

**FUTURA MEDICAL PLC
(FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2002**

Company Registration Number 04206001 (England and Wales)



FUTURA MEDICAL PLC (FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)

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FUTURA MEDICAL PLC (FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2002

The Directors present their report and financial statements for the year ended 31 January 2002.

Principal activities

The principal activity of the group is the research, development, production and sale of pharmaceutical products.

Review of business and future developments

The company was incorporated on 25th April 2001 to act as the holding company for Futura Medical Developments Limited and on 6th June 2001 the company acquired the entire share capital of Futura Medical Developments Limited in a share for share exchange.

The company changed its name from Futura (Holdings) Plc to Futura Medical Plc on 11th July 2001.

The company successfully raised £3,300,000 before expenses through a private placing of shares on 2nd January 2002. These funds have been used to repay shareholder loans and to provide working capital for further research and development. During the year the group has continued to incur research and development costs which have been written off as incurred.

The results for the year are set out in the profit and loss account on page 5.

Dividends

The directors do not recommend payment of a dividend in respect of the year ended 31 January 2002.

Directors

The following directors have held office since 25th April 2001:

J H Barder	(appointed 25/04/01)
Dr W D Potter	(appointed 12/06/01)
Dr R Pruijm	(appointed 12/06/01)
A L Clayden	(appointed 08/10/01)
R Drury	(appointed 24/09/01)
D B Davies	(appointed 24/09/01)
A L Staveley	(appointed 30/01/02)
C A Kemp	(appointed 25/04/01, resigned 08/02/02)
E Verdonck	(appointed 12/06/01, resigned 08/10/01)

FUTURA MEDICAL PLC (FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2002

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £0.002 each			
	31 January 2002		1 February 2001	
	Beneficial Interests	Other interests	Beneficial interests	Other interests
J H Barder	236,997	314,500	-	-
Dr W D Potter	-	-	-	-
Dr R Pruijm	-	-	-	-
A L Clayden	-	-	-	-
R Drury	-	-	-	-
D B Davies	15,152	-	-	-
A L Staveley	-	-	-	-

Since the year end certain directors have been granted options to acquire further shares in the company. Full details are set out in Note 14 of the financial statements.

No options were exercised during the year.

Directors' responsibilities

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 group and company 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, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board

.....
A L Clayden
Secretary

.....

FUTURA MEDICAL PLC (FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FUTURA MEDICAL PLC (FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)

We have audited the financial statements of Futura Medical Developments Limited on pages 4 to 17 for the year ended 31 January 2002. These financial statements have been prepared under the historic cost convention and the accounting policies set out herein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 3 the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 report to you 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 of 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

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 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 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 the group and company's affairs at 31 January 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.

Blueprint Audit Limited

Registered Auditor

.....
Clifton House
Bunnian Place
Basingstoke
Hampshire
RG21 7JE

FUTURA MEDICAL PLC (FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2002

	Notes	2002 £	2001 £
Research and development expenditure		(682,902)	(206,557)
Administrative expenses		(660,416)	(185,032)
Operating loss	2	(1,343,318)	(391,589)
Other interest receivable and similar income	5	22,163	5,760
Interest payable and similar similar charges	6	(28,872)	(16,375)
Loss on ordinary activities before taxation		(1,350,027)	(402,204)
Tax on loss on ordinary activities	7	100,000	29,998
Loss on ordinary activities after taxation	17	(1,250,027)	(372,206)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

FUTURA MEDICAL PLC (FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)

BALANCE SHEETS AS AT 31 JANUARY 2002

	Note	Group 2002	2001	Company 2002
		£	£	£
Fixed Assets				
Tangible assets	8	43,286	1,874	-
Investments	9	-	-	60,724
		<u>43,286</u>	<u>1,874</u>	<u>60,724</u>
Current Assets				
Debtors	10	174,968	44,435	1,130,677
Cash at bank and in hand		2,042,741	289,863	1,990,422
		<u>2,217,709</u>	<u>334,298</u>	<u>3,121,099</u>
Creditors: amounts falling due within one year	11	(262,213)	(102,526)	(72,407)
Net current assets		1,955,496	231,772	3,048,692
Creditors: amounts falling due after more than one year	12	-	(526,549)	-
Net assets		<u>1,998,782</u>	<u>(292,903)</u>	<u>3,109,416</u>
Capital and reserves				
Called up share capital	13	80,724	58,824	80,724
Share premium account	18	3,018,212	650,565	3,018,212
Other reserves	16	1,152,165	-	-
Profit and loss account	17	(2,252,319)	(1,002,292)	10,480
Equity shareholders' funds/ (deficit)	18	<u>1,998,782</u>	<u>(292,903)</u>	<u>3,109,416</u>

