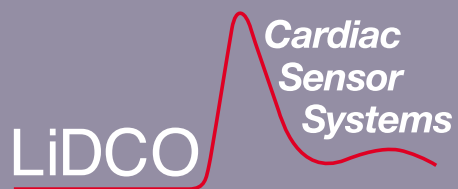




Annual report 2002



LiDCO Group Plc
Annual report and financial statements
for the year ended 31 December 2002

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.

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Highlights

Turnover £millions	Monitor sales Units	Sensor sales Units
01	128	1420
02	300	5220

Turnover increased by 81% to £2.04m (2001 – £1.13m);

Strong clinical acceptance of the technology demonstrated by sensor usage trebling compared with 2001;

Commercial validation of the business model evidenced by 300 PulseCO and LiDCO Systems sold during 2002 (2001 – 128 units);

Lithium chloride injectate approved in principle for use in six European countries in January 2003, enabling commercialisation of the LiDCO*plus* system across Europe in 2003;

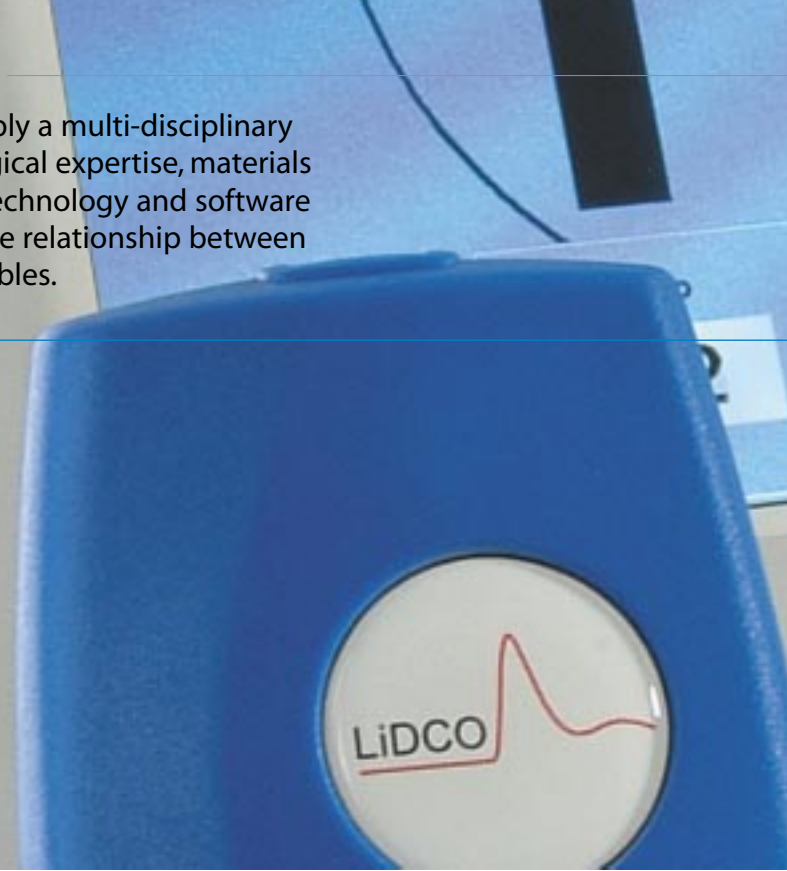
LiDCO*plus* system approved by US Food and Drug Administration in January 2003; and

Discussions have commenced with potential US distribution partners to maximise access to the US market.

LiDCO's strategy is to apply a multi-disciplinary combination of physiological expertise, materials technology, computing technology and software to monitor and display the relationship between linked physiological variables.

Group at a Glance

Our market today...



Our products offer:

- Real-time, beat-to-beat cardiac monitoring
- Minimally invasive technology, reducing the risk to the patient
- Easy-to-use technology to assist clinical staff

The LiDCOplus monitor



The LiDCOplus combines the measurement and monitoring features of LiDCO (lithium dilution cardiac output measurement) and PulseCO (real-time cardiovascular monitoring), significantly enhancing ease of use and saving space around the patient.

What is driving market growth:

- Increasing numbers of elderly people living longer
- Demand for less invasive products offering better care
- Patient knowledge due to the internet and media

The Group has developed a minimally invasive product, disposables and monitoring equipment which improve the standard of care, reduce the incidence of adverse events and reduce costs.



The LiDCOplus monitor displays a range of real-time continuous hemodynamic parameters, including cardiac output, oxygen delivery and fluid volume status.



...and the future

Our customers are hospitals for critical care and cardiovascular patients who require real-time, minimally invasive cardiac monitoring.

The LiDCO sensor

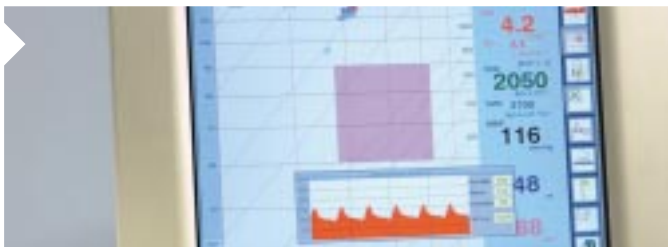


LiDCO has developed a proprietary lithium sensor using lithium indicator dilution to calculate cardiac output. This is used to calibrate the LiDCOplus monitor. Safe and extremely accurate, this method is simple to perform, taking less than five minutes for the entire procedure.

Lithium chloride solution



The LiDCO sensor is activated by a small dose of lithium chloride, injected via a central venous catheter. The resulting arterial lithium concentration-time curve is recorded by withdrawing blood past the lithium sensor.



The chart screen on the LiDCOplus monitor shows the relationship between pressure, flow and resistance in an integral bar chart display. Complex data can be easily interpreted and the necessary patient-corrective actions taken quickly.



The LiDCOplus monitor provides a variety of different modes of displaying data. The monitor shows all information clearly, to provide easy-to-read feedback to clinical staff.



This is my first Statement since being appointed Non-Executive Chairman in December of 2002. In fact, it is only the Company's second set of annual results since its admission to the London Stock Exchange's Alternative Investment Market ('AIM') in July 2001.

