LiDCO Cardiac Sensor Systems

2007/8

LiDCO Group Plc

Annual Report and Accounts

for the year ended 31 January 2008

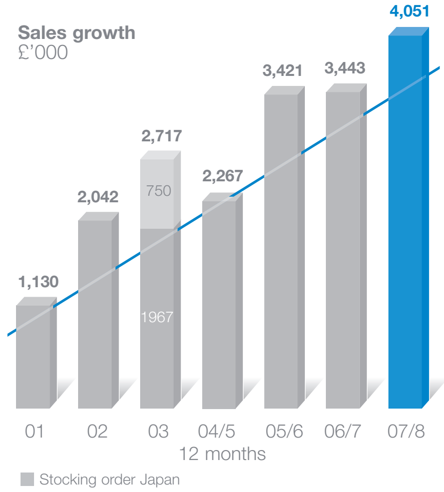
Contents

LiDCO researches, develops, manufactures and markets innovative medical devices. Our products primarily serve critical-care and cardiovascular risk hospital patients who require real-time cardiovascular monitoring.

HIGHLIGHTS

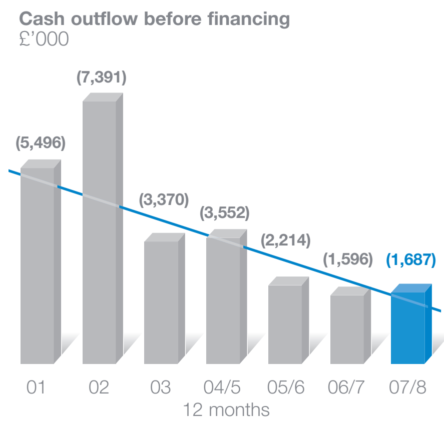
FINANCIAL HIGHLIGHTS

- **Revenue** up 18% to £4.05m (2006/7: £3.44m)
- **Administration** and **distribution expenses** reduced by 6% to £4.62m (2006/7: £4.94m)
- **Net cash outflow** before financing £1.7m (2006/7: £1.6m)
- **Product margins** maintained at 78% on monitors, modestly improved to 87% on disposables
- **Loss from operations** reduced by 23% to £2.01m (2006/7: £2.62m)
- **Loss per share** reduced to 1.5p (2006/7: 2.1p)
- **Cash balance** £2.2m (2006/7: £1.5m)



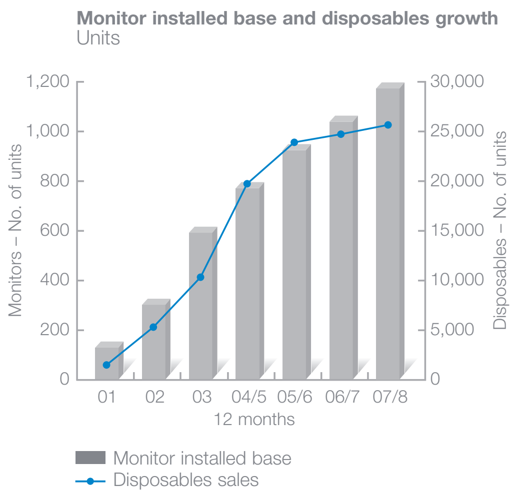
CORPORATE HIGHLIGHTS

- LiDCO*rapid* patent filed and **product launched** in April 2008
- **New distributors** signed in USA, Israel, Canada, Turkey and the Middle East
- Product extension through **launch of PC software products** LiDCO*view*^{SE} and LiDCO*view*^{PRO}
- Further clinical outcome studies show LiDCO products **reduce mortality**, **complications** and **length of stay**
- **New exclusive critical care marketing collaboration** with Becton Dickinson U.K. Limited.



COMMERCIAL HIGHLIGHTS

- **Continued adoption of technology** with 40% of installed monitors now in the USA, 20% in the UK, 25% in Europe and 15% in the Rest of the World
- **Installed base of monitors** up 14% to 1,184 (2006/7: 1,035)
- **Monitor revenues** up 34% to £1.93m (2006/7: £1.44m)
- **Sensors volume** up 7% to 26,081 units; and **revenue increased** by 9% to £1.99m (2006/7:£1.82m)
- **Considerable growth in export territories**, up by 63% to £2.32m (2006/7 £1.43m)
- Over the last four years **sales have increased** by 79% while **costs have been reduced** by 16%



The investor presentation 'LiDCO's Preliminary Results – Twelve months ended 31st January 2008' is available on the LiDCO website (www.lidco.com).

LiDCO TECHNOLOGY

Proven to improve outcome and reduce costs in the ICU and also in surgery

Market

Major surgery

- LiDCO*rapid*

Intensive care unit

- LiDCO*plus*

STRATEGY

Business Model

- Customers are offered a choice of outright purchase of the LiDCO*rapid* and LiDCO*plus* monitors or free of charge placement in return for enhanced pricing on the associated LiDCO disposables
- In the UK and USA sales are through LiDCO's direct sales force
- In other territories sales are through distributors

Customers

Major hospitals in developed and fast developing countries

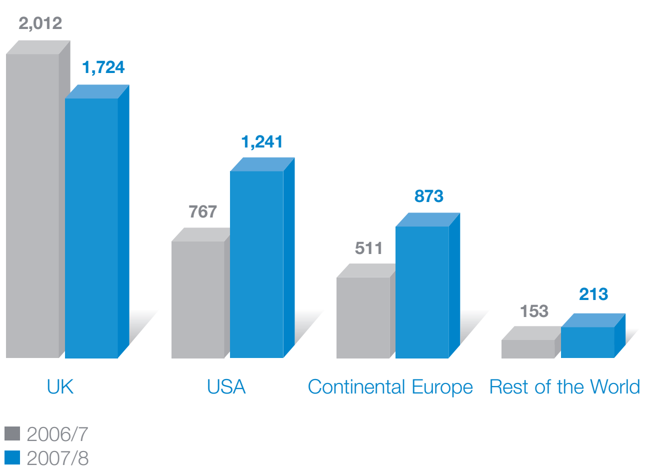
Hospital market segments:

- Intensive care unit/high dependency unit
- Risk surgery/operating room
- Cardiac surgery
- Interventional cardiology

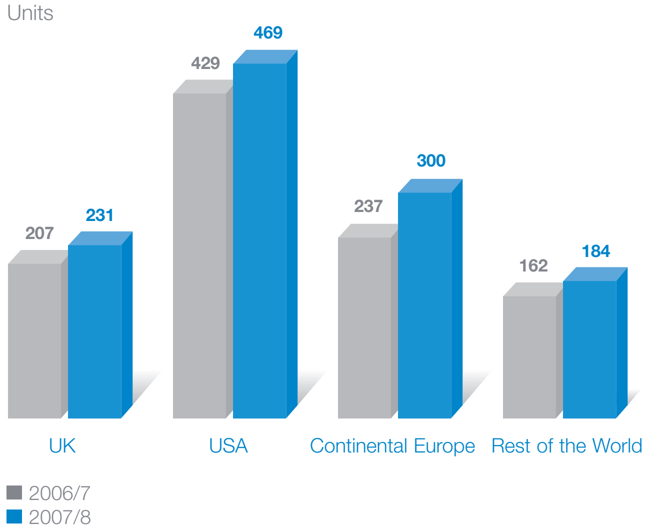
Benefit of Use	Reference
In surgery • Hemodynamic monitoring in major surgery patients reduces complications and hospital stay	• Tissue oxygen debt as a determinant of lethal and non-lethal post-operative organ failure **Shoemaker, Appel and Kram** Critical Care Medicine 1998, 16(11): 117-20
After surgery • Goal directed management of intensive post-operative patients reduced hospital stay by average of 12 days reducing costs by £4,800	• Early goal directed therapy after major surgery reduces complications and duration of hospital stay **Pearse, Dawson, Fawcett, Rhodes, Grounds and Bennett** Critical Care 2005, 9:R687-R693
For patients in shock • Treatment of shock and sepsis patients with the LIDCO*plus* has reduced mortality rates from 32% to 12%	• Clinical outcomes of dynamic versus static monitors in shock **Hata, Shelsky, Frazier, Wang and Nickel** Presented at the Society of Critical Care Medicine, Hawaii, February 2008
More organs available for transplantation • LiDCO technology reduces toxic levels of cytokines resulting in more organs being available for transplantation to heart and renal transplant patients	• Multi-system organ failure to multi-organ donor – utilizing minimally invasive hemodynamic monitoring **Berens** Presented at the NATCO Meeting, August 2007

INTERNATIONAL SALES

Sales by region
£'000



Monitor installed base
Units



We expect to increase further our distributor network this year in the EU, the USA and the Rest of the World, whilst maintaining our direct sales forces in the UK and USA.

Over the last year we have pursued our strategy of growing sales of our hemodynamic monitoring products in a range of geographical regions across the globe whilst maintaining careful control of costs. Overall sales for the year grew by 18% to £4.05m, split 48% and 52% between capital and recurring revenue respectively. As a result of the issue of shares during the year, the Company's cash balance at the year-end was £2.2m.

More than half of LiDCO's sales during the year came from outside the UK. Of note was the strong growth in sales in continental Europe, assisted by the redeployment of some of our UK sales resources. UK sensor sales showed good growth, as did sensor sales in Europe.

Turning to product development, the Company's main focus last year was the development of the new LiDCO*rapid* monitor and disposables. This is designed especially to meet the needs of the substantial and growing market in major surgery and other hospital applications where quick and easy set-up is required and continuous trend information is important. This new monitor uses the same algorithm as that used in the existing LiDCO*plus* monitor, so data from studies involving the LiDCO*plus* also validates the LiDCO*rapid* monitor, thus helping with market acceptance. The LiDCO*rapid* was launched in April 2008.

In addition, we were pleased to see the publication during the year of a number of independent outcome studies by leading centres, such as the University of Iowa, further endorsing the use of our LiDCO*plus* technology. Such outcome studies are important because they show the compelling advantages of using our products, such as shortened hospital stays, reduced mortality and reduced infections. These not only benefit the patient but also bring important cost-savings for the hospital.

Our products continue to be developed and assembled, with certain proprietary elements manufactured, in our facility in East London, under strict quality standards. The Company's critical care products are registered in 14 markets in Europe, the USA, Brazil, South Korea and Japan. Sales during the year were made through our direct sales forces in the UK and USA, and through our international network of speciality critical care and anesthesia distributors in 15 other countries. In June the Company signed a new marketing collaboration agreement with Becton, Dickinson U.K. Limited. This type of collaboration with a leading global medical technology company is a tribute to our technology and to our specialist sales force. This type of collaborative agreement not only broadens our offering among our target customers but also potentially helps to increase penetration of our markets.

In December 2007 the Company raised £2m through the issue of new shares, to be used for completing the development and market introduction of the LiDCO*rapid* monitor, supporting continued sales growth of the Company's existing products in the critical care market and continuing its active research and development programme. On behalf of the Board I would like to thank our shareholders for their continued support of the Company.

We were delighted to welcome Paul Clifford to the Board in April 2008 as Finance Director. Paul has extensive experience of technology and software companies, both listed on the main market and venture capital-backed. His past positions include being finance director of Comino Group plc, a company that was listed on the London Stock Exchange's main market, and Civica UK Limited.

To date the market for our products has been mainly the intensive care/critical care units of hospitals. The launch of the LiDCO*rapid* monitor, now available for sales to customers in the EC and USA, will open more fully the substantial market opportunity in major surgery. LiDCO*rapid*'s ease of use is a key feature that is expected to broaden the range of distributors willing and able to work with us in existing and new territories. We therefore expect to increase further our distributor network this year in the EC, the USA and the Rest of the World, whilst maintaining our direct sales forces in the UK and USA. The Company's product development activities, conducted in close consultation with leading clinicians, mean that we now have a broader portfolio of linked products to offer our customers enabling the measurement, analysis, audit and communication of real-time and historic hemodynamic data in both critical care units and the operating theatre. Meanwhile, there is an expanding body of scientific data linking the optimization of patients' hemodynamic status with better outcomes and reduced hospital stays.