The financial statements on pages 4 to 17 were approved by the Board on

.....
J H Barder
 Director

FUTURA MEDICAL PLC (FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2002

	Note	2002 £	2001 £
Net cash outflow from operating activities	1	(1,189,074)	(322,575)
Returns on investments and servicing of finance			
Interest received	22,163	5,760	
Interest paid	(45,219)	(28)	
Net cash (outflow)/inflow from returns on Investments and servicing of finance		(23,056)	5,732
Capital expenditure			
Payments to acquire tangible assets	(50,155)	(2,091)	
Net cash outflow from capital expenditure		(50,155)	(2,091)
Net cash outflow before financing		(1,262,285)	(318,934)
Financing			
Issue of ordinary shares	3,803,500	600,006	
Expenses paid in connection with share issues	(261,788)		
Shareholder loans	150,000	-	
Repayment of shareholder loans	(676,549)	-	
Net cash inflow from financing		3,015,163	600,006
Increase in net cash	3	1,752,878	281,072

FUTURA MEDICAL PLC (FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2002

1 Reconciliation of operating loss to net cash inflow from operating activities

	2002 £	2001 £
Operating loss	(1,343,318)	(391,589)
Brought forward patent costs written off	-	22,602
Depreciation on tangible fixed assets	8,743	958
Increase in debtors	(30,535)	(8,270)
Increase in creditors	176,036	53,724
	<u> </u>	<u> </u>
Net cash outflow from operating activities	<u>(1,189,074)</u>	<u>(322,575)</u>

2 Analysis of net debt

	At 1 February 2001	Cash flow	At 31 January 2002
Cash at bank and in hand	289,863	1,752,878	2,042,741
Debts due after one year	(526,549)	526,549	-
	<u> </u>	<u> </u>	<u> </u>
	<u>(236,686)</u>	<u>2,279,427</u>	<u>2,042,741</u>

3 Reconciliation of net cash flow to movement in net debt

	2002 £	2001 £
Increase in cash in the period	1,752,878	281,072
Cash inflow from increase in debt	526,549	-
	<u> </u>	<u> </u>
Movement in net debt in the period	2,279,427	281,072
Net debt at 1 February 2001	(236,686)	(517,758)
	<u> </u>	<u> </u>
Net funds/(debt) at 31 January 2002	<u>2,042,741</u>	<u>(236,686)</u>

FUTURA MEDICAL PLC (FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

Based on the company's cashflow projections and forecasts for the period ending 12 months from the date of approval of these financial statements the directors consider that the company will continue to operate and meet all of its committed expenditure and debts as they fall due. However the level of surplus cash resources is not large given the future research and development programme budgeted, and inherently there can be no certainty in these matters. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Basis of consolidation

The consolidated financial statements include the results of the company and its subsidiary, Futura Medical Developments Limited, for the year ended 31 January 2002.

The subsidiary was acquired on 6th June 2001 via a share for share exchange. Under the provisions of Financial Reporting Standard 6, Acquisitions and Mergers, the acquisition fulfils the requirements of a group reconstruction and therefore has been accounted for using merger accounting.

The consolidated profit and loss account includes the results of the subsidiary for the year and the subsidiary's reserves have been credited to group reserves. All intra-group sales and profit are eliminated on consolidation.

As permitted by Section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements.

1.5 Research and development

Research expenditure and patent costs are written off to the profit and loss account in the year in which they are incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	25% Straight line
Fixtures, fittings & equipment	25% Straight line

1.6 Deferred taxation

Full provision is made for deferred taxation using tax rates that have been enacted or substantially enacted.

FUTURA MEDICAL PLC (FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2002

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.10 Pension costs

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with SSAP 24.