LiDCO raised funds from the public market in order to commence the commercialisation of its minimally invasive sensor and PC based monitoring technology. I was therefore excited to join the Company at the end of its first full year of sales activity in both the USA and the UK. In reviewing its 2002 performance I am aware that this was a challenging period for the Company.

The challenge was to establish a new technology in a market sector that requires change but where standards are necessarily of the highest order. This meant that in parallel to the sales effort the Company had to transition its operations successfully to a fully commercial basis with the capacity to become the supplier of choice for the minimally invasive monitoring of risk surgery and intensive care patients. Specific achievements to this end included clinically validating the technology, increasing revenues while maintaining pricing and gross margins, establishing and assessing the marketing strategy for the USA and the UK, automating and significantly increasing sensor manufacturing capacity and positioning the Company to expand sales in 2003 through registration of the Company's in vivo diagnostic (lithium chloride) in additional major European markets.

Towards the end of the year, the Board decided that the best way of maximising access to the US, our largest market, would be through a distribution agreement with a partner and that given the progress made by the Company during 2002, this could be achieved on commercially attractive terms. To this end the Company has begun early discussions with potential US distribution partners. We remain confident of our prospects in 2003.

Theresa Wallis
Chairman
25 March 2003



Investment in facilities During 2002 LiDCO invested £0.8m in new production facilities at its factory in London, including construction of a second clean room and additional automation equipment, to satisfy expected demand.



I am pleased to report that during 2002 the foundations for the commercial phase of the business were clearly established. As we enter our second full year of sales we are confident that we have both the product and the organisational infrastructure to access the substantial market opportunity outlined in our flotation prospectus. The challenges for 2003 are to roll out sales in Europe and grow and accelerate closures of our sales pipeline in the USA.

Financial review

Turnover increased to £2,042,000. Whilst this was lower than original market expectations, it was 81% above the previous year (2001 – £1,130,000), generating a gross profit of £1,263,000 (2001 – £832,000) and representing a gross margin of 62% (2001 – 74%), in line with the Company's expectations.

As 2002 was the first full year of sales, administration expenses rose to reflect higher sales and marketing costs. Administration expenses were in line with expectations at £7,038,000 (2001 – £3,999,000). The pre and post tax loss was £5,496,000 (2001 – £2,803,000) and the basic loss per share is calculated at 7.72p (2001 – 5.70p).

At the year end, net assets amounted to £8.4m, including net current assets of £6.9m. The year end net cash balance was £4.0m (2001 – £11.4m). The Group's programme of investment in working capital and production facilities is now complete, so that the cash burn in 2003 is expected to fall significantly.

Trading review

Unit sales of monitors doubled whilst those of single use sensors trebled. 74% of turnover related to monitors and 19% to sensors, with 7% relating to licence fee income. 83% of the monitors (2001 – 98%) were sold on a capital sale basis. The average monthly usage rate of sensors per monitor was six, which is very encouraging.

Monitor sales consisted of 211 PulseCO units and 89 LiDCO units. In 2003, all sales are expected to be of the improved LiDCO*plus* unit, which combines the software of the two previous monitors into a single, easy-to-use unit based on the PulseCO monitor.

USA

During 2002 sales to US customers were made through our direct sales force of 12 people. Turnover increased to £1,009,000 (2001 – £632,000), with 92% of monitors sold on a capital basis.

By the end of 2002, 40 hospitals had purchased the technology. Included in these customers are a number of influential regional referral centers including: MD Anderson (Houston), Beaumont (Detroit), Crawford Long (Atlanta), University of Chicago and Northwestern Memorial (Chicago). In order to expand their use of our minimally invasive monitoring six US customers have already reordered monitors during 2002. Of particular note is Sarasota Hospital (Tampa, Florida) which has fully equipped its cardiovascular theatres and intensive care department through the purchase of 19 monitors.

Overall clinical acceptance of the technology has been excellent as evidenced by the high percentage of requests for sales proposals resulting from hospitals' clinical evaluation of the products. While progress to the clinical sign off stage has been rapid, closure of sales has proved to be significantly slower than expected, due mainly to cost containment by the hospital administration and consequent lengthening of the capital cycle, an industry-wide phenomenon. It is, however, encouraging that follow-on purchases of monitors have experienced a shorter capital cycle time at seven months. Despite this tough commercial environment, prices for both the monitor and sensor products have been very robust and according to the Company's expectations.

LiDCO has made significant progress towards each of the benchmarks set out in the flotation prospectus.

Chief Executive's Review continued



Case Study// **Sarasota Hospital / Florida** has equipped each of its intensive care beds with a PulseCO monitor. "The PulseCO has proven very beneficial to our patient care. The PulseCO's immediate, real-time display of hemodynamic status during difficult periods of patient management and while directing therapies, is a great improvement in monitoring technology. The PulseCO also allows us to better manage additional patients who don't have central lines in place. The PulseCO actually reduces our direct costs, a real rarity for new technologies."

Head of Cardiac Anesthesia, Sarasota Hospital

The US is the most important market and represents approximately 60% of our potential worldwide sales. Experience of our first full year of direct sales in this market shows that the desire to change to our minimally invasive monitoring technology is substantially as expected. However, the most challenging aspects regarding access to this market are the hospital capital cycle and the physical size of the opportunity, with around 14,000 potential customers within 3,500 hospitals. In the last quarter of 2002, following a review of US sales strategy, the Company decided that the high level of interest in the product and the margins being achieved in early sales meant that seeking a major US corporate sales partner had now become a commercially attractive route to accessing the market and announced its intention to start seeking a suitable partner.

UK

As with the USA we have just concluded our first full year of direct sales co-ordinated from our Granta Park (Cambridge) office. Given the severe shortage of funds available for capital expenditure in the UK NHS the sales strategy was to mostly provide monitors without charge and sell the sensors and associated disposables mainly by means of a compensatory up charge. Turnover increased to £300,000 (2001 – £113,000) – with 35% of monitors placed on a capital basis. Use of disposables has been very encouraging at 11 per monitor. By the end of 2002, 25 hospitals had adopted our technology. Our sales force numbering six people is considered by the Company to be appropriate to penetrate this market fully.

