balance sheet events**

On 7 May 2010 the company successfully completed an equity funding round of £350,000 with existing investors at a subscription price of £950 per share. The additional funding will be used to support the business beyond the next twelve months as new customer orders are processed and despatched.