2 Operating profit

	2001 £	2000 £
Operating profit is stated after charging:		
Depreciation of tangible assets	8,743	958
Auditors' remuneration – Blueprint Audit Limited		
- Audit services	7,750	5,000
Directors emoluments	267,905	89,217
	<u>267,905</u>	<u>89,217</u>

3 Information regarding directors and employees

The average monthly number of persons employed by the group during the year which include directors, and their aggregate emoluments are shown below:

	2002 No.	2001 No.
Management and administration	6	1
	<u>6</u>	<u>1</u>

The costs incurred in respect of those employed were:

	£	£
Wages and salaries	295,518	78,000
Social security costs	31,363	9,164
Other pension costs	19,292	-
	<u>346,173</u>	<u>87,164</u>

FUTURA MEDICAL PLC (FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2002

4 Directors' emoluments

	2002 £	2001 £
Directors		
Aggregate emoluments	<u>267,505</u>	<u>89,217</u>
Company pension contributions	<u>17,792</u>	<u>-</u>

Emoluments disclosed above include the following amounts paid to the highest director:

	£	£
Aggregate emoluments	<u>105,782</u>	<u>89,217</u>
Company pension contributions to money purchase scheme	<u>7,167</u>	<u>-</u>

5 Other interest receivable and similar income

	2002 £	2001 £
Bank interest	<u>22,163</u>	<u>5,760</u>

6 Interest payable and similar charges

	2002 £	2001 £
On shareholder loans	27,820	16,375
Bank interest	1,052	-
	<u>28,872</u>	<u>16,375</u>

FUTURA MEDICAL PLC (FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2002

7 Taxation

	2002 £	2001 £
Current period taxation		
UK corporation tax at 20% (2001 – 20%)	(100,000)	(29,998)
Prior years		
UK corporation tax	-	-
	<u>(100,000)</u>	<u>(29,998)</u>

The £100,000 (2001 - £29,998) represents a repayable amount from the Inland Revenue in respect of the research and development tax credit (Finance Act 2000 Schedule 19 and 20).

8 Tangible fixed assets

Group

	Plant & machinery £	Equipment & office furniture £	Total £
Cost			
At 1 February 2001	1,399	2,431	3,830
Additions	20,722	29,433	50,155
	<u>22,121</u>	<u>31,864</u>	<u>53,985</u>
At 31 January 2002			
Depreciation			
At 1 February 2001	1,138	818	1,956
Charge for year	3,335	5,408	8,743
	<u>4,473</u>	<u>6,226</u>	<u>10,699</u>
At 31 January 2002			
Net book value			
At 31 January 2002	<u>17,648</u>	<u>25,638</u>	<u>43,286</u>
At 31 January 2001	<u>261</u>	<u>1,613</u>	<u>1,874</u>

All fixed assets of the group are held in Futura Medical Developments Limited.

FUTURA MEDICAL PLC (FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2002

9 Fixed asset investments

Company	Shares in subsidiary undertakings £
Cost and net book value at 1 February 2001	-
Additions	60,724
	<hr/>
Cost and net book value at 31 January 2002	60,724
	<hr/> <hr/>

Interests in group undertakings

Subsidiary undertaking	Description of shares held	Proportion of nominal value of issued shares held
Futura Medical Developments Limited	Ordinary £1 shares	100%

The above company is incorporated in England and Wales, and is included in the consolidated accounts.

Futura Medical Developments Limited undertakes research, development, production and sale of pharmaceutical products.

FUTURA MEDICAL PLC (FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2002

10 Debtors

	Group		Company
	2002	2001	2002
	£	£	£
Amounts owed by subsidiary	-	-	1,130,619
Other debtors	164,116	38,962	58
Prepayments and accrued income	10,852	5,473	-
	<u>174,968</u>	<u>44,435</u>	<u>1,130,677</u>

11 Creditors: amounts falling due within one year

	Group		Company
	2002	2001	2002
	£	£	£
Trade creditors	164,009	57,626	72,407
Other taxes and social security costs	17,115	-	-
Accruals and deferred income	81,089	32,400	-
Other creditors	-	12,500	-
	<u>262,213</u>	<u>102,526</u>	<u>72,407</u>

12 Creditors : amounts falling due after more than one year

	Group		Company
	2002	2001	2002
	£	£	£
Shareholder loans	-	526,549	-
	<u>-</u>	<u>526,549</u>	<u>-</u>

FUTURA MEDICAL PLC (FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2002

13 Share capital

	2002 £
Authorised	
500,000,000 ordinary shares of 0.2 pence each	1,000,000
Allotted, called up and fully paid	
Issued on incorporation	2
Issued on acquisition of Futura Medical Developments Limited	60,722
	60,724
Issued on private placing	20,000
	80,724

On incorporation the company's authorised share capital was 1,000,000 ordinary shares of £1 each. 2 ordinary £1 shares were issued at par.