With strong growth in sales of our existing products, reinforced by the recent launch of the LiDCO*rapid* monitor targeted at the major surgery market, the emergence of an additional new market opportunity for improving the viability of transplant organs, together with our growing network of distributors, the Company is well positioned for further growth in the coming year.

As we look with enthusiasm to the year ahead, I would like to thank all the Group's staff and directors for their dedication and hard work over the past year and our Clinical Advisory Board for their valuable contribution.

Theresa Wallis
Chairman
LiDCO Group Plc

Our objectives for the year were fourfold: achieve revenue growth of our core intensive care product, expand the product range, increase our sales distribution network and contain costs. I am pleased to say that all four of these objectives were achieved.

Overview

The worldwide market for hemodynamic monitoring products continues to evolve, mainly driven by the move away from the use of the older invasive catheter products towards the newer less invasive devices. The potential market for these minimally invasive devices, which include LiDCO's product range, is estimated at US$800 million per annum (surgery patient market segment). We estimate that sales revenues for minimally invasive hemodynamic monitoring products grew in value last year by 33%. Our objectives for the year were fourfold: achieve revenue growth of our core intensive care product, expand the product range, increase our sales distribution network and contain costs.

I am pleased to say that all four of these objectives were achieved. Sales were up 18% on the prior year while we managed to reduce normal operating overheads by 6%. The favourable combination of increased sales and reduced costs means that significant progress towards profitability was made. Following the expansion of the distributor network and the recent introduction of the LiDCO*rapid* product, our business has both a wider product and geographic base and is now capable of significantly increasing its share of the global hemodynamic monitoring market.

In summary, I feel that this has been one of our most productive periods and the Company is in a strong position to continue to move forward in 2008.

Sales and trading

Our strategy has been to supply the fast growing hemodynamic monitoring market with our proprietary products. I am pleased to report that there is an increasing momentum for the market's transition to our minimally invasive products and simultaneously in our ability to access this market.

Since last year's preliminary results we have significantly expanded our distribution network with new distributors added in a number of territories, including Canada, the USA, Israel, Turkey, and the Middle East. Negotiations are ongoing with specialty distributors in additional regions of the USA where we do not have direct representation to further improve our sales reach. We expect to be able announce the conclusion of these arrangements during the next few months.

Revenues outside of the UK were up by a very encouraging 63%. The performance of established European distributors in the period was particularly encouraging with revenue increasing by no less than 71%. The resurgence of sales growth in the USA, while anticipated, was also good to see. Overall sales growth at 18% was therefore limited by lower demand for monitors in the UK although disposable sales remained buoyant. In a year where all capital purchases by NHS hospitals in the UK were at a low level for most of the period we decided to redeploy existing sales resources to the export market, which contributed to our 63% increase in export sales. Exports now represent the majority of our sales. This has the positive effect of reducing our reliance on an often 'stop/start' UK market. We are expecting trading in the UK to improve moderately this year with NHS capital purchase budgets likely to be a little more freely available. Furthermore our new LiDCO*rapid* surgery product is targeted at a more accessible revenue budget. Accordingly we have now brought our UK sales force up to strength with a number of new appointments.

Despite an increasing proportion of lower-margin distributor sales, product gross margins were maintained at 78% on monitors, and modestly improved to 87% on disposables. In addition to maintaining product margin the increased sales were achieved without an increase in costs. I am very pleased to be able to report that over the last four years our sales have increased by 79% while we have simultaneously reduced our costs by 16%. Over the last few years we have made strategic investments in our patents, our products and their automated manufacture, coupled with development of clinical/business cases. We are now starting to see clear evidence that these investments have been justified and can now be leveraged to support a significantly larger turnover from both our direct and distributor sales teams.

Looking forward, our new surgery product, the LiDCO*rapid* monitor, launched in April, should have a dual advantage for us. Not only does it address the needs of a US$800million per annum surgery market, but also makes our product range more attractive to sell by both the existing and new distribution partners. The attractive features of this new product – proprietary technology and design, high margin, ease of set-up and use – have already helped propel the recent expansion of our distribution network. While this expansion of the sales distribution channel occurred too late to contribute materially to the 2007/08 results, these additions are expected to provide a significant new source of revenue in the second half of the current year.

In addition to signing up more distributors, in June 2007 LiDCO announced the signing of an exclusive UK marketing collaboration with Becton, Dickinson U.K. Limited ('BD'). BD is a leading global medical technology company and this collaboration involves the joint promotion, in selected UK hospitals where LiDCO already has existing sales and customer relationships, of a number of critical care products currently being sold by the BD Medical Surgical Systems business unit. LiDCO's strong customer relationship with critical care departments in UK hospitals was a key factor in BD's decision to form this exclusive collaboration. This marketing partnership will result in enhanced sales coverage for BD's critical care product lines in the UK and LiDCO will receive a share of any profits made.

Market trends – LiDCO's sales and marketing strategy

Intensive care market

In a 2007 article in the *Journal of the American Medical Association* doctors from Harborview Hospital in Seattle noted that their use of the invasive pulmonary artery catheter (PAC) for measuring cardiac output had declined by 77% over the last four years. The authors, whose hospital is now a LiDCO product user, also commented that *'Recently nurses and residents gathered around the bedside of the sole patient in the intensive care unit (ICU) with a PAC so they could actually observe one still in use'*. The use of the invasive PAC approach to monitor hemodynamics continues to decline and this is particularly so in the ICU. In contrast the sales of the LiDCO*plus* monitor are increasing in the ICU – clearly in these LiDCO accounts we are replacing the PAC with our technology, which has been convincingly demonstrated to improve clinical outcome and reduce costs in patients after surgery.

The transition to minimally invasive monitoring in this market is expected to continue. We intend to further distinguish ourselves from older catheter-based technologies by presenting to hospitals a number of strong clinical and business cases associated with use of our products.

Accordingly we were pleased to announce during the year the results of a study conducted in 2006 at the University of Iowa, showing that use of our products in severely ill patients with shock and sepsis substantially reduced mortality.

The University, which has been using our technology since 2003, conducted a retrospective analysis of outcomes in a group of critically ill patients treated for septic shock and systemic inflammatory response syndrome (SIRS). This epidemiological study was undertaken to evaluate the various hemodynamic monitoring technologies used in the ICU and their effect on outcomes in this gravely ill patient population.

Patients treated with the LiDCO*plus* monitor had a substantially lower mortality rate than those treated clinically with the PAC: ICU mortality in the LiDCO treated group of patients was only 12% compared with 32% in the PAC treated group or 31% in those patients managed without any hemodynamic monitoring. The compelling data from this study supports the case that using the LiDCO*plus* monitor decreases death rates in patients with septic shock or SIRS. This is very exciting news for us and our hospital customers and for patients, as these conditions have historically been very difficult to treat successfully. Similar trials are in progress in other countries to repeat and confirm this observation. If successful the data should have meaningful effects on the uptake of our LiDCO*plus* monitor product within our existing ICU customer base.

Major surgery market – a new opportunity

Now that we have established our technology's credentials and the LiDCO brand name within the technically demanding intensive care market, we have used our expertise to produce a product for sale into the emerging high-risk surgery market. This project resulted in the recent launch of the LiDCO*rapid* monitor. Our goal was to introduce a simple and easy-to-use product that would be used to optimize a patient's hemodynamic profile during surgery. Individualized fluid administration to maintain and optimize hemodynamics and tissue oxygenation plays a major role in the management of the moderate to high-risk surgical patient. This cannot be achieved reliably through the use of conventionally measured parameters such as arterial pressure, heart rate, urine output and central venous pressure but requires use of a specially designed monitor that provides a continuous measure of cardiac output.

The LiDCO*rapid* is the first monitor specifically designed to help surgical teams maintain a patient's optimal hemodynamic profile. It is easy to use and set up and is designed with a user interface that is both visually intuitive and informative.

It provides early warning of hemodynamic change, together with an indication of fluid responsiveness and actual response to a fluid or drug intervention. We are confident that widespread adoption of the LiDCO*rapid* will have a major impact on improving outcomes after major surgery by reducing complications and shortening hospital stays: this will not only benefit patients but also cut treatment costs. The initial response to this new product has been excellent and we are very excited about the potential of this product to take a significant share of this US$800 million surgery market.

Organ transplantation – a developing market opportunity

There has been a large amount of publicity in the press about the growing shortage of transplantable organs. This is in part related to declining numbers of patients suitable to act as organ donors. However the situation is compounded by an assumption that post-collection loss of transplantable organs is inevitable if an initial assessment of the donor suggests that the patients' hemodynamics, and hence organs, have deteriorated irreversibly. Brain death is known to induce dramatic changes in hemodynamics but donors are often not adequately hemodynamically monitored. This results in inadequate resuscitation, thereby reducing organ yield due to oxygen debt. In an effort to improve donor outcomes, LiDCO is working with an Organ Procurement Organisation (OPO) in the USA which is using our minimally invasive continuous hemodynamic monitoring to guide donor management decisions in hemodynamically unstable donors. The OPO believes that the ability to monitor and assess continuously fluid parameters, pressure and blood flow would enable the OPO coordinator to recognize and apply situation-specific interventions that target improving hemodynamics and hence improve end-organ perfusion. LiDCO*plus* monitoring is minimally invasive and brings the advantage that such care could be initiated immediately by the OPO coordinator (frequently a nurse) without the need for inserting specialized catheters (eg. the invasive pulmonary artery catheter) or requiring specialist physician support. I am delighted to report that minimally invasive hemodynamic monitoring has indeed helped to improve donor outcomes in these cases, with a significant increase in the number of organs available for transplantation.

This issue has been further studied by the University of Pittsburgh in a recently published prospective study. This confirmed our expectation that donors who were adequately resuscitated with the LiDCO*plus* monitor provided a significantly higher number (3.7 compared with 2) of organs per donor that were suitable for transplant, whereas donors who had inadequate volume resuscitation were associated with a higher inflammatory response. These results have generated considerable interest within the transplantation community, which is beginning to translate into sales of our technology into this developing market.

Product development

The last year has been a very active one for product development. Our development strategy is to respond quickly to market opportunities by providing proprietary hemodynamic monitoring products. The LiDCO*rapid* development follows on from the launch of the LiDCO*plus* version 4.1 software, the new LiDCO PC products LiDCO*view*^{SE} and LiDCO*view*^{PRO} (launched) and LiDCO*live* (in development and discussed below). LiDCO*rapid* was launched on target in April of this year with the first shipments of product to our distributor customers. Customer response to this exciting product has been exceptional and we are expecting this product to represent a new standard of care for major surgery patients.

We believe that the combination of the LiDCO*plus* and LiDCO*rapid* monitors and our data analysis PC software products collectively represent the most evolved platforms available today for the care and hemodynamic optimization of both intensive care and surgery patients.

LiDCO*live* – data display independent of location

The LiDCO*live* development is aimed at the creation of a virtual intensive care unit, taking real-time hemodynamic patient data and easy-to-interpret screens to the clinician – irrespective of their physical location. Location-independent monitoring is required to offset the growing shortage of the highly skilled staff needed to care for these patients. LiDCO is therefore developing a PC-based software product called LiDCO*live* that can display the LiDCO*plus* monitor trend screen and real-time patient data on any PC or laptop regardless of location. The clinician, together with the nurse at the patient's bed-side, can then discuss potential treatment approaches and immediately see the effects of their agreed change in fluid or drug therapy. This 'virtual ICU' approach using LiDCO's technology has the potential to make a considerable improvement in the care of high-risk patients and to make best use of the skills of the hospital clinical staff. The prototype LiDCO*live* product has been successfully demonstrated in Japan, the Czech Republic and the USA at various international meetings this year. One of the trialists of LiDCO*live*, Dr. Loua Shaikh (Department of Critical Care Medicine, Frimley Park Hospital, UK), said: *'In terms of patient care, the impact of time and distance on the delivery of experience and expert knowledge to the bedside are considerably diminished.'*

The LiDCO*live* software is still a product in development but we expect the first generation of this product to be available during the second half of 2008.