Continental Europe

In anticipation of final approvals of lithium chloride, distributors were appointed in Holland, Italy, Spain, Belgium and the Czech Republic. Sales therefore predominantly reflected stocking orders and subsequent clinical trials in major reference centers. Turnover increased to £441,000 (2001 – £114,000). Discussions are currently underway to establish a distributor for Germany and Austria.

During 2002 the European sales pipeline grew significantly with 224 product demonstrations made, all of which resulted in a request for a field trial. 184 field trials were initiated and 143 were completed. Of the 176 sales proposals made 54 resulted in sales closures in the year, 114 sales proposals are still in process with eight sales proposals not proceeding due to lack of hospital budget funding.

Far East and Japan

Sales in the Far East and Japan totalled £292,000 (2001 – £271,000). Approval of the PulseCO system for sale in Japan is expected towards the end of 2003. Sales throughout the Far East and Japan are made through distributors appointed by the Company.

Clinical validation

The Company continues to support an active program of clinical validation of the accuracy of its products in cardiac/major surgery, intensive care, trauma and heart failure markets (see the Company website: www.lidco.com for full publication details.) 2002 was another successful year with studies concluding positively at: Duke University (N. Carolina) – intensive care, University of Chicago (Illinois) – surgical study, Hamamatsu University (Japan) – efficacy in pathological lung oedema, Southampton University Hospital – heart failure and 'off-pump' cardiac surgery.

Product applications

The Company actively assists customers to conduct trials of novel applications of its technology. Applications currently undergoing trials or further development include peri-operative optimisation, congestive heart failure and paediatrics, all large or expanding markets.

Regulatory affairs

In 2003, regulatory approval for the LiDCO System lithium chloride in vivo diagnostic has been received in principle in the following EU territories: Austria, Belgium, Germany, Italy,

£1.65bn



Case Study// **St. George's Hospital / London** "We bought this new technology, LiDCO, which allows us to monitor cardiac output from which we can calculate oxygen delivery. We can get this answer very quickly, within about 15 minutes, and this may be very important in determining the outcome of the patient. More than that, it can be set up by the nurses independently of the doctor and also allows us to continuously monitor these variables of cardiac output delivery. We believe it has considerable potential in allowing us to monitor these patients for as long as we require."

Director of Intensive Care Unit, St. George's Hospital

the Netherlands and Spain. This brings the number of territories in which the Company has approval to sell its products to 12. In addition, approval applications are in progress for: Iran, Korea and Taiwan and further applications will be made during 2003.

New products

On 9 January 2003, approval was received from the FDA (Food and Drug Administration of the USA) for the sale of the LiDCOplus Hemodynamic Monitor in the USA. The LiDCOplus Monitor combines the measurement and monitoring features of the Company's existing products: the LiDCO (lithium dilution cardiac output measurement) and PulseCO Systems (real-time cardiovascular monitor), thus saving premium space around the patient's bed and significantly enhancing ease of use.

Research and development

The Company is actively developing additional features and applications for its products. There are currently two principal areas of development:

Monitoring of Patient Fluid Status

This is one of the key unfulfilled measurements required in critical care patients. The commercial implication of improving the performance of the LiDCOplus in this arena is that we could greatly increase the numbers of patients for whom the technology is suitable. The Company's ambition is to have a LiDCOplus at the bedside for all acute care patients with arterial monitoring who require fluid management. The customer requires a more visual way of detecting occult low blood volume status and the amount of fluid required to restore the patient. We are currently recording 'fluid loading' episodes in patients undergoing optimisation for high risk surgery. This data will be used to model the user interface and assess clinician and nursing response to the novel interfaces.

Capillary Venous Pressure Measurement

This is a software algorithm which uses the arterial pressure waveform to indicate the average pressure at the venous end of the tissue capillary. This would have potential application in fluid volume management (see above). The patent for this measurement has been filed and is progressing to the worldwide PCT application stage. The accuracy to which the measurement can be made and the utility of the measurement is under investigation.

Prospects

The foundations to support continued growth were put in place during 2002. 2003 will see an increasing focus by the Company on sales in its expanded group of territories. Sales in the US are expected to continue to be subject to a slow capital cycle. In order to access the full market potential of the product in the US and accelerate the closure of pipeline accounts the Company is in early discussions with potential US distribution partners. Given the progress made during 2002 and the fact that the Company has succeeded in establishing a high level of interest in a high margin product that is supported by a low cost manufacturing base we believe that it is in a strong position to attract a suitable distribution partner. We hope to be able to announce on these matters further during the year. Investment will continue in the core technology to develop further enhancements to our sensor technology, physiological waveform monitoring software and user interfaces.

Terry O'Brien

Chief Executive Officer
25 March 2003

Board of Directors



01	02
03	04
05	06
07	

Directors

01 **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.

02 **Dr David Band** Scientific Director

Dr Band co-founded the Group in 1991 and is the co-inventor of the LiDCO System. He was seconded to the Company full-time in 1992 from St Thomas' Hospital and is a specialist in the field of respiratory physiology, electrochemistry and ion-selective electrodes. He has degrees in both medicine and surgery, and is a Reader in Applied Physiology in the Division of Physiology, GKT School of Biomedical Sciences, St Thomas' campus. Dr Band retired from King's College in August 2001 and became a full-time employee of the Group. He accepted an appointment as an Honorary reader in the Division of Physiology, GKT School of Biomedical Sciences with effect from October 2001.

03 **Theresa Wallis** Chairman

Ms Wallis is a Principal Executive of ANGLE Technology Limited and a Non-Executive Director of T&G AIMVCT plc. 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 1994-1995. She is currently a member of the London Stock Exchange's AIM Advisory Group and the Quoted Companies Alliance's Markets and Regulation Committee.

04 **Richard Mills** Finance Director

Mr Mills joined the Group in April 2001. He is a qualified chartered accountant with 20 years' experience in the medical diagnostics industry, with Corning Limited, Ciba Corning Diagnostics Limited, Chiron Diagnostics Limited and Bayer AG. He has considerable experience of assisting organisations through periods of growth and transition and establishing the financial and other systems required to successfully manage this.

