Co's House

Registered number
05143422
England and Wales

Functional Microstructures Limited

Report and Accounts

For the Year ended 30 June 2007

Dowle Horrigan Limited
Chartered Accountants
110 Whitchurch Road
Cardiff
CF14 3LY

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Functional Microstructures Limited
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for the year ended 30 June 2007

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Functional Microstructures Limited
Company Information
for the year ended 30 June 2007

Principal Business Address	110 Whitchurch Road Cardiff CF14 3LY
Registered Office Address	110 Whitchurch Road Cardiff CF14 3LY
Accountants.	Dowle Horrigan Limited Chartered Accountants 110 Whitchurch Road Cardiff CF14 3LY

Functional Microstructures Limited
Directors' Report
for the year ended 30 June 2007

The directors present their annual report on the affairs of the company, together with financial statements, for the year ended 30 June 2007

Principal activities

The principal activity of the company is that of the design and development of a device for the delivery of drugs and medicines using micro-needle technology

Future developments

Research continues into the development of a device for drug and medicine delivery using micro needles, the company is ready to enter the next phase of development which is to produce prototypes for testing and approval Negotiations continue with potential investors and the directors are confident of securing substantial investment to enable the company to finalise it's design and development plans

Directors

The directors in office in the year were as follows

Mr J L D Bell
Dr Andrew James Kirby

There have been the following changes in directorship between the end of the year and the date of this report

K R Brain was appointed on 17 August 2007
A J Williams was appointed on 17 August 2007

Statement of directors' responsibilities

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985 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 determining how amounts are presented within items in the profit and loss account and balance sheet, the directors must have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice

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

Signed on behalf of
the board of directors

A J Williams
Director

Approved by the board 16 June 2008

Functional Microstructures Limited
Chartered Accountants' Report
for the year ended 30 June 2007

Chartered Accountants' Report to the directors on the unaudited financial statements of Functional Microstructures Limited

In accordance with the engagement letter dated 3 November 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise Profit and Loss Account, Balance Sheet and the related notes from the accounting records and information and explanations you have given to us

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report

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 30 June 2007 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 Act 1985 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

Dowle Horrigan Limited
Chartered Accountants
Chartered Accountants
110 Whitchurch Road
Cardiff
CF14 3LY

Date 18/6/08

Functional Microstructures Limited
Profit and Loss Account
for the year ended 30 June 2007

	Notes	2007 £	2006 £
Turnover		-	-
Cost of Sales		(586)	(1,182)
Gross loss		**(586)**	**(1,182)**
Administrative expenses		(131,094)	(191,176)
Operating loss	3	**(131,680)**	**(192,358)**
Loss on ordinary activities before interest		**(131,680)**	**(192,358)**
Interest payable and similar charges		(1,286)	(256)
Loss on ordinary activities before taxation		**(132,966)**	**(192,614)**
Loss for the financial year		**(132,966)**	**(192,614)**

There are no recognised gains and losses in the financial period other than the loss for the period

Functional Microstructures Limited
Balance Sheet
as at 30 June 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible assets	4	-	2,375
Creditors. amounts falling due within one year	5	(451,102)	(320,511)
Net current liabilities		(451,102)	(320,511)
Total assets less current liabilities		(451,102)	(318,136)
Net assets		(451,102)	(318,136)
Capital and reserves			
Called up share capital	6	1,000	1,000
Profit and loss account	7	(452,102)	(319,136)
Shareholders' funds		(451,102)	(318,136)

These annual accounts have not been audited because the company is entitled to the exemption provided by s249A(1) Companies Act 1985 and its members have not required the company to obtain an audit of these accounts in accordance with s249B(2) The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with s221 Companies Act 1985 The directors also acknowledge their responsibilities for 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 s226 Companies Act 1985 , and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective 2007)

Signed on behalf of the board of directors

A J Williams
Director

Approved by the board 16 June 2008

Functional Microstructures Limited
Notes to the Financial Statements
for the year ended 30 June 2007

1 Accounting policies

The principal accounting policies are summarised below They have all been applied consistently throughout the year and the preceding year

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2007)

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows

Equipment	3 Years

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred taxation is accounted for at expected tax rates on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis

Research and Development Expenditure

Expenditure incurred on research and development is written off to the profit and loss account as incurred

Cash Flow Statement

The company satisfies the requirements of a small company under s246-s249 of the Companies Act 1985 and has taken advantage of the exemption detailed in paragraph 8 of FRS1 in not preparing a cash flow statement

Change to Profit & Loss Format

The format of the Profit & Loss account has changed this year as in the view of the directors the new format gives a more meaningful presentation of the results

2 Directors' emoluments

	2007	2006
	£	£
Emoluments	87,880	120,000

3 Operating loss

	2007 £	2006 £
Operating loss is after charging		
Depreciation and amounts written off tangible fixed assets		
Owned fixed assets	2,375	1,584

4 Tangible fixed assets

	Plant and Machinery etc £	Total £
Cost		
At 1 July 2006	4,751	4,751
At 30 June 2007	4,751	4,751
Depreciation		
At 1 July 2006	2,376	2,376
Charge for the year	2,375	2,375
At 30 June 2007	4,751	4,751
Net book value		
At 30 June 2007	-	-
At 30 June 2006	2,375	2,375

5 Creditors: amounts falling due within one year

	2007 £	2006 £
Bank loans and overdrafts	16,731	12,463
Taxation and social security	21,817	22,904
Directors loan	237,989	178,939
Accruals and deferred income	174,565	106,205
	451,102	320,511

6 Share capital - equity shares

	2007 No Shares	2007 £	2006 £
Authorised share capital			
Ordinary Shares of £1 each	1,000	1,000	1,000
Allotted, called up fully paid share capital			
Ordinary Shares of £1 each	1,000	1,000	1,000

7 Reserves

	Profit and Loss Account £
Brought forward	(319,136)
Loss for the financial year	(132,966)
	(452,102)

8 Going Concern Concept

The accounts, which disclose an excess of liabilities over assets have been prepared on a going concern basis with no adjustments having been made to provide for any additional costs or losses that may arise it this were found to be inappropriate The directors have agreed to make funds available to enable the company to meet it's obligations as they fall due pending agreement of further investment by proposed shareholders and not to reduce the amount included in the accounts as amounts due to directors to the detriment of any external creditor

9 Ultimate Controlling Party

The ultimate controlling parties of the company are the shareholders acting together