Regulatory affairs and product quality

During the period both our EC notified body and the US FDA conducted surveillance visits. LiDCO is pleased to report that no non-conformity issues were raised by either group of inspectors. Our product quality and customer satisfaction record continues to be excellent.

Dr Terry O'Brien
Chief Executive Officer
23 April 2008

In November 2007, the Company placed 23,647,074 shares at a price of 8.5p per share raising £2m before expenses with financial institutions and a number of private investors. The Group's cash balances at the year end were £2.23m compared with £1.47m in the previous year.

IFRS

The attached financial statements for the year to 31 January 2008 have been prepared for the first time in accordance with IFRS and the impact of IFRS has had no effect, other than presentation, on the reported figures and there were no material changes to the opening balances. Where necessary, comparative figures previously reported under UK GAAP have been restated for the transition to IFRS.

Operating results

Turnover increased by 18% to £4.05m (2006/07: £3.44m). The installed base of monitors increased in the year by 149 units to 1,184 (2006/7: 1,035 units), representing an increase of 14%. This has led to an accompanying increase in sensor usage of 7% from 24,316 to 26,081 units.

Product margins against external procurement costs have been maintained at 78% on monitors and modestly improved to 87% on disposables. The overall reported gross margin on sales is 64%, down from 67% in 2006/7 with the decrease being almost entirely accounted for by the increased monthly payments to Med One. Excluding the Med One monthly payments, the gross margin on sales was 75% (2006/07: 76%).

Administrative and distribution expenses were reduced by £320,000 (6%) from £4.94m to £4.62m. This is principally due to savings in staff costs, professional fees and premises costs which were offset by increases in depreciation and amortization.

As a result of the increase in revenues and reduced costs, operating losses decreased by £613,000 to £2.01m (2006/07: £2.62m) and the loss per share was reduced to 1.50 pence (2006/07: 2.10 pence).

Taxation

As the Group is still at the pre-profit stage there was no tax charge for the year. In addition the Group has a deferred tax asset of £6.1m to offset against future profits, although this has not been recognized in the accounts. In the UK, the Group qualifies for research and development (R&D) tax credits which amounted to £120,000 in 2007/08 which are shown in the income statement.

Cash, financing and working capital

The net cash outflow from operating activities remained level at £1.10m (2006/07: £1.12m) despite the reduction in operating losses. This was largely as a result of exceptional cash receipts in 2006/07 from two years of R&D tax credits and the collection of a large number of old outstanding debtors. Excluding the receipt of R&D tax credits, the net cash outflow from operating activities has reduced by 30% over the last two years.

The net cash outflow before financing increased from £1.60m to £1.69m as the result of increased spending on both fixed and intangible fixed assets.

Debtor days at the year end showed a slight improvement to 111 days compared with 115 days last year. Creditor days have reduced from 45 days to 29 days. Stock at the year end as a percentage of turnover has reduced from 31% to 21%.

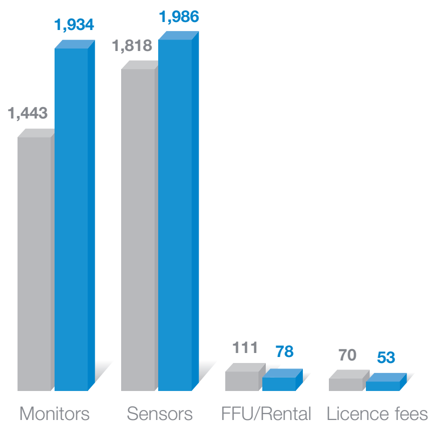
In November 2007, the Company placed 23,647,074 shares at a price of 8.5p per share raising £2m before expenses with financial institutions and a number of private investors. The expenses relating to the placing were £67,000.

As anticipated in last year's financial statements, the Group made use of its £1m (US$2m) Laurus loan facility and drew down £500,000 in August 2007. The amount drawn down at the year end stood at £553,000. The Laurus loan facility is due for repayment in August 2008 and it is anticipated that this will need to be replaced by a new facility of similar size. The Company is in discussions with a number of lenders and the Board is reasonably confident that this facility can be replaced.

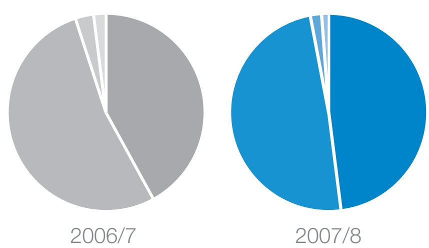
As a result of the placing and the draw down of the loan facility, the Group's cash balances at the year end were £2.23m compared with £1.47m the previous year.

Dr Terry O'Brien
Chief Executive Officer
23 April 2008

Sales by type
£'000



Sales as percentages



2006/7		2007/8	
Monitors	42%	Monitors	48%
Sensors	53%	Sensors	49%
FFU/Rental	3%	FFU/Rental	2%
Licence Fees	2%	Licence Fees	1%

BOARD OF DIRECTORS

1. Theresa Wallis
Non-Executive Chairman

2. Dr Terence O'Brien
Chief Executive Officer

3. Dr David Band
Scientific Director

4. John Barry
Sales and Marketing Director

5. Paul Clifford
Finance Director

5. Ian Brown
Non-Executive Director

CLINICAL ADVISORY BOARD

Dr Max Jonas
Dr Jonas is a consultant intensivist and senior lecturer in critical care working at Southampton University and Hospitals. He has responsibility for a 28 bed intensive care unit and has specific interests in hemodynamics and the assessment of monitoring equipment. He is currently deputy chairman of the technology assessment section of the European Society of Intensive Care Medicine and president of the Society of Critical Care Technologists.

1. Theresa Wallis
Non-Executive Chairman

Ms Wallis has worked most of her career in financial services, moving into the technology commercialism sector in 2001. She worked for the London Stock Exchange for 13 years, where from 1995 she was chief operating officer of the Alternative Investment Market (AIM), having managed the market's development and launch in 1994/5. From 2001 to end 2006 she was a principle executive of ANGLE plc, a venture management and consulting business focusing on the commercialisation of technology. She is currently a non-executive director of FTSE International Limited and Noble Income & Growth VCT plc. She is also a member of the Quoted Companies Alliance's Executive Committee and its Markets and Regulations Committee.

4. John Barry
Sales and Marketing Director

Mr Barry joined the Group in February 2001. He entered the medical industry working for Baxter Healthcare Inc. In 1997 he was appointed director of marketing for critical care in Europe and in 1999, when Baxter Healthcare sold Edwards Lifesciences Corporation, Mr Barry was appointed director of marketing for the cardiac surgery business of Edwards Lifesciences Corporation in Europe, the Middle East and Africa.

2. Dr Terence O'Brien
Chief Executive Officer

Dr O'Brien co-founded the Group in 1991. Prior to that, he held senior positions with biomedical companies including Sandoz SA, Pharmacia AB, Meadox Medical Inc, Novamedix Ltd, Enzymatix Ltd and Surgicraft Ltd. Dr O'Brien was associate commercial director at Enzymatix, which subsequently listed on the London Stock Exchange as ChiroScience Plc. Over the last 25 years Dr O'Brien has been involved in the research and development and subsequent marketing of a number of medical device technologies that are now standards of care in the anesthesia, critical care and surgery markets.

5. Paul Clifford
Finance Director

Mr Clifford qualified as a chartered accountant with Touche Ross (now Deloittes) in 1975 and has spent 28 years in technology companies. Between 1980 and 1984, he was finance director, then managing director of DCC International, a computer software company. He was finance director of Unix systems supplier TIS Limited when it was acquired by Misys plc in 1989. In 1991 he co-founded BCS Computing Limited, a private equity backed concern investing in computer software companies. He became finance director of software group, Comino in 1996, prior to its flotation on AIM in 1997. In 2006, Comino was acquired by Civica plc and Mr Clifford was appointed finance director of Civica UK Limited, the main operating subsidiary until he left in 2008.

3. Dr David Band
Scientific Director

Dr Band co-founded the Group in 1991 and is the co-inventor of the LiDCO System. He is a specialist in the field of respiratory physiology, electrochemistry and ion-selective electrodes. He has a degree in medicine, and was a reader in applied physiology in the Division of Physiology, GKT School of Biomedical Sciences, St Thomas' campus.

6. Ian Brown
Non-Executive Director

Mr Brown has over 25 years' experience in the medical devices industry and has extensive experience of developing and introducing new medical devices to the market in the UK and overseas. Between 1986 and 2003, he was an executive director and shareholder in a medical device start-up company (Novamedix Group), initially as sales and marketing director and later as managing director. The company was progressively sold to a major US healthcare group (Ofix). In his early career, Mr Brown worked in a number of UK and international sales and marketing positions for Johnson & Johnson, Smiths Industries and Pharmacia AB.

Professor David Bennett
Professor Bennett is Professor of Intensive Care Medicine at St George's Hospital, London where until 2003 he was director of the mixed medical/surgical intensive care unit, a position he held for more than 25 years. David has chaired numerous scientific committees, was honorary secretary of the European Society of Intensive Care Medicine and editor-in-chief of Clinical Intensive Care. He is on the editorial board of Intensive Care Medicine and Critical Care. He reviews regularly for these journals and also for Critical Care Medicine and Anesthesia and Analgesia.

Professor Michael Pinsky
Professor Pinsky is Professor of Critical Care Medicine, Bioengineering, Cardiovascular Diseases and Anesthesiology at the University of Pittsburgh School of Medicine, USA and is a member of the editorial board of the Journal of Critical Care and Critical Care Forum. He is editor-in-chief of the eMedicine textbook Critical Care Medicine. He was awarded Docteur hooris causa from the Université de Paris V (Le Sorbonne). He has a wide range of research interests – among them being the study of heart-lung interactions, hemodynamic monitoring, cardiovascular physiology, sepsis and outcomes research. He is a world leading authority on the application of both existing invasive, and the more recent introduced minimally invasive, monitoring technologies.

Dr Christopher Wolff
Dr Wolff holds the post of senior research fellow at The Centre for Clinical Pharmacology, The William Harvey Research Institute, Bart's and London Queen Mary School of Medicine and Dentistry, London. He is a clinician, physiologist and mathematician and has major research interests in respiratory and cardiovascular physiology.

CORPORATE GOVERNANCE

The Combined Code

Companies that have shares traded on the Alternative Investment Market (AIM) of the London Stock Exchange are not required to comply with the disclosures of the Combined Code on Corporate Governance which is appended to the Listing Rules of the Financial Services Authority (the 2006 FRC Code). However, the Board is committed to maintaining the highest standards of corporate governance, where appropriate for a Company of its size.

The Board of Directors

The Board consists of four executive directors and two non-executive directors. The non-executive directors are free from any relationship with the executive management of the Company and the Board considers that both non-executive directors, other than through their shareholdings, are independent directors. The non-executive directors bring a wide range of skills and experience to the Board and fulfil a vital role in corporate accountability.

The Chairman of the Board is Ms Wallis and Mr Brown is the senior independent non-executive director.
Directors' biographies are provided on page 13.

There were 12 scheduled meetings during the year. The attendance of the individual directors at the Board Meetings and Committee Meetings was as follows:

Attendance record at Board meetings and Committees

Name	Position	Board Meetings	Audit Committee	Remuneration Committee	Nominations Committee
Ms T A Wallis	Non-executive Chairman	**12 (12)**	**3 (3)**	**4 (4)**	**1 (1)**
Dr T K O'Brien	Chief Executive Officer	**12 (12)**	n/a	n/a	**1 (1)**
Dr D M Band	Scientific Director	**8 (12)**	n/a	n/a	n/a
Mr J G Barry	Sales & Marketing Director	**11 (12)**	n/a	n/a	n/a
Mr I G Brown	Non-executive Director	**12 (12)**	**3 (3)**	**4 (4)**	**1 (1)**

Numbers in brackets denote the total number of meetings during the year.