05 **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.

06 **Bert Wiegman** Non-Executive Director

Mr Wiegman is a partner in Langholm Capital LLP and has over 25 years experience in the private equity industry. He is Chairman of T&G AIMVCT Plc.

07 **Roger Bird** Company Secretary

Mr Bird is the Financial Controller of the Group and became Company Secretary in December 2002. He is a qualified chartered accountant and spent six years at Deloitte & Touche, latterly as an audit manager. Prior to this, Mr Bird worked as a university lecturer in industrial economics.

Scientific Advisory Panel

Professor Solomon Aronson

Professor, Department of Anaesthesia & Critical Care, University of Chicago, specializing in major surgery and intensive care medicine

Dr William Peruzzi

Associate Professor of Anaesthesiology, Northwestern University Medical School & Director of Respiratory Care, Northwestern Memorial Hospital, specializing in Neurosurgical intensive care

Dr Max Jonas

Consultant Anaesthetist, Southampton University Hospital, in medical intensive care

Dr Christopher Wolff

Honorary Clinical Pharmacologist, St. Bartholomew's Hospital, in Applied Physiology

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. However, the Board is committed to maintaining the highest standards of Corporate Governance.

The Board of Directors

There are four Executive and two Non-Executive Directors at the date of this report. The Board normally meets 12 times a year, with additional special meetings as required.

Both of the Non-Executive Directors bring independent judgement to bear on issues considered by the Board. Mr Wiegman served as the Senior Independent Director throughout the year.

All Directors have access to the services and advice of the Company Secretary who is responsible for ensuring compliance with the relevant procedures, rules and regulations. All Directors are able to take independent advice in the furtherance of their duties, if necessary.

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. Executive Directors have service contracts containing a notice period of one year. Non-Executive Directors do not have service contracts with the Company.

Committees of the Board

Audit committee

The members of the committee are Ms Wallis and Mr Wiegman. The external auditors also attend meetings. The committee considers financial reporting, corporate governance 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 accounts before they are submitted to the Board.

Remuneration committee

The members of the committee are Ms Wallis and Mr Wiegman. The committee reviews and sets the remuneration of the Executive Directors. It also agrees a policy for the salaries and bonuses of all staff. It advises on share schemes and the granting of share options. The decisions of the committee are formally ratified by the Board.

Details of Directors' remuneration are shown in note 3 to the accounts.

Nominations committee

The members of the committee are Ms Wallis and Mr Wiegman. 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 regular published updates to investors on technical and commercial progress. The Chief Executive and Finance Director maintain regular contact with major shareholders through a programme of meetings in connection with these published updates.

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 of the Company.

Accountability and audit

Going concern

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

The key procedures designed to provide an effective system of internal control are described below:

- **Control environment**

The Company's control environment is the responsibility of the Directors and individual managers at all levels. The Board has implemented an organizational structure with clearly-defined responsibilities and lines of accountability.

- **Information systems and controls**

Detailed budgets and forecasts are prepared annually and progress against expectations is reviewed monthly by the Board. Underpinning these budgets is a system of internal financial control, based on authorization procedures and tiers of authority. As a medical device company, LiDCO also has a system of regulatory controls, to ensure compliance with all requirements of the Medicines Control Agency, the US Food & Drug Agency and other regulatory bodies.

- **Monitoring of effectiveness**

The composition of the Board and the senior management team provides a suitable range of knowledge and experience to enable adequate risk monitoring. The Company's information systems provide detailed, regular variance reports which are reviewed and acted upon by the Board. The external auditors report separately to the Board on the Company's accounting and internal controls as part of their normal audit work.

Statement of compliance

During the course of 2002 there were two areas of non-compliance with the Code, both of which were addressed before the year end:

- A 3.1: For most of 2002, the Board consisted of five Executive Directors and two Non-Executive Directors. This position was remedied on 20 December 2002 with the appointment of Ms Wallis as Non-Executive Chairman, following which the Board consists of four Executive and two Non-Executive Directors.
- B 2.2: Mr Alexander originally chaired the Remuneration and Audit Committees of the Board. Following Mr Alexander's resignation from these committees on 20 September 2002, the committees consisted solely of Non-Executive Directors and were chaired by Mr Wiegman.

Policy on remuneration

The Remuneration Committee recommends Directors' remuneration and remuneration policies for all staff. 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. This is achieved by a combination of base salary, bonuses and share options, which are offered both to Executive Directors and to employees at all levels.

The fees paid to Non-Executive Directors are determined by the Board.

Remuneration committee

The members of the committee are Ms Wallis and Mr Wiegman. The committee is assisted by the Company Secretary. Mr Alexander and Mr Levensohn both served on the committee during 2002.

Service contracts

All four of the Executive Directors have service contracts with the Company dated 29 June 2001. The contracts are not set for a specific term, but include a rolling 12-month notice period. In addition, all Directors retire by rotation at the Company's Annual General Meeting and, where appropriate, offer themselves for re-election.

Non-Executive Directors have letters of appointment dated 20 December 2002 in the case of Ms Wallis and 2 July 2001 in the case of Mr Wiegman. These letters are issued in place of service contracts. In keeping with best practice, these appointments are terminable without notice by either party.

Remuneration package

All four Executive Directors receive a base salary and allowance in lieu of benefits, as shown in the table below as *Salaries and fees*. Non-Executive Directors' fees are also shown below.

The four Executive Directors are members of the Company's Senior Management Bonus Scheme. Under the terms of the scheme, the Remuneration Committee assesses the Directors' individual performances at the end of the financial year, judged against pre-determined benchmarks. In 2002 the criteria for awarding bonuses were based on sales performance, profit before tax and the Company's share price, with a portion being awarded at the committee's discretion. In 2003 the criteria are related to sales performance and the Company's cash position. Bonuses are capped at 100% of base salary. Non-Executive Directors are not eligible for bonuses.

No pension contributions were payable by the Group (2001 – £nil).