All the directors have access to the advice and services of the Company Secretary, whose appointment and removal is a matter for the Board as a whole. All directors are able to take independent advice in the furtherance of their duties, if necessary, at the Company's expense. The Company Secretary supports both the Board and the Committees.

Under the Company's Articles of Association, all new directors are required to resign and seek re-election at the first Annual General Meeting following their appointment. All directors are required to seek re-election at intervals of no more than three years.

Board evaluation and performance

In February 2008, the Board carried out an evaluation of its performance, functioning and composition and that of each Committee. This involved each director completing an evaluation, the results of which were then collated and discussed by the Board. Actions were agreed, including the need to appoint an experienced finance director. This position has now been filled. It is the Board's intention to continue to review annually its performance and that of its Committees.

Committees of the Board

Audit Committee

The members of the Committee are Ms Wallis (Chairman) and Mr Brown. The external auditors also attend meetings. The Committee considers financial reporting and internal controls. It also reviews the scope and results of the external audit and the independence and objectivity of the auditors. It meets at least twice a year and reviews the interim and annual financial statements before they are submitted for approval by the Board. The Committee met three times during the year. The Committee considers annually whether the auditors remain independent for the purposes of the audit. This year the fee for non-audit work is £10,000 against an audit fee of £39,000. The Committee is satisfied that the auditors remain independent for the purposes of the annual audit. The Committee consider that given the size of the Company and its current stage of development a separate internal audit function cannot be justified, but the matter is re-considered annually by the Committee.

Remuneration Committee

The members of the Committee are Ms Wallis (Chairman) and Mr Brown. The Committee reviews and sets the remuneration of the executive directors. It also reviews the policy for the salaries and bonuses of all other staff. It advises on share schemes and approves the granting of share options. The Committee met four times during the year.

Nominations Committee

The members of the Committee are Ms Wallis (Chairman), Mr Brown and Dr O'Brien. The Committee considers, at the request of the Board, candidates for new appointments to the Board and advises on all matters relating to Board appointments.

Relations with shareholders

The Company seeks to maintain and enhance good relations with its shareholders. The Company's interim and annual reports are supplemented by published updates to investors on technical and commercial progress. All investors have access to up-to-date information on the Company via its website, www.lidco.com, which also provides contact details for investor relations enquiries. All shareholders are invited to make use of the Company's Annual General Meeting to raise any questions regarding the management or performance of the Company.

The Chief Executive and Chairman meet regularly with shareholders and the investing community and report to the Board feedback from those meetings. Both non-executive directors have the opportunity to attend shareholder meetings. The Board is kept informed on market views about the Company.

Accountability and audit – Going concern

As noted in the accounting policies and on the basis of current financial projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Internal control, regulation and risk management

The composition of the Board and the senior management team provides a suitable range of knowledge and experience to enable adequate risk monitoring. Further details may be found in the Directors' Report.

DIRECTORS' REMUNERATION REPORT

The directors present their Remuneration Report which covers the remuneration of both the executive and non-executive directors. The report will be subject to shareholder vote at the forthcoming Annual General Meeting in June 2008.

Committee membership
The membership of the Remuneration Committee is made up of the following non-executive directors:

T A Wallis (Chairman)
I G Brown

Neither of the Committee members has any day-to-day involvement in the running of the Company, nor do they have any business or other relationship that could affect, or appear to affect, the exercise of their independent judgement, other than as shareholders. No director plays a part in any decision about his or her own remuneration.

Remuneration policy
The Committee determines on behalf of the Board, the remuneration for the executive directors and reviews remuneration policies for all employees. Remuneration levels are set in order to attract high calibre recruits and to retain and motivate those directors and employees once they have joined the Company to ensure the future success of the business and to deliver long-term shareholder value. This is achieved by a combination of base salary, bonuses and share options, which are offered to executive directors and employees at all levels. The Committee met four times in the year.

Base salary
All three executive directors receive a base salary and an allowance in lieu of benefits. The salary reflects the experience and level of competence of the individual to whom it applies, as judged by the Committee, taking into account salary levels in the market.

Annual bonus
The executive directors who served during the year are members of the Company's Senior Management Bonus Scheme. Under the terms of the Scheme, the Remuneration Committee assesses the directors' individual performances soon after the end of the financial year, judged against pre-determined targets.

The criteria for awarding bonuses during the year included corporate and individual objectives. Corporate objectives included sales performance and loss before tax. Bonuses are capped at 50% of base salary.

Remuneration policy of the non-executive directors
The Board determines the remuneration of the non-executive directors. The non-executive directors do not participate in the Company's share option schemes and are not eligible for annual incentive payments or benefits in kind.

Remuneration of directors

	Year ended 31 Jan 2008					
	Salary and fees £'000	**Allowance in lieu of benefits** £'000	**Benefits** £'000	**Bonus** £'000	**Total** **£'000**	**2007** **£'000**
T A Wallis	**44**	**–**	**–**	**–**	**44**	44
T K O'Brien	**180**	**36**	**1**	**27**	**244**	237
J G Barry	**166**	**33**	**3**	**27**	**229**	222
D M Band	**43**	**9**	**–**	**4**	**56**	58
I G Brown	**28**	**–**	**–**	**–**	**28**	28
H M J McGarel-Groves*	**–**	**–**	**–**	**–**	**–**	196
Total	**461**	**78**	**4**	**58**	**601**	785

*Mr McGarel-Groves was employed for part of the of the year 2006/7 until 22 January 2007, the date of his resignation. Included in his salary and fees for the year ended 31 January 2007, is the sum of £66,000 which together with 239,130 shares issued to him at 11.5p per share was paid as part of settlement arrangements on resignation.

Contracts of service

Details of the service contracts currently in place for the directors who have served during the year are as follows:

Executive directors

The service contracts of Dr O'Brien, Dr Band and Mr Barry are dated 29 June 2001 and are not set for a specific term but include a rolling 12 months' notice period. Mr Clifford has a service contract with the Company dated 21 April 2008; as with the other executive directors, this is not set for a specific term, but includes a rolling six months' notice period.

Non-executive directors

The non-executive directors do not have service contracts with the Company. The letter of appointment for each non-executive director states that they are appointed for an initial period of three years. At the end of the initial period, the contract may be renewed for a further period if the Company and the director agree. In keeping with best practice, these appointments are terminable without notice by either party.
The Chairman's appointment was renewed in 2006 for the period ending 19 December 2008.

Directors' interests in share options

Options were granted to the executive directors as follows:

	Option type	Options at 31 Jan 2007	Date of grant	Options granted during 2007	Lapsed during the year	**Options at 31 Jan 2008**	Exercise price	Exercisable from	Expiry Date
T K O'Brien	EMI	750,000	Dec-02			**750,000**	13p	Dec-05	Dec-12
	EMI	11,627	Apr-05			**11,627**	21.5p	Apr-08	Apr-15
	Unapproved	265,768	Apr-05			**265,768**	21.5p	Apr-08	Apr-15
D M Band	EMI	750,000	Dec-02			**750,000**	13p	Dec-05	Dec-12
	EMI	11,627	Apr-05			**11,627**	21.5p	Apr-08	Apr-15
	Unapproved	53,489	Apr-05			**53,489**	21.5p	Apr-08	Apr-15
J G Barry	Unapproved	106,250	Jul-01			**106,250**	5p	Jul-01	July-11
(Note 1)	Unapproved	211,000	Dec-02			**211,000**	13p	Dec-03	Dec-12
	EMI	539,000	Dec-02			**539,000**	13p	Dec-05	Dec-12
	Unapproved	90,000	Nov-05			**90,000**	28.25p	Nov-06	Nov-13
	Unapproved	356,844	Apr-05			**356,844**	21.5p	Apr-08	Apr-15
	Unapproved	1,177,878	Apr-05			**1,177,878**	22p	Dec-05	Apr-15
	EMI	136,045	Apr-05			**136,045**	22p	Apr-06	Apr-15
	Unapproved	45,000	Jun-06			**45,000**	21p	Jun-09	Jun-16
	Unapproved		Jun-07	75,000		**75,000**	12.5p	Jun-10	Jun-17
H M J McGarel-Groves	EMI	250,000			(250,000)	**Nil**	20.75p	May-08	Jul-07
(Note 2)	EMI	229,166			(229,166)	**Nil**	21p	Jun-09	Jul-07
	Unapproved	20,834			(20,834)	**Nil**	21p	Jun-09	Jul-07
	Unapproved	239,130			(239,130)	**Nil**	11.5p	Jun-10	Jul-07
Total		5,243,648		75,000	(739,130)	**4,579,518**			

Note 1
In April 2005 Mr Barry was granted options with accelerated vesting as follows:
- 192,436 Unapproved share options vesting 31/12/05 exercisable at 22p
- 328,481 Unapproved share options vesting 30/4/06 exercisable at 22p
- 656,961 Unapproved share options vesting 30/9/06 exercisable at 22p
- 136,045 EMI share options vesting 31/12/05 exercisable at 22p

Each tranche remains exercisable for a period of 10 years from date of grant

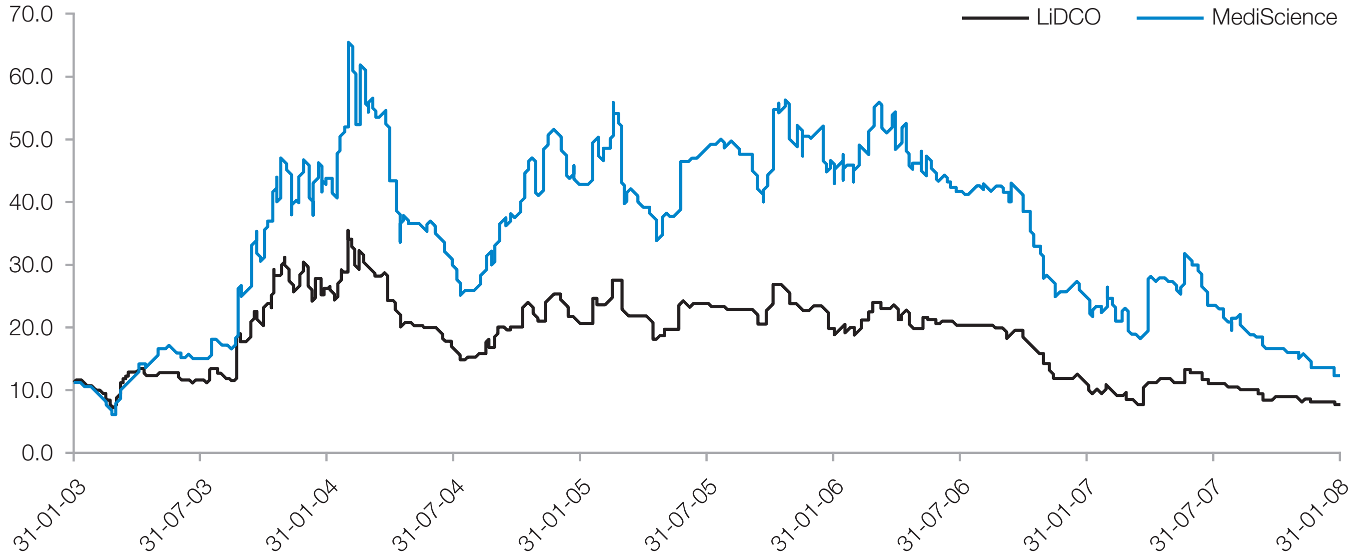
Note 2
Mr McGarel-Groves resigned on 22 January 2007. His share options all lapsed in July 2007.

The share price was 10p on 1 February 2007 and 7.5p on 31 January 2008, with high and low during the year of 13.25p and 7.37p respectively.

Pensions
No pension contributions were payable by the Group during the year (2006/7: £nil)

Shareholder return
The graph below shows the share price performance since January 2003, using the FTSE TechMARK Mediscience Index as a comparator, which the directors consider to be the most suitable benchmark index.

Relative price scale



Theresa Wallis
Chairman of the Remuneration Committee
23 April 2008

DIRECTORS' REPORT

For the year ended 31 January 2008

The directors of LiDCO Group Plc present their annual report and audited financial statements (Annual Report) for the year ended 31 January 2008.

Principal activities, business review and business risks

The principal activity of the Group is the development, manufacture and sale of cardiac monitoring equipment.

The review of the business is included in the Chief Executive Officer's Review which should be read as part of this directors' report.

The key commercial risks associated with the business are:

- the development of competing products which can restrict the Group's ability to make further progress in increasing its share of the minimally invasive hemodynamic monitoring market. The Group addresses this by seeking independent validation of its products and introducing product developments and enhancements to both existing and new markets;
- healthcare spending – the Group's performance is affected by hospitals' expenditure and budgetary constraints which the Group mitigates by targeting its efforts and resources according to specific opportunities and market expansion in different territories;
- competition activity from market leaders in the USA and Japan. The Group is competing against more established suppliers and the Group's progress in these markets is more fully covered in the Chief Executive Officer's Review.

The key financial risk being the management and maintenance of sufficient cash balances to support the ongoing development and marketing of the LiDCO technology.

Results and dividends

The Group's revenue for the year was £4,051,000 (2006/7: £3,443,000). The Group made a consolidated loss after taxation of £1,866,000 (2006/7: £2,385,000). The directors do not recommend the payment of a dividend (2006/7: £nil).

The Company's share price at 31 January 2008 was 7.5p (2007: 10p).

Research and Development

The Group continued to develop the LiDCO systems during the year. Details of the costs expended on research and development are set out in Notes 3 and 8 to the financial statements.

Share capital and share premium account

Full details of the authorised and issued share capital of the Company, together with details of the movements in the Company's issued share capital and the share premium accounts during the year, are shown in notes 6 and 7 on pages 45 and 46 to the financial statements. In December 2007, the Company placed 23.6m shares at a price of 8.5p, raising approximately £2m before expenses.

Directors

The directors of the Company who served during the year are set out below; short biographies are set out on page 13.

T A Wallis	Non-Executive Chairman
T K O'Brien	Chief Executive Officer
D M Band	Scientific Director
J G Barry	Sales and Marketing Director
I G Brown	Non-Executive Director

Mr Brown retires by rotation and, being eligible, offers himself for re-election at the forthcoming Annual General Meeting. Mr Clifford who was appointed Group Finance Director of the Company on 23 April 2008 will offer himself for election at the forthcoming Annual General Meeting.

Directors' remuneration

The Remuneration Report, which includes information regarding directors' service contracts, appointment arrangements and interests in share options, can be found on pages 17 and 18.

Directors' interests in shares

The directors who held office at 31 January 2008 had beneficial interests in the ordinary shares of the Company as shown below:

Directors' shareholdings

	Ordinary shares of 0.5p each	
	31 January 2008 Number	31 January 2007 Number
T A Wallis	**145,037**	108,000
T K O'Brien	**10,935,461**	10,109,577
D M Band	**7,060,832**	7,060,832
J G Barry	**379,642**	379,642
I G Brown	**100,000**	100,000

The directors have no interests in the shares of the Company's subsidiary undertakings.

Directors' indemnities and Directors' and Officers' Insurance
The Company has exercised the power given by shareholders at the 2006 Annual General Meeting to extend the indemnities to directors and officers against liability to third parties. The directors also have Directors' and Officers' insurance cover in place in respect of personal liabilities which may be incurred by directors and officers in the course of their service with the Company.

Employment policy
Equal opportunity is given to all employees regardless of their gender, race or ethnic origin, religion, age, disability, or sexual orientation.

The policy of the directors is to encourage the involvement of all employees in the development and performance of the Group. Employees are regularly briefed on the Group's activities through regular information releases and meetings. All employees are encouraged to give their views on matters of common concern through the line management. All employees participate in the share option schemes.

Supplier payment policy
It is and will continue to be the policy of the Group to negotiate with suppliers so as to obtain the best available terms taking account of quality, delivery, price and period of settlement and, having agreed those terms, to abide by them. The total amount of the Group's trade creditors falling due within the year ended 31 January 2008 represents 29 days' worth (2006/7: 45 days) as a proportion of the total amount invoiced by suppliers during the period.

Significant shareholdings
As at 18 April 2008, the Company has been notified that the following shareholders, other than directors, had the following interest of 3% or more of the Company's ordinary share capital:

Shareholder	Number of shares in which there is an interest	Percentage notified*
Ingalls & Snyder Llc	16,424,000	11.57%
H J Leitch	10,729,489	7.56%
P A Brewer	9,678,727	6.82%
Liontrust Intellectual Capital Trust	9,543,851	6.72%
R M Greenshields	9,042,407	6.37%
AXA Framlington Investment Management	8,852,942	6.24%
Cheviot Asset Management Limited	8,776,333	6.18%
Charles Stanley & Co	4,866,686	3.43%

*The percentages shown are based on the issued share capital at that date.

Charitable and political donations
The Group made no charitable or political donations in the year (2006/7: £nil).

Directors' responsibilities for the financial statements
The directors are responsible for preparing the Annual Report and group financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union. The parent company financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group or 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;
- state whether applicable 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.

In so far as the directors are aware:
- there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

The directors are responsible for keeping proper accounting records that 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' REPORT
Continued

For the year ended 31 January 2008

Going concern
The financial statements have been prepared on the going concern basis, as set out in Note 1, Basis of Preparation, which assumes that the Company will have sufficient funds to continue in operational existence for the foreseeable future. The Company has continued to invest in the development of its operations and in particular its sales and marketing presence by continuing to invest in both its direct and indirect sales channels during the year and in a new product offering. As a result it has continued to trade at a loss during the year ended 31 January 2008.

The directors have approved forecasts for the foreseeable future, which indicate that the Company will have sufficient funding to continue to trade during that period. The forecasts assume a level of new sales about which there is uncertainty. If such new sales are not achieved, the directors believe that there are sufficient opportunities available to them to obtain additional funding from sources that are currently being explored which would enable the Company to continue to develop its operations and to meet its liabilities as they fall due. The convertible loan from Laurus (see note 11) is due for repayment in August 2008 and it is anticipated that this will need to be replaced by a new loan facility of similar size. The Company is in discussion with a number of lenders and the Board is reasonably confident that the facility can be replaced. Accordingly, the financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would be required in the event that the Company had insufficient funding available.

Financial risk management
The Financial Risk Management objectives and policies of the Group, including the exposure to interest rate risk, liquidity risk and currency risk are set out in note 13 to the financial statements.

Key Performance Indicators (KPIs)
The Board monitors progress of the Group's strategy and by reference to the KPIs, specifically revenue growth, gross margin, price maintenance, working capital levels and market position. These KPIs have been addressed in the Chief Executive Officer's Review and the Financial Review.

Internal controls, regulation and risk management
The Company has implemented an organisational structure with clearly-defined responsibilities and lines of accountability.

Detailed budgets and forecasts are prepared annually and progress against expectations is reviewed monthly by the Board. Underpinning the monthly financial reporting is a system of internal control, based on authorisation procedures.

As a medical device Company, LiDCO also has a system of regulatory controls, to ensure compliance with all requirements of the Medicines and Healthcare Products Regulatory Agency (MHRA), the US Food & Drug Administration (FDA) and other medical bodies. During the year the Company was compliant with ISO 9001 (Quality Management Systems) and ISO13485 (Medical Devices – Quality Management Systems).

The Company performs periodic risk assessments involving all departments. The results are reviewed by the Board and actions to mitigate risk are indentified and agreed.

Auditors
A resolution to re-appoint Grant Thornton UK LLP as auditors and to authorise the directors to set their remuneration will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting
The Notice to convene the Annual General Meeting of the Company to be held on Wednesday 25 June 2008 is included in the circular which accompanies this Annual Report. The circular details the resolutions to be proposed at the meeting together with a brief explanation for each.

By order of the Board

John Rowland

John Rowland
Company Secretary
23 April 2008

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LIDCO GROUP PLC

We have audited the group financial statements of LiDCO Group Plc for the year ended 31 January 2008 which comprise the principal accounting policies, the consolidated income statement, the consolidated balance sheet, the consolidated cash flow statement and the consolidated statement of changes in shareholders' equity and notes 1 to 18. These Group financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the parent company financial statements of LiDCO Group Plc for the year ended 31 January 2008.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the Annual Report and the Group financial statements in accordance with United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Group financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Group financial statements give a true and fair view, and whether the Group financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Chief Executive Officer's Review that is cross referred from the business review section of the Directors' Report.

In addition we also report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Group financial statements. The other information comprises only the Directors' Report, Corporate Governance Statement, Remuneration Report, Chief Executive Officer's Review and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Group financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the Group financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Group financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the group financial statements.

Opinion

In our opinion:
- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 January 2008 and of its loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements for the year ended 31 January 2008.

Grant Thornton UK LLP
Registered Auditors
Chartered Accountants

London
23 April 2008

Note: The maintenance and integrity of the LiDCO Group Plc website is the responsibility of the directors: the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 January 2008

	Note	**Year ended 31 January 2008 £'000**	Year ended 31 January 2007 £'000 (Restated)
Revenue	2	**4,051**	3,443
Cost of sales		**(1,442)**	(1,127)
Gross profit		**2,609**	2,316
Distribution costs		**(93)**	(69)
Administrative expenses		**(4,526)**	(4,870)
Loss from operations	3	**(2,010)**	(2,623)
Finance income		**49**	69
Finance expense		**(25)**	(35)
Loss before tax		**(1,986)**	(2,589)
Income Tax	5	**120**	204
Loss for the year attributable to equity holders of the parent		**(1,866)**	(2,385)
Loss per share (basic and diluted) (p)	6	**(1.50)**	(2.10)

All transactions arise from continuing operations.

There were no recognised gains or losses other than the loss for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET

At 31 January 2008

	Note	2008 £'000	Restated 2007 £'000
Non-current assets			
Property, plant and equipment	7	**833**	854
Intangible assets	8	**747**	656
		1,580	1,510
Current assets			
Inventory	9	**839**	1,080
Trade and other receivables	10	**1,329**	1,279
Current tax		**120**	142
Cash and cash equivalents		**2,234**	1,474
		4,522	3,975
Current liabilities			
Trade and other payables	11	**(707)**	(778)
Deferred income	11	**(41)**	(68)
Borrowings	11	**(563)**	–
		(1,311)	(846)
Net current assets		**3,211**	3,129
Total assets less current liabilities		**4,791**	4,639
Equity attributable to equity holders of the parent			
Share capital	14	**710**	592
Share premium		**22,550**	20,723
Merger reserve		**8,513**	8,513
Retained earnings		**(27,016)**	(25,240)
Total equity		**4,757**	4,588
Non-current liabilities			
Finance lease liability	12	**34**	51
Total non-current liabilities		**–**	51
Total equity and non-current liabilities		**4,791**	4,639

The financial statements were approved by the Board of Directors on 23 April 2008.