Directors' emoluments

Directors' emoluments are shown in note 3 to the accounts, as audited information.

Directors' shareholdings

	31 December 2002 No.	1 January 2002 No.
Directors		
D M Band ^[1]	7,060,832	9,089,613
T K O'Brien	9,711,682	9,061,682
T A Wallis (Non-Executive) ^[2]	–	–
R J Mills	500,000	–
J G Barry	167,142	7,142
A E B Wiegman (Non-Executive)	239,285	64,285
	17,678,941	18,222,722

[1] During the year, Dr Band transferred a portion of his shareholding to members of his family.

[2] Ms Wallis purchased 85,000 shares in January 2003.

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

Directors' share options

Directors	1 January 2002	Number of options			Exercise price	Date from which exercisable	Expiry date
		Granted	Exercised	31 December 2002			
D M Band	637,500	–	–	637,500	140p	5/7/04	5/7/14
	–	750,000	–	750,000	13p	15/12/05	15/12/15
T K O'Brien	637,500	–	–	637,500	140p	5/7/04	5/7/14
	–	750,000	–	750,000	13p	15/12/05	15/12/15
R J Mills	212,500	–	–	212,500	140p	5/7/04	5/7/14
	106,250	–	–	106,250	0.5p	see below	see below
	–	75,000	–	75,000	116p	16/1/05	16/1/15
	–	750,000	–	750,000	13p	15/12/05	15/12/15
J G Barry	637,500	–	–	637,500	140p	5/7/04	5/7/14
	318,750	–	–	318,750	0.5p	see below	see below
	–	100,000	–	100,000	116p	16/1/05	16/1/15
	–	750,000	–	750,000	13p	15/12/05	15/12/15
	2,550,000	3,175,000	–	5,725,000			

Mr Mills' options priced at 0.5p vest in three equal tranches on 1 April 2002, 1 April 2003 and 1 April 2004. Mr Barry's options priced at 0.5p vest in three equal tranches on 1 January 2002, 1 January 2003 and 1 January 2004. Each tranche remains exercisable for a period of ten years.

The exercise of Directors' options priced at 13p, 116p and 140p is subject to share price-related performance criteria being met. The options priced at 116p and 140p become exercisable in full when the Company's share price rises above 176p and 213p, respectively. The options priced at 13p vest in three equal tranches, when the Company's share price reaches 50p, 100p and 150p, respectively. The options priced at 0.5p do not have performance criteria attached. All options vest after three years, subject to the above conditions, save only in the case of a successful takeover of the Company, in which event all options vest unconditionally at that point.

Shareholder return

The Company's shares have been traded on the Alternative Investment Market of the London Stock Exchange since 5 July 2001, prior to which they were not publicly traded. A graph of the Company's share price since that date is shown below, using the FTSE Techmark MediScience Index as a comparator, which the Directors consider to be the most suitable benchmark index.



Approved by the Board of Directors on 25 March 2003
and signed on behalf of the Board

Roger Bird
Secretary

The Directors present their annual report and the audited financial statements for the year ended 31 December 2002.

Activities

The principal activity of the Group was the development, manufacture and sale of cardiac monitoring equipment. Sales of the LiDCO and PulseCO Systems commenced in the USA in July 2001 and in the UK in September 2001. Sales in the USA are handled via LiDCO's US branch.

Results and future prospects

The Group's turnover for the year was £2,042,000 (2001 – £1,130,000), following the successful launch of the LiDCO and PulseCO systems in the US in July 2001 and in the UK in September 2001. The Group made a consolidated loss after taxation during 2002 of £5,496,000 (2001 – £2,803,000). The Directors do not recommend the payment of a dividend (2001 – £nil).

At 31 December 2002 the Group held £4.0m of cash (2001 – £11.4m), which provides the Group with adequate funding for its business plan. The Board remains confident of achieving its commercial goals in 2003.

The Company's share price at 31 December 2002 was 14p. During the year the share price ranged between 5p and 118p.

Research and development

The Group continued to develop the PulseCO system during the year, as set out in the Chief Executive's Review. Expenditure on research and development amounted to £89,000 in the year (2001 – £161,000) in addition to product development costs of £208,000 (2001 – £393,000) which are capitalised on the balance sheet and amortized.

Euro

The implications of European Monetary Union (EMU) for the firm have been considered. The necessary changes have been made to our systems and procedures to accommodate the new currency. The cost of these changes is not significant.

Directors and their interests

The Directors who served during the year are shown below. The Directors' beneficial interests in the ordinary shares of the Company at 31 December 2002 and 1 January 2002 are shown on page 12.

Directors	Appointed	Resigned
D M Band	–	–
T K O'Brien	–	–
T A Wallis (Non-Executive)	20 December 2002	–
T W Alexander	–	19 December 2002
R J Mills	–	–
J G Barry	–	–
P N Levensohn (Non-Executive)	–	27 November 2002
A E B Wiegman (Non-Executive)	–	–

Significant shareholdings

In addition to the Directors, the following shareholders had beneficial interests in more than 3% of the Company's share capital at 31 December 2002:

Name	Beneficial holding	
	Number of shares	%
R M Greenshields	4,192,407	5.9
R A F Linton	4,005,555	5.6
Merlin Biosciences Fund LP	3,128,000	4.4
J Kratochvil	3,120,278	4.4
King's College London	3,020,278	4.2
P A Brewer	2,472,401	3.5

Supplier payment policy

The Companies Act 1985, as amended, requires the Group to make a statement of its policy and practice on the payment of creditors.

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 period ended 31 December 2002 represents 90 days' worth (2001 – 119 days' worth) as a proportion of the total amount invoiced by suppliers during the year.

Donations

The Group made charitable contributions during the year of £nil (2001 – £1,000). No political donations were made during the year (2001 – £nil).

Statement of Directors' Responsibilities

United Kingdom 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 as at the end of the financial year and of the profit or loss of the Group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the 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.

Going Concern

After making enquiries and performing analysis, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

On the basis of the anticipated levels of sales, costs and cash flow, the Directors have satisfied themselves that the current level of cash in the business is sufficient for the period until the Company's operations become cash generative.

For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements.

Auditors

Deloitte & Touche has expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Deloitte & Touche has informed the Directors that it is intending to transfer its business to a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000, to be known as Deloitte & Touche LLP. It is the current intention of the Directors to use the Company's statutory power to give consent to the appointment of Deloitte & Touche being treated as extending to Deloitte & Touche LLP at the appropriate time.

Approved by the Board of Directors on 25 March 2003
and signed on behalf of the Board

Roger Bird
Secretary

We have audited the financial statements of LiDCO Group Plc for the year ended 31 December 2002 which comprise the consolidated profit and loss account, the balance sheets, consolidated cash flow statement, reconciliation of movement in consolidated shareholders' funds and related notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

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

As described in the statement of Directors' responsibilities, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the Company is not disclosed.

We read the Directors' Report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the 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 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group at 31 December 2002 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

DELOITTE & TOUCHE

Chartered Accountants and
Registered Auditors
25 March 2003

Consolidated Profit and Loss Account Year ended 31 December 2002

	Note	2002 £'000	2002 £'000	2001 £'000	2001 £'000
Turnover	1,2		2,042		1,130
Cost of sales			(779)		(298)
Gross profit			1,263		832
Administration expenses – other		(7,038)		(3,897)	
Administration expenses – exceptional items	4	–		(102)	
			(7,038)		(3,999)
Operating loss	5		(5,775)		(3,167)
Interest receivable and similar income			279		364
Loss on Ordinary Activities before Tax			(5,496)		(2,803)
Tax on loss on ordinary activities	6		–		–
Loss on Ordinary Activities after Tax			(5,496)		(2,803)
Loss per share (basic) (p)	16		7.72		5.70
Loss per share (diluted) (p)	16		7.27		5.54

All amounts derive from continuing operations.

There are no recognised gains or losses for the current or preceding years other than as stated above.

Balance Sheets As at 31 December 2002

	Note	The Group		The Company	
		2002 £'000	2001 £'000	2002 £'000	2001 £'000
Fixed Assets					
Intangible fixed assets	7	565	567	–	–
Tangible fixed assets	8	1,234	183	–	–
Investments	9	42	258	107	323
		1,841	1,008	107	323
Current Assets					
Stocks	10	2,292	1,973	–	–
Debtors	11	1,367	1,196	9,333	1,552
Cash at bank and in hand		3,974	11,365	3,522	10,823
		7,633	14,534	12,855	12,375
Creditors: amounts falling due within one year	12	(741)	(1,194)	(168)	–
Net Current Assets		6,892	13,340	12,687	12,375
Total Assets less Current Liabilities		8,733	14,348	12,794	12,698
Creditors: amounts falling due after more than one year	13	(333)	(525)	–	–
Net Assets		8,400	13,823	12,794	12,698
Capital and Reserves					
Called up share capital	15	356	354	356	354
Share premium	21	12,430	12,359	12,430	12,359
Merger reserve	21	8,513	8,513	–	–
Profit and loss account	21	(12,899)	(7,403)	8	(15)
Equity Shareholders' Funds		8,400	13,823	12,794	12,698

These financial statements were approved by the Board of Directors on 25 March 2003.

Signed on behalf of the Board of Directors

Richard Mills

Director

	<i>Note</i>	2002 £'000	2001 £'000
Net cash outflow from operating activities	17	(6,356)	(4,935)
Returns on investment and servicing of finance	18	279	364
Capital expenditure and financial investment	18	(1,387)	(925)
Cash outflow before financing		(7,464)	(5,496)
Financing	18	73	12,493
(Decrease)/increase in cash in the year		(7,391)	6,997

Reconciliation of net cash flow to movement in net funds

	<i>Note</i>	2002 £'000	2001 £'000
Movement in cash in the period	19	(7,391)	6,997
Net funds at 1 January	19	11,365	4,368
Net funds at 31 December	19	3,974	11,365

Reconciliation of Movement in Consolidated Shareholders' Funds

Year ended 31 December 2002

	2002 £'000	2001 £'000
Loss for the financial year	(5,496)	(2,803)
Issue of shares	73	12,492
Net addition to shareholders' funds	(5,423)	9,689
Opening shareholders' funds	13,823	4,134
Closing shareholders' funds	8,400	13,823

1. Accounting Policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Advantage has been taken of the exemption under s230 of the Companies Act 1985 not to disclose the profit and loss account of the Company. The loss of the Company for the year is shown in note 21.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of consolidation

The consolidated accounts incorporate the financial statements of the Company and all its subsidiaries.

Merger accounting

Admission to the Alternative Investment Market of the London Stock Exchange ("AIM") occurred on 5 July 2001. The restructuring of the Group agreed by the shareholders in February 2001, under which the minority holdings in LiDCO Limited would be bought out in exchange for shares in LiDCO Group, was conditional upon admission and is therefore deemed to have occurred on 5 July 2001.

The Directors consider that the relative rights of the shareholders have in substance remained unchanged during the re-organization. Merger accounting has therefore been adopted as the accounting treatment for the re-organization. Under this method, results are reported as if the acquiring companies have been combined since incorporation. No purchased goodwill is created in the transaction and the assets and liabilities of LiDCO Limited are not adjusted to reflect their market value. The comparative figures have been restated.

Turnover

Turnover represents amounts receivable from product sales and income from licence agreements granted. Dependent upon the terms of each licence agreement, income from licence agreements is recognized on a straight line basis, commencing from the date of receipt of cash over the period of the licence, subject to a maximum of ten years.

Investments

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

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates prevailing at that date. These translation differences are dealt with in the profit and loss account.

Deferred taxation

Deferred taxation is provided in full on timing differences arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future without replacement, calculated at the rates at which it is expected that tax will arise.

Intangible fixed assets

Intangible fixed assets represent software development costs and clinical trials on the LiDCO and PulseCO systems. These have been capitalized and are amortized in equal annual amounts over three years.