Theresa Wallis
Director

Terence O'Brien
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 January 2008

	Year ended 31 January 2008 £'000	Year ended 31 January 2007 £'000
Operating loss	**(2,010)**	(2,622)
Depreciation and amortisation charges	**611**	412
Share based payments	**88**	66
Decrease in inventories	**241**	196
Decrease/(increase) in receivables	**(50)**	495
(Decrease)/increase in payables	**(96)**	87
Finance expense	**(25)**	(35)
Income tax credit received	**142**	283
Net cash outflow from operating activities	**(1,099)**	(1,118)
Cash flows from investing activities		
Purchase of property, plant & equipment	**(170)**	(137)
Purchase of intangible fixed assets	**(467)**	(410)
Interest received	**49**	69
Net cash used in investing activities	**(588)**	(478)
Net cash outflow before financing	**(1,687)**	(1,596)
Cash flows from financing activities		
Issue of ordinary share capital	**1,945**	3,245
Convertible loan drawdown/(repayment)	**502**	(1,126)
Net cash generated from financing activities	**2,447**	2,119
Net increase in cash and cash equivalents	**760**	523
Opening cash and cash equivalents	**1,474**	951
Closing cash and cash equivalents	**2,234**	1,474

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 January 2008

	Share capital £'000	Share premium £'000	Merger reserve £'000	Other reserve £'000	Retained earnings £'000	Total equity £'000
At 1 February 2006	503	17,566	8,513	(88)	(22,833)	3,661
Issue of share capital	89	3,157	–	–	–	3,246
Transfer	–	–	–	88	(88)	–
Share based payment expense	–	–	–	–	66	66
Loss for the year	–	–	–	–	(2,385)	(2,385)
At 31 January 2007	**592**	**20,723**	**8,513**	**–**	**(25,240)**	**4,588**
Issue of share capital	118	1,827	–	–	–	1,945
Share based payment expense	–	–	–	–	90	90
Loss for the year	–	–	–	–	(1,866)	(1,866)
At 31 January 2008	**710**	**22,550**	**8,513**	**–**	**(27,016)**	**4,757**

The share premium account represents the excess over the nominal value for shares allotted.

The merger reserve represents a non-distributable reserve arising from historic acquisitions.

The other reserve relates to the former investment in shares in the Employee Share Ownership Trust. This investment is no longer classified as an investment of the Company or the Group.

The accompanying accounting policies and notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2008

1 Principal accounting policies

The Group's principal activity is the development, manufacture and sale of cardiac monitoring equipment. LiDCO Group Plc is the Group's ultimate parent company. It is incorporated and domiciled in England & Wales and situated at the address shown on page 47.
The Group's shares are listed on the Alternative Investment Market of the London Stock Exchange.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and under the historical cost convention. They are presented in sterling, which is the functional currency of the parent company and the Group.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The policies have changed from the previous year when the financial statements were prepared under applicable United Kingdom Generally Accepted Accounting Principles (UK GAAP). The comparative information has been restated in accordance with IFRS. The changes to accounting policies are explained below. There were no material changes to the opening balances. The date of transition to IFRS was 1 February 2006 (transition date).

The Group has taken advantage of certain exemptions available under IFRS 1 First-time adoption of International Financial Reporting Standards. The exemptions used are explained under the respective accounting policy.

The accounting policies that have been applied in the opening balance sheet have also been applied consistently throughout all periods presented in these financial statements. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 31 January 2008.

IFRS standards and interpretations not yet adopted

The following new standards and interpretations, which are yet to become mandatory have not been applied to the Group's 2008 financial statements.

	Standard or Interpretation	Effective for reporting period starting on or after
	Amendment to IFRS 2 Share-based Payment-Vesting Conditions and Cancellations	1 January 2009
IFRS3	Business Combinations (Revised 2008)	1 July 2009
IFRS8	Operating Segments	1 January 2009
IAS1	Presentation of Financial Statements (revised 2007)	1 January 2009
IAS23	Borrowing costs (revised 2007)	1 January 2008
IAS27	Consolidated and Separate Financial Statements (Revised 2008)	1 July 2009
	Amendment to IAS32 Financial Instruments: Presentation and IAS1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
IFRIC14	IAS19 – The limit on a Defined Benefit asset. Minimum Funding Requirements and their Interaction	1 January 2008
IFRIC13	Customer Loyalty Programmes	1 January 2008
IFRIC12	Service Concession Arrangements	1 January 2008
IFRIC11	IFRS2 Group and Treasury Share Transactions	1 March 2007

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the consolidated financial statements.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Group will have sufficient funds to continue in operational existence for the foreseeable future. The Group has continued to invest in the development of its operations and in particular its sales and marketing presence by continuing to invest in both its direct and indirect sales channels during the year and in a new product offering. As a result the Group has continued to trade at a loss during the year ended 31 January 2008.

The directors have approved forecasts for the foreseeable future, which indicate that the Group will have sufficient funds to trade during that period. The forecasts assume a level of new sales about which there is uncertainty. If such new sales are not achieved, the directors believe that there are sufficient opportunities available to them to obtain additional funding from sources which are currently being explored, to enable the Group to continue to develop its operations and to meet its liabilities as they fall due. The convertible loan from Laurus (see note 11) is due for repayment in August 2008 and it is anticipated that this will need to be replaced by a new loan facility of similar size. The Company is in discussion with a number of lenders and the Board are reasonably confident that the facility can be replaced. Accordingly the financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would be required in the event that the Company had insufficient funding available.

Basis of consolidation

The Group's consolidated financial statements consolidate those of the Company and of its subsidiary undertakings drawn up to 31 January 2008. Subsidiary undertakings are all entities over which the Group has the power to control the financial and operating policies so as to obtain economic benefits from its activities. The Group obtains and exercises control through voting rights.

Business combinations are dealt with by the purchase method. The purchase method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary at the acquisition date whether or not they were recognised in the statements of the subsidiary prior to acquisition. On initial recognition the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair values which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. The results of any subsidiary undertakings acquired during the period, where applicable are included from the date of acquisition. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

IFRS transition changes

There are no material changes to the reported figures following the adoption of IFRS and no material changes to the opening balances. The main policies that are amended are:

Financial instruments: Recognition and measurement

IAS39 is applicable to the convertible loan. At 31 January 2008, the liability amounted to £553,000 and the adjustment arising from this is immaterial.

Deferred tax

The Group has a significant unprovided deferred tax asset. Although there is a change in the basis of assessment for deferred tax under IAS12: Income Taxes, there is no recognition of this unprovided element.

Exemptions

IFRS1 'First-time Adoption of International Financial Reporting Standards' sets out the transition rules, which must be applied, when IFRS is adopted for the first time. The standard sets out certain mandatory exemptions to retrospective application and certain optional exemptions. The most significant optional exemptions available and taken by the Group are in business combinations. The Group has adopted the exemption under IFRS1 relating to business combinations which occurred before the date of transition, 1 February 2006.

Revenue recognition

Revenues are recognised at fair value of the consideration receivable net of the amount of value added taxes.

Sale of goods

Sales revenue comprises revenue earned (net of returns, discounts and allowances) from the provision of products to entities outside the consolidated entity. Sales revenue is recognised when the risks and rewards of ownership of the goods passes to the customer, which is normally upon delivery, and when the amount of revenue can be measured reliably.

The Group has an arrangement for the placing of monitors in hospitals with Med One Capital Funding, LLC, a US company that has trading relationships with the majority of US hospitals and provides a number of deferred payment arrangements together with product support and advice. The Group sells monitors to Med One and recognises the revenue as a sale. Title to the monitors passes to Med One, as do the significant risks and rewards of ownership and there is no obligation for the Group to re-purchase the monitors. The full revenue arising from the sale of consumables relating to these monitors is recognised as revenue by the Group. Med One is entitled to a portion of the monthly revenue from the sale of consumables for a period of three years and payments made to Med One in this way are included within cost of sales.

Delivery of services

Revenue from rendering services is recognised in the period in which the service is provided.

Interest income

Interest income is brought to account as it accrues, using the effective interest method.

Other income

Other income is brought to account when the consolidated entity's right to receive income is established and the amount can be reliably measured.

Research and development
Research expenditure is charged to the income statement in the period in which it is incurred.

Development costs are capitalised when all the following conditions are satisfied:
- completion of the intangible asset is technically feasible so that it will be available for use or sale
- the Group intends to complete the intangible asset and use or sell it
- the Group has the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- the expenditure attributable to the intangible asset during its development can be measured reliably

Capitalised development costs which comprise cost of materials, labour and attributable overheads are amortised over a period of three to five years.

Development costs not meeting the criteria for capitalisation are expensed as incurred.

Intangible assets – development costs
Intangible assets represent costs relating to product registration in new countries, software development costs and clinical trials on the LiDCO system. Where the directors are satisfied as to the technical, commercial and financial viability of these projects, the expenditure has been capitalised and is amortised in equal amounts over the useful life.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The amortisation periods generally applicable are:

Clinical trials	Three years
Product registration costs	Five years
Software development	Three years

Property, plant & equipment
Property, plant and equipment are stated at cost, net of depreciation. Depreciation is calculated to write down the cost less estimated residual value of these assets by equal annual instalments over their estimated useful economic lives which are re-assessed annually. The periods/rates generally applicable are:

Leasehold improvements	Over the life of the lease
Plant and machinery	10% per annum
Fixtures and fittings	12.5% per annum
Office equipment	20% per annum
Computer equipment	33% per annum

Leases
Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Assets held under finance leases are capitalised at the lower of fair value or present value of the minimum lease payments in the balance sheet and depreciated over their estimated useful economic lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the income statements account on a straight-line basis over the lease term.

Inventories
Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of selling expenses.

The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing locations and condition.

Income tax
Current tax is the tax currently payable based on the taxable result for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity (such as the revaluation of land) in which case the related deferred tax is also charged or credited directly to equity.

Foreign currency
Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the income statement.

Trade and other receivables
Trade receivables, which generally have 30-90 day terms, are recognised and initially recognised at fair value amount and subsequently at amortised cost using the effective interest method, less provisions for impairment. Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset’s carrying amount and the present value of estimated future cash flows.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand and demand deposits with an original maturity of three months or less, and which are subject to an insignificant risk of change in value.

Financial liabilities and equity
Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes party to the contractual provisions of the instrument and are initially recorded at fair value net of issue costs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Embedded derivatives: Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at fair value with changes in fair value recognised in the income statement.

The fair value of the liability portion of a convertible loan is determined using a market interest rate for an equivalent non-convertible loan. The amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the loan. The remainder of the proceeds is allocated to the conversion option, which is recognised and included in shareholder’s equity.

Share-based payments
The Group has one equity-settled share-based remuneration scheme for employees. Where share options are awarded to employees, the fair value of the options at the date of grant is calculated using a pricing model and is charged to the income statement over the vesting period. Market, and non-market vesting conditions such as sales growth are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied.

Key judgments in applying the entity's accounting policies

The Group's management makes estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful lives of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are amortised or depreciated over their useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the income statement in specific periods (notes 7 and 8).

Inventory

The Group reviews the net realisable value of, and demand for, its inventory on a regular basis to provide assurance that recorded inventory is stated at the lower of cost or net realisable value. Factors that could impact estimated demand and selling prices include the timing and success of future technological innovations, competitor actions, supplier prices and economic trends (note 9).

Trade receivables

Trade receivables are primarily due from two groups, hospitals in the UK and USA where sales are made by the Group's own sales force and distributors, predominantly in Europe and the Rest of the World. In making provision for overdue trade receivables, management consider those due directly from hospitals to be generally of lower risk than those due from distributors and apply a lower level of provision. The size of the distributor together with its financial credit rating and the length of relationship with the Group are also taken into account (note 10).