1. Accounting Policies (continued)**Tangible fixed assets**

Depreciation is provided on a straight line basis over the estimated useful economic lives of the assets. The annual rates of depreciation are as follows:

Leasehold improvements	Over the length of the lease
Plant and machinery	20% per annum
Fixtures and fittings	20% per annum
Computer equipment	33% per annum

Stocks

Stocks are stated at the lower of cost and net realisable value.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis.

Capital instruments

Capital instruments are accounted for and classified as equity or non-equity share capital, equity or non-equity minority interests and debt according to their form. There is no premium payable on redemption of non-equity minority interests.

2. Turnover

	2002 £'000	2001 £'000
Turnover by class of business		
Licence agreements	140	140
Product sales	1,902	990
	2,042	1,130
Turnover by destination		
United States	1,009	632
Far East	292	271
United Kingdom	300	113
Other European countries	441	114
	2,042	1,130

All turnover, operating profit and net assets originated within the United Kingdom.

3. Information regarding Directors and Employees

	2002 £'000	2001 £'000
The Group		
Average number of persons employed (including Executive Directors)		
Production	11	9
Sales	24	14
Administration	8	9
	43	32
Staff costs		
	£'000	£'000
Wages and salaries	3,239	2,149
Social security costs	306	189
	3,545	2,338

3. Information regarding Directors and Employees (continued)

Directors' emoluments

Directors	2002 Salary and fees £'000	2002 Benefits £'000	2002 Compensation for loss of office £'000	2002 Bonus £'000	2002 Total £'000	2001 Total £'000
D M Band	113	–	–	–	113	124
R A F Linton ^[1]	–	–	–	–	–	2
T K O'Brien	189	–	–	–	189	237
T A Wallis ^[2]	1	–	–	–	1	–
T W Alexander ^[3]	170	12	163	–	345	144
R J Mills	101	–	–	18	119	70
J G Barry	170	–	–	21	191	102
P N Levensohn	18	–	–	–	18	10
A E B Wiegman	20	–	–	–	20	10
	782	12	163	39	996	699

[1] Dr Linton resigned as a Director on 10 January 2001.

[2] Ms Wallis' fees are payable to ANGLE Technology Limited.

[3] Mr Alexander's service contract entitled him to receive 12 months' salary and benefits upon the termination of his contract. Mr Alexander did not receive any bonus payment in respect of 2002, nor as part of the termination agreement.

4. Exceptional Items

Professional fees of £nil (2001 – £102,000) in respect of work performed by advisers on the restructuring of the Group prior to the flotation were expensed. Direct costs of the flotation were debited against the share premium account.

5. Operating Loss

Operating loss is stated after charging:

The Group	2002 £'000	2001 £'000
Auditors' remuneration		
Group audit fees	35	25
Company audit fees	5	5
Non-audit services	51	–
Loss on shares in Employee Share Ownership Trust	223	108
Research and development	89	161
Rentals under operating leases		
Hire of plant and machinery	58	26
Other	251	135
Depreciation – owned assets	121	31
Amortization	210	76

Auditors' remuneration of non-audit fees in respect of professional services on the Group's flotation of £nil (2001 – £369,000) have been charged directly to the share premium account.

6. Tax on Loss on Ordinary Activities

No tax was payable in 2001 or 2002 due to the existence of brought forward tax losses.

7. Intangible Fixed Assets

The Group	Clinical trials £'000	Software development £'000	Total £'000
Cost:			
At 1 January 2002	35	608	643
Additions during the year	39	169	208
At 31 December 2002	74	777	851
Accumulated depreciation:			
At 1 January 2002	–	76	76
Charge for the year	15	195	210
At 31 December 2002	15	271	286
Net book value:			
At 31 December 2002	59	506	565
At 31 December 2001	35	532	567

8. Tangible Fixed Assets

The Group	Leasehold improvements £'000	Plant and machinery £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost:					
At 1 January 2002	–	193	112	96	401
Additions during the year	534	266	75	299	1,174
Disposals	–	–	–	(2)	(2)
At 31 December 2002	534	459	187	393	1,573
Accumulated depreciation:					
At 1 January 2002	–	141	40	37	218
Charge for the year	14	31	18	58	121
At 31 December 2002	14	172	58	95	339
Net book value:					
At 31 December 2002	520	287	129	298	1,234
At 31 December 2001	–	52	72	59	183

The Company	Computer equipment £'000
Cost:	
At 1 January and 31 December 2002	2
Accumulated depreciation:	
At 1 January and 31 December 2002	2
Net book value:	
At 31 December 2002 and 2001	–

9. Investments

	Shares in subsidiary undertakings £'000	Other investments £'000	Total £'000
The Group			
At 1 January 2002	–	258	258
Additions	–	7	7
Gain/(loss) in the year	–	(223)	(223)
At 31 December 2002	–	42	42
The Company			
At 1 January 2002	65	258	323
Additions	–	7	7
Gain/(loss) in the year	–	(223)	(223)
At 31 December 2002	65	42	107

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

	Country of registration	Beneficial holding	Nature of business
LiDCO Limited	England and Wales	100%	Surgical instruments and appliances
CAS Limited	England and Wales	100%	Dormant
PulseCO Limited	England and Wales	100%	Dormant

Other investments consist of 302,118 (2001 – 262,118) ordinary shares in LiDCO Group Plc held by the Company's Employee Share Ownership Trust. The Trust is maintained to offset future National Insurance costs upon the exercise of share options.

10. Stocks

	2002 £'000	2001 £'000
The Group		
Raw materials and consumables	90	59
Finished goods	2,202	1,914
	2,292	1,973

11. Debtors

	The Group		The Company	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Trade debtors	1,055	707	–	–
Amounts owed by Group undertakings	–	–	9,327	1,552
Other debtors	246	407	6	–
Prepayments and accrued income	66	82	–	–
	1,367	1,196	9,333	1,552

12. Creditors: Amounts falling due within one year

	The Group		The Company	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Trade creditors	192	617	–	–
Other creditors	123	2	168	–
Accruals and deferred income	426	575	–	–
	741	1,194	168	–

13. Creditors: Amounts falling due after more than one year

	The Group		The Company	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
Deferred income	333	525	–	–

14. Deferred Taxation

No deferred taxation was provided at 31 December 2002 (2001 – none). The amounts of deferred taxation unprovided were:

	The Group		The Company	
	2002 Unprovided £'000	2001 Unprovided £'000	2002 Unprovided £'000	2001 Unprovided £'000
Capital allowances	248	184	–	–
Other	(3,773)	(2,235)	(1)	(1)
	(3,525)	(2,051)	(1)	(1)

15. Called up Share Capital

The Group and the Company	2002	2001	2002	2001
	No.	No.	£'000	£'000
Authorized shares of 0.5p each	100,000,000	100,000,000	500	500
Called up, issued and fully paid	71,294,311	70,844,561	356	354

16. Loss per Share

Loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares during the year. Share options are regarded as dilutive if the exercise price was below the market price at 31 December.

The Group	2002	2001
Loss for the financial year (£'000)	5,496	2,803
Weighted average number of ordinary shares ('000)	71,147	49,162
Effect of dilutive share options ('000)	4,469	1,472
Adjusted weighted average number of ordinary shares ('000)	75,616	50,634
Loss per share – basic (p)	7.72	5.70
Loss per share – diluted (p)	7.27	5.54

17. Net Cash Outflow from Operating Activities

	2002 £'000	2001 £'000
The Group		
Operating loss	(5,775)	(3,167)
Depreciation and amortization charges	331	107
Decrease in the value of investments	223	108
Increase in stocks	(319)	(1,455)
Increase in debtors	(171)	(1,155)
(Decrease)/increase in creditors	(645)	627
Net cash outflow from operating activities	(6,356)	(4,935)

18. Analysis of Cash Flows for Headings Netted in the Cash Flow Statement

	2002 £'000	2001 £'000
The Group		
Returns on investment and servicing of finance		
Interest received	279	364
Capital expenditure and financial investment		
Payments to acquire intangible fixed assets	(208)	(393)
Payments to acquire tangible fixed assets	(1,172)	(165)
Investing activities	(7)	(367)
	(1,387)	(925)
Financing		
Issue of ordinary share capital	73	12,493

19. Analysis of Net Funds

	2001 £'000	Cash flow £'000	2002 £'000
The Group			
Cash in hand and at bank	11,365	(7,391)	3,974

20. Financial Instruments

The Group did not trade in financial instruments in 2001 or 2002.

20 (a) Maturity Profile of Financial Liabilities

The Group did not have any financial liabilities in 2001 or 2002.

20 (b) Interest Rate Profile

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Total £'000
The Group			
At 31 December 2002			
Sterling	3,584	–	3,584
US\$	390	–	390
Gross financial assets	3,974	–	3,974
At 31 December 2001			
Sterling	10,989	200	11,189
US\$	176	–	176
Gross financial assets	11,165	200	11,365

20 (c) Fair Values of Financial Assets and Liabilities

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

20 (d) Hedging

During 2002 forward exchange contracts were taken out to maximize the sterling value of net dollar revenue for the year. These contracts were closed out during the year. The Group did not hedge its financial transactions in 2001.

20 (e) Currency Profile

Sterling is the main functional currency of the Group. The following analysis of net monetary assets and liabilities shows the Group's currency exposures. The amounts shown represent the transactional (or non-structural) exposures that give rise to the net currency gains and losses recognised in the profit and loss account. Such exposures comprise the monetary assets and monetary liabilities of the Group that are not denominated in sterling.

	2002 US\$'000	2001 US\$'000
The Group		
Sterling	628	255

21. Movements on Reserves

	Share premium account £'000	Merger reserve £'000	Profit & loss account £'000	Total £'000
The Group				
Balance at 1 January 2002	12,359	8,513	(7,403)	13,469
Issue of share capital	71	–	–	71
Loss for the financial year	–	–	(5,496)	(5,496)
Balance at 31 December 2002	12,430	8,513	(12,899)	8,044
The Company				
Balance at 1 January 2002	12,359	–	(15)	12,344
Issue of share capital	71	–	–	71
Profit for the financial year	–	–	23	23
Balance at 31 December 2002	12,430	–	8	12,438

22. Operating Lease Commitments

The Group was committed to making the following payments under operating leases during the year:

	2002 Land and buildings £'000	2001 Land and buildings £'000	2002 Other £'000	2001 Other £'000
The Group				
Leases which expire				
Within one year	13	13	–	–
Within two to five years	201	201	58	58
After more than five years	55	37	–	–
	269	251	58	58

23. Related Party Transaction

Mr P Levensohn served as a Non-Executive Director of LiDCO Group Plc and LiDCO Limited until his resignation on 27 November 2002. Mr Levensohn also serves as President and Chief Executive Officer of Levensohn Capital Management LLC, a registered investment adviser which manages a group of investment partnerships which invest in public and private technology companies. One of the clients of this partnership is Star Bay Partners LP, which held 2,114,800 ordinary shares in LiDCO Group Plc at 31 December 2002 (2001 – 2,114,800).

Advisors

Auditors Deloitte & Touche
Chartered Accountants
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR

Bankers NatWest Bank PLC
PO Box 35
10 Southwark Street
London SE1 1TT

Solicitors Herbert Smith
Exchange House
Primrose Street
London EC2A 2HS

Registered Office
16 Orsman Road
London N1 5QJ

Stockbrokers Teather &
Greenwood
Beaufort House
15 St. Botolph Street
London EC3A 7QR

Registrars Capita IRG
34 Beckenham Road
Beckenham
Kent BR3 4TU

Company Number
2659005

Company Website
www.lidco.com

Stockbrokers Nomura
International plc
Nomura House
1 St Martins-le-Grand
London EC11 4NP

www.lidco.com

LiDCO Group Plc

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

USA Distribution Office:
Wren Medical Systems
905 Lakeside Drive
Gurnee, IL 60031
Tel: 847 625 0600
Fax: 847 625 0981

Sales and Marketing:
Flowers Building
Granta Park
Cambridge CB1 6GU
Tel: +44 (0)1223 893 081
Fax: +44 (0)1223 890 187