2 Revenue and segmental information

The Group has one primary segment – the supply of monitors, sensors and support services associated with the use of LiDCO's cardiac monitoring equipment. Geographical and product type analysis is used by management to monitor sales activity and is presented below:

Turnover and result by geographical region

Group revenue	Year ended 31 Jan 2008 £'000	Year ended 31 Jan 2007 £'000
UK	**1,724**	2,012
USA	**1,241**	767
Europe	**873**	511
Rest of the World	**213**	153
	4,051	3,443
Result		
UK	**249**	462
USA	**(111)**	(499)
Europe	**291**	170
Rest of the World	**93**	79
Total	**522**	212
Unallocated costs	**(2,532)**	(2,835)
Loss from operations	**(2,010)**	(2,623)

Revenue by type	Year ended 31 Jan 2008 £'000	Year ended 31 Jan 2007 £'000
Monitor sales	**1,934**	1,443
Sensor sales	**1,986**	1,818
Fee for use	**78**	111
Licence fees	**53**	70
	4,051	3,443

Sales of monitors to Med One as detailed in note 1 under revenue recognition during the year amounted to £467,000 (2006/07: £399,000). The monthly payments to Med One relating to consumables and included within cost of sales amounted to £444,000 (2006/07: £316,000) during the year.

The Group can identify trade receivables and trade payables relating to the geographical segments. As noted above, the Group has one primary segment and other assets and liabilities together with non-sales related overheads are not accounted for on a segment by segment basis. Accordingly, segment assets, liabilities and segment cash flows are not provided.

3 Loss from operations

The loss on operations before taxation is stated after:

	Year ended 31 Jan 2008 £'000	Year ended 31 Jan 2007 £'000
Auditors' remuneration:		
Fees payable to the Company auditors for the audit of the Group accounts:	**15**	14
Fees payable to the company auditors for other services:		
Audit of the Company's subsidiaries	**24**	23
Other services relating to the interim review*	**7**	24
Other services*	**3**	10
Research and development	**177**	247
Depreciation of property, plant and equipment	**235**	185
Amortisation of intangible assets	**376**	227
Operating leases – rental of land and buildings	**162**	233

The cost of goods sold during the year amounted to £666,000 (2007: £570,000)

*Non-audit services comprise £7,000 for interim review services and £3,000 for IFRS compliance services.
The Board considers it cost effective for the auditors to provide these services.

4 Staff costs

Staff costs during the year were as follows:

Group	Year ended 31 Jan 2008 £'000	Year ended 31 Jan 2007 £'000
Wages and salaries	**2,015**	2,269
Social security costs	**178**	188
Share based payments charge	**88**	95
	2,281	2,552

Included in the share based payment charge for the year ended 31 January 2007, is the sum of £28,000 representing the issue of 239,130 shares to Mr McGarel-Groves at 11.5p per share as part of the settlement arrangements on his resignation.

The average number of employees (including executive directors) of the Company during the year was:

	Number 2008	Number 2007
Production	**10**	11
Sales	**17**	16
Administration	**12**	11
	39	38

Remuneration in respect of key management personnel was as follows:

	2008 £'000	2007 £'000
Emoluments	**371**	368

NOTES TO THE FINANCIAL STATEMENTS
Continued

For the year ended 31 January 2008

5 Tax on loss on ordinary activities
The tax credit is based on the loss for the year and represents:

	Year ended 31 Jan 2008 £'000	Year ended 31 Jan 2007 £'000
United Kingdom corporation tax at 28% (2007: 30%)	**–**	–
Adjustments in respect of prior year	**–**	(62)
Research and development expenditure tax credits	**(120)**	(142)
Total tax	**(120)**	(204)
Loss on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 28% (2007: 30%)	**(587)**	(777)
Effect of:		
Expenses not deductible for tax purposes	**164**	211
Depreciation for the period in excess of capital allowances	**50**	44
Increase in tax losses	**389**	543
Other timing differences	**(16)**	(21)
Adjustments in respect of prior year	**–**	(62)
Research and development expenditure tax credits	**(120)**	(142)
Total tax	**(120)**	(204)

The Group has a deferred tax asset of approximately £6.1m (2007: £6.1m) arising primarily from operating losses which have not been recognised due to the uncertainty of future taxable profits.

6 Loss per share
The calculation of basic earnings per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. The calculation of diluted earnings per share is based on the calculation described above adjusted to allow for the issue of shares on the assumed conversion of all dilutive options. Share options are regarded as dilutive when, and only when, their conversion to ordinary shares would increase the loss per share.

	Year ended 31 Jan 2008 £'000	Year ended 31 Jan 2007 £'000
Loss after tax for the financial year	**(1,866)**	(2,385)

	Number £'000	Number £'000
Weighted average number of ordinary shares	**122,353**	113,836
Effect of dilutive share options	**–**	–
Adjusted weighted average number of ordinary shares	**122,353**	113,836
Loss per share – basic and diluted (p)	**(1.50)**	(2.10)

7 Property, plant & equipment

	Leasehold improvements £'000	Plant and machinery £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost					
At 1 February 2006	541	408	154	970	2,073
Additions	14	3	7	113	137
Disposals	–	–	–	(136)	(136)
At 31 January 2007	555	411	161	947	2,074
Additions	–	17	–	316	333
Disposals	–	–	–	(191)	(191)
At 31 January 2008	**555**	**428**	**161**	**1,072**	**2,216**
Accumulated depreciation					
At 1 February 2006	187	217	111	520	1,035
Charge for the year	57	28	12	224	321
Disposals	–	–	–	(136)	(136)
At 31 January 2007	244	245	123	608	1,220
Charge for the year	58	30	12	135	235
Disposals	–	–	–	(72)	(72)
At 31 January 2008	**302**	**275**	**135**	**671**	**1,383**
Carrying amount at 31 January 2008	**253**	**153**	**26**	**402**	**833**
Carrying amount at 31 January 2007	311	166	38	339	854

Plant and equipment is depreciated at various rates depending on the estimated life of the item of plant or equipment. The rates of depreciation are shown in note 1.

The carrying amount of the Group's plant and equipment includes £43,000 (2007: £nil) in respect of assets held under finance leases.

8 Intangible assets

	Clinical trials £'000	Product registration £'000	Software development £'000	Total £'000
Cost				
At 1 February 2006	74	191	1,064	1,329
Additions	18	178	214	410
At 31 January 2007	92	369	1,278	1,739
Additions	24	90	353	467
At 31 January 2008	**116**	**459**	**1,631**	**2,206**
Accumulated amortisation				
At 1 February 2006	74	22	760	856
Charge for the year	3	56	168	227
At 31 January 2007	77	78	928	1,083
Charge for the year	9	70	297	376
At 31 January 2008	**86**	**148**	**1,225**	**1,459**
Carrying amount at 31 January 2008	**30**	**311**	**406**	**747**
Carrying amount at 31 January 2007	15	291	350	656

Intangible assets are all internally generated and amortised over their estimated useful lives. Amortisation costs are included in administrative expenses. The rates of amortisation are shown in note 1.

9 Inventories

	2008 £'000	2007 £'000
Raw materials and consumables	**207**	152
Finished goods and goods for resale	**632**	928
	839	1,080

10 Trade and other receivables

	2008 £'000	2007 £'000
Trade receivables	**1,185**	1,088
Other receivables	**45**	42
Prepayments	**99**	149
	1,329	1,279

All amounts are short term and the directors consider that the carrying amount of trade and other receivables approximates to their fair value. All of the Group's trade and other receivables have been reviewed for indicators of impairment. At 31 January 2008, trade receivables of £0.92m (2007: £0.64m) were fully performing. In addition, some of the unimpaired trade receivables are past due as at the reporting date. The age of trade receivables past due but not impaired is as follows:

	2008 £'000	2007 £'000
Not more than three months	**129**	341
More than three months but not more than six months	**59**	76
More than six months but not more than one year	**82**	5
More than one year	**–**	28
	270	450

Movements in Group provisions for impairment of trade receivables are as follows, which are included within administrative expenses in the income statement.

	2008 £'000	2007 £'000
Opening balance	**228**	344
Provision for receivables impairment	**47**	23
Receivables written off in year	**(175)**	(139)
Unused amounts reversed	**–**	–
Closing balance	**100**	228

The other classes within trade and other receivables do not contain impaired assets.

11 Current liabilities

	2008 £'000	2007 £'000
Trade payables	**364**	415
Social security and other taxes	**100**	78
Accruals	**243**	285
Deferred income	**41**	68
Convertible loan	**553**	–
Finance leases	**10**	–
	1,311	846

A US$2 million three year convertible loan agreement was entered into with Laurus Master Fund Ltd (Laurus) on 10 August 2005. The notes are convertible into ordinary shares of the Group at any time during the three year period at a price of 24p, or at 85% of the average closing price over the preceding 10 trading days, if lower and if the conversion has been requested by the Group. Interest is payable at 1.5% above New York Journal Prime, which has resulted in an effective average interest rate of circa 9.5%. The balance of the Laurus loan at 31 January 2008 was US$1,100,000 (£553,000). The split between the debt element and an equity component, representing the fair value of the embedded option to convert the liability into equity of the Group, is as follows:

	2008 £'000	2007 £'000
Nominal value of convertible loan	**553**	51
Equity component	**–**	–
Liability component at final drawdown date	**553**	51
Interest charged	**25**	35
Interest paid	**(21)**	(35)
Liability component at 31 January 2008	**557**	51

The directors believe the amount shown above represents a fair value of the liability component.

The calculation has been carried out in accordance with IAS32 in order to determine the equity component of the Laurus convertible loan. The interest rate payable to Laurus represents a full commercial rate, this calculation gives an equity component of zero.

12 Non-current financial liabilities

	2008 £'000	2007 £'000
Finance leases	**34**	–
Convertible loan (see note 11)	**–**	51
	34	51

13 Financial instruments

Financial risks

The Group's financial instruments comprise cash and liquid resources, borrowings and items such as trade receivables and trade payables that arise from its operations.

The main risks that arise from the Group's financial instruments are credit, interest rate, liquidity and currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Group's credit risk is primarily attributable to trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimates by management based on prior experience of customers and their assessment of the current economic environment. The maximum exposure is £1,185,000 (2007: £1,088,000)

The credit risk on liquid funds is limited because the counterparties are respectable international banks.

Liquidity risk

The Group seeks to manage this financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest surplus cash assets safely and profitably.

Market risks

Interest rate risk

The Group finances its operations through a mixture of shareholder funds and a US dollar based convertible loan with an interest rate of 1.5% above New York Journal Prime. The Group accepts the risk attached to interest rate fluctuations as interest rates have been relatively stable over the last three years and the interest expense is a small proportion of total administrative expenses.

Currency risk

The Group manages currency risk by assessing the net exposure in each non-sterling currency in which exposure arises. The only significant exposure relates to US dollars. The Group accepts the risk attached to fluctuations in the US$ exchange rate as the US$ based loan liability and US$ payables are partly mitigated by US$ receivables from sales.

Group interest rate profile

	Floating rate		
Financial assets at 31 January 2008	Cash current bank accounts £'000	Deposit and reserve account £'000	Total £'000
Currency			
Sterling	91	2,036	2,127
US dollars	107	–	107
	198	2,036	2,234

	Floating rate		
Financial assets at 31 January 2007	Cash current bank accounts £'000	Deposit and reserve account £'000	Total £'000
Currency			
Sterling	70	1,304	1,374
US dollars	100	–	100
	170	1,304	1,474

Group interest rate profile (Continued)

	Floating rate	
Financial liabilities	**2008 £'000**	2007 £'000
Currency		
Sterling	–	–
US dollars	553	51
	553	51

Interest on the Laurus convertible loan is payable at 1.5% above New York Journal Prime, which has resulted in an effective interest rate of circa 9.5%. The loan is repayable within one year.

The Group is exposed to translation and transaction foreign exchange risk. The currency where the Group is most exposed to foreign currency volatility is US dollars.

Transactions and balances of the subsidiaries are denominated in the local currency and had the following balances denominated in US dollars:

	US Dollars	
	2008 £'000	2007 £'000
Trade and other receivables	**581**	369
Cash and cash equivalents	**107**	99
Convertible loan	**(553)**	(51)
Trade and other payables	**(92)**	(74)
	43	343

Currently, no hedging instruments are used. The Group keeps under review the extent of its exposure to currency fluctuations.

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Group's financial assets and financial liabilities and the sterling to US$ exchange rates. It assumes a percentage change in the exchange rate based on the foreign currency financial instruments held at each balance sheet date. Both of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months.

	US Dollars	
	2008 £'000	2007 £'000
Currency fluctuation	**12%**	12%

If sterling had strengthened against each currency by the percentage above retrospectively, then this would have had the following impact:

	US Dollars	
	2008 £'000	2007 £'000
Net result for the year	**(39)**	3
Equity	**(5)**	(41)

If sterling had weakened against each currency by the percentage above retrospectively, then this would have had the following impact:

	US Dollars	
	2008 £'000	2007 £'000
Net result for the year	**39**	(3)
Equity	**5**	41

Exposure to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the group's exposure to currency risk.

Fair values of financial assets and liabilities
There was no difference between the fair value and the book value of financial assets and liabilities.

14 Share capital

	2008 £'000	2007 £'000
Authorised – 150,000,000 ordinary shares of 0.5 pence each	**750**	750

Issued and fully paid – ordinary shares of 0.5 pence each	2008 No. of shares 000	2007 No. of shares 000
At the beginning of the year	**118,336**	100,572
Issued for cash	**23,647**	17,764
At the end of the year	**141,983**	118,336

	£'000	£'000
At the beginning of the year	**592**	503
Issued for cash	**118**	89
At the end of the year	**710**	592

The company issued the following ordinary shares during the period:

Date of issue	No. of shares	Issue price	Total consideration
11 December 2007	12,472,940	8.5p	£1,060,200
13 December 2007	11,174,134	8.5p	£949,800

Expenses relating to the placing of the above shares were £67,000.

15 Share-based payments

Equity-settled share option scheme

The Group has a share option scheme for employees and directors of the Group. Options are exercisable at a price equal to the average quoted market price of the Group's shares on the date of grant. The vesting period is over a period up to three years.

	2008		2007	
	Number	**Weighted average exercise price (p)**	Number	Weighted average exercise price (p)
Outstanding at the beginning of the year	**8,794,573**	**15.5**	8,275,622	15.9
Issued in the year	**577,000**	**12.2**	825,250	21.0
Forfeited during the year	**(760,831)**	**19.1**	(281,299)	24.1
Exercised during the year	**–**	**–**	(25,000)	13.0
Outstanding at the end of the year	**8,610,742**	**17.6**	8,794,573	15.5
Exercisable at the end of the year	**3,551,000**	**12.3**	4,317,173	16.0

Fair value is determined by reference to the fair value of the instrument granted to the employee. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. These fair values were calculated using a Black-Scholes option pricing model as follows:

	2008	2007
Weighted average share price (p)	19.0	19.0
Weighted average exercise price (p)	19.0	19.0
Expected volatility	40%	40%
Expected life	3.5	3.5
Risk free rate	5%	5%
Expected dividend yield	–	–

The expected volatility is based on the Group's historical share price averaged over a period equal to the expected life. The expected life is the average expected period to exercise. The risk free rate of return is based on the UK Government gilts. The share options outstanding at the end of the year have exercise prices of between 5.0p and 28.25p per share.

16 Capital commitments

The Group had no capital commitments at 31 January 2008 or 31 January 2007.

17 Contingent liabilities

There were no contingent liabilities at 31 January 2008 or 31 January 2007.

18 Leasing commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2008		2007	
Group	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
In one year or less	**149**	**39**	140	47
Between one and five years	**359**	**54**	508	47
	508	**93**	648	94

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LIDCO GROUP PLC

We have audited the parent company financial statements of LiDCO Group Plc for the year ended 31 January 2008 which comprise the principal accounting policies, the balance sheet and notes 1 to 9. These parent company financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the group financial statements of LiDCO Group Plc for the year ended 31 January 2008.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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
The directors' responsibilities for preparing the Annual Report, and the parent company financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the parent company financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the parent company financial statements give a true and fair view and whether the parent company financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited parent company financial statements. The other information comprises only the Corporate Governance Statement, Directors' Report, Directors' Remuneration Report, Chief Executive Officer's Review and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the parent company financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the parent company financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the parent company financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the parent company financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the parent company financial statements.

Opinion
In our opinion:
- the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 January 2008;
- the parent company financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Grant Thornton UK LLP
Registered Auditors
Chartered Accountants

London
23 April 2008

Note: The maintenance and integrity of the LiDCO Group Plc website is the responsibility of the directors: the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

COMPANY BALANCE SHEET

At 31 January 2008

	Note	**2008 £'000**	2007 £'000
Fixed assets			
Investments	2	**65**	65
		65	65
Current assets			
Debtors	3	**27**	70
Amount due from subsidiary undertakings	3	**9,831**	20,101
Cash at bank		**2,037**	1,304
		11,895	21,475
Current liabilities			
Creditors: Amounts falling due within one year	4	**(553)**	–
		(553)	–
Net current assets		**11,342**	21,475
Total assets less current liabilities		**11,407**	21,540
Creditors: Amounts falling due after more than one year	5	**–**	(51)
Net assets		**11,407**	21,489
Shareholders' funds			
Share capital	6	**710**	592
Share premium	7	**22,550**	20,723
Retained earnings	7	**(11,853)**	174
Shareholders' funds		**11,407**	21,489

The financial statements were approved by the Board of Directors on 23 April 2008.

Theresa Wallis
Director

Terence O'Brien
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

1 Principal accounting policies

Basis of preparation

The separate financial statements of the Company are presented as required by the Companies Act 1985. As permitted by that Act, the separate financial statements have been prepared in accordance with all applicable United Kingdom accounting standards. The principal accounting policies of the Company are set out below.

The financial statements have been prepared on the historical cost basis.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Group will have sufficient funds to continue in operational existence for the foreseeable future. The Group has continued to invest in the development of its operations and in particular its sales and marketing presence by continuing to invest in both its direct and indirect sales channels during the year and in a new product offering. As a result the Group has continued to trade at a loss during the year ended 31 January 2008.

The directors have approved forecasts for the foreseeable future, which indicate that the Group will have sufficient funds to trade during that period. The forecasts assume a level of new sales about which there is uncertainty. If such new sales are not achieved, the directors believe that there are sufficient opportunities available to them to obtain additional funding from sources which are currently being explored, to enable the Group to continue to develop its operations and to meet its liabilities as they fall due. The convertible loan from Laurus (see note 4) is due for repayment in August 2008 and it is anticipated that this will need to be replaced by a new loan facility of similar size. The Company is in discussion with a number of lenders and the Board are reasonably confident that the facility can be replaced. Accordingly the financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would be required in the event that the Company had insufficient funding available.

Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment.

Foreign currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Embedded derivatives: Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at fair value with changes in fair value recognised in the income statement.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. The amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bond. The remainder of the proceeds is allocated to the conversion option, which is recognised and included in shareholders' equity.

2 Investments

Company	Shares in subsidiary undertakings £'000
Cost and net book value	
At 1 February 2007 and at 31 January 2008	65

The Company's beneficial interest in subsidiary undertakings consists of:

	Country of beneficial registration	Holding	Nature of business
LiDCO Limited	England and Wales	100%	Surgical instruments and appliances
Cassette Analytical Systems Limited	England and Wales	100%	Dormant

3 Debtors

	2008 £'000	2007 £'000
Prepayments	**22**	70
Other debtors	**5**	–
Amount due from subsidiary	**9,831**	20,101
	9,858	20,171

The amount due from subsidiary relates to the ongoing funding provided to the principal trading subsidiary, LiDCO Limited, whilst it continues to be loss-making. Further to a review of this debt, the directors have made a provision for impairment in the year of £12m. The timing of the repayment of this debt is uncertain and unlikely to be within one year.

4 Current liabilities

Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Convertible loan	**553**	–

A US$2 million three year convertible loan agreement was entered into with Laurus Master Fund Ltd (Laurus) on 10 August 2005. The notes are convertible into ordinary shares of the Group at any time during the three year period at a price of 24p, or at 85% of the average closing price over the preceding 10 trading days, if lower and if the conversion has been requested by the Group. Interest is payable at 1.5% above New York Journal Prime, which has resulted in an effective average interest rate of circa 9.5%. The balance of the Laurus loan at 31 January 2008 was US$1,100,000 (£553,000). The split between the debt element and an equity component, representing the fair value of the embedded option to convert the liability into equity of the Group, is as follows:

	2008 £'000	2007 £'000
Nominal value of convertible loan	**553**	51
Equity component	**–**	–
Liability component at final drawdown date	**553**	51
Interest charged	**25**	35
Interest paid	**(21)**	(35)
Liability component at 31 January 2008	**557**	51

The directors believe the amount shown above represents a fair value of the liability component.

5 Creditors: amounts falling due after more than one year

	2008 £'000	2007 £'000
Convertible loan	**–**	51

6 Share capital

	2008 £'000	2007 £'000
Authorised		
150,000,000 ordinary shares of 0.5p each	**750**	750
Allotted, called up and fully paid		
141,983,054 ordinary shares of 0.5p each	**710**	592

The Company issued the following ordinary shares during the period:

Date of issue	No. of shares	Issue price	Total consideration
11 December 2007	12,472,940	8.5p	£1,060,200
13 December 2007	11,174,134	8.5p	£949,800

NOTES TO THE FINANCIAL STATEMENTS
Continued
For the year ended 31 January 2008

7 Reserves

	Share premium £'000	Other reserve £'000	Equity reserve £'000	Profit & loss account £'000
At 1 February 2007	20,723	–	–	174
Issue of share capital	1,827	–	–	–
Loss for the year	–	–	–	(12,027)
At 31 January 2008	**22,550**	**–**	**–**	**11,853**

8 Reconciliation of shareholder funds

	2008 £'000	2007 £'000
(Loss)/profit for the year	(12,027)	80
Shares issued	1,945	3,245
	(10,082)	3,325
Opening shareholder funds	21,489	18,164
Closing shareholder funds	11,407	21,489

9 Loss for the financial year
In accordance with the exemptions given by section 230 of the Companies Act 1985, the holding company has not prepared its own profit and loss account. The loss for the year of the Company was £12,027,000 (2006/7: profit £80,000). The loss for the year includes an impairment provision of £12m in respect of the amount due from subsidiary undertakings.

COMPANY INFORMATION

Company registration number
2659005

Registered office
16 Orsman Road
London
N1 5QJ

Company website
www.lidco.com

Directors

Ms T A Wallis	Non-Executive Chairman
Dr T K O'Brien	Chief Executive Officer
Dr D M Band	Scientific Director
Mr J G Barry	Sales and Marketing Director
Mr P L Clifford	Finance Director
Mr I G Brown	Non-Executive Director

Company Secretary
Mr J P Rowland

ADVISERS TO THE COMPANY

Solicitors
Herbert Smith LLP
Exchange House
Primrose Street
London
EC2A 2HS

Hewitsons
Shakespeare House
42 Newmarket Road
Cambridge
CB5 8EP

Auditors
Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

Registrars
Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
HD8 0LA

Nominated Adviser and Stockbroker
Panmure Gordon (UK) Ltd
Moorgate Hall
155 Moorgate
London
EC2M 6XB

Bankers
Barclays Bank Plc
PO Box 885
Mortlock House
Vision Park
Histon
Cambridge
CB4 9DE

NOTES

www.lidco.com

LiDCO Group Plc

UK Office:
16 Orsman Road
London
N1 5QJ
T: +44 (0)20 7749 1500
F: +44 (0)20 7749 1501

USA Distribution Office:
Medical Specialties Distributors LLC
(formerly Wren Medical Systems)
905 Lakeside Drive, Gurnee, IL 60031
T: +1847 625 0600
F: +1847 625 0981

Sales and Marketing:
Unit M, South Cambridge Business Park
Babraham Road, Sawston
Cambridge CB22 3JH
T: +44 (0)1223 830 666
F: +44 (0)1223 837 241