On the 6th June 2001 the company acquired the whole of the issued share capital of Futura Medical Developments Limited in exchange for 60,724 ordinary £1 shares.

On 12th June 2001 the company sub-divided each of its 1,000,000 £1 ordinary shares into 500 ordinary shares of 0.2 pence each.

On 2nd January 2002 the company issued 10,000,000 0.2 pence through a private placing at 33 pence each. The shares were issued a premium of £3,280,000.

14 Share options

Mr J H Barder, Mr A L Clayden and Mr D B Davies, being directors of the company, are entitled to purchase the number of shares shown below at the option prices stated under an Enterprise Management Incentive Scheme. The Enterprise Management Initiative Scheme options were granted on 5 March 2002. The options can be extended at any time for 2 years from 1 February 2004.

The options granted over 0.2 pence ordinary shares were as follows:

Price Per share	A L Clayden	D B Davies	J H Barder	Total options granted
33 pence	500,000	1,000,000	-	1,500,000
53 pence	-	-	250,000	250,000
	500,000	1,000,000	250,000	1,750,000

FUTURA MEDICAL PLC (FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2002

Mr R Drury, Dr W D Potter, Dr R Pruijm and Miss A L Staveley, being directors of the company, are entitled to purchase the number of shares shown below at the option prices stated under a Pre-IPO Scheme. The Pre-IPO Scheme options were granted on 21 March 2002. The options can be extended at any time for 2 years from 1 February 2004.

The options granted over 0.2 pence ordinary shares were as follows:

Price Per share	R Drury	Dr W D Potter	Dr R Pruijm	A L Staveley	Total options granted
33 pence	100,000	250,000	15,000	100,000	465,000
53 pence	-	125,000	-	-	125,000
	<u>100,000</u>	<u>375,000</u>	<u>15,000</u>	<u>100,000</u>	<u>590,000</u>

15 Acquisitions

On the 6th June 2001 the company acquired the whole of the issued share capital of Futura Medical Developments Limited. The transaction has been accounted for as a merger.

The summarised profit and loss account and statements of total recognised gains and losses for Futura Medical Developments Limited for the period from 1 February 2001, the beginning of the subsidiary's financial year, to date of acquisition are as follows:

	Period ended 6 th June 2001 £
Operating loss	<u>(313,280)</u>
Loss on ordinary activities before taxation	(309,094)
Tax on ordinary activities	-
Loss on ordinary activities after taxation	<u>(309,094)</u>

During the year Futura Medical Plc did not trade and apart from £10,480 interest received all profit and loss account movements relate to the subsidiary company, Futura Medical Developments Limited.

FUTURA MEDICAL PLC (FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2002

15 Acquisitions (continued)

The assets and liabilities of Futura Medical Developments Limited at acquisition are set out below:

	On acquisition £
Tangible fixed assets	43,328
	<u>43,328</u>
Current assets	
Debtors	71,081
Cash	459,464
	<u>530,545</u>
Creditors due within one year	(145,820)
Net current assets	<u>384,725</u>
Total assets less current liabilities	428,053
Creditors due after one year	(526,549)
Net liability on acquisition	<u><u>(98,496)</u></u>

Futura Medical Plc was incorporated on 25th April 2001 and so the comparative figures as shown in the financial statements relate to the wholly owned subsidiary, Futura Medical Developments Limited.

16 Reserves

	Share capital/ premium £	Other reserves £	Profit and Loss Account £	Total £
Shareholders' funds as previously reported by				
Futura Medical Plc	-	-	-	-
Futura Medical Developments Ltd	1,212,889	-	(1,002,292)	210,597
Merger reserve adjustment	(1,152,165)	1,152,165	-	-
	<u>60,724</u>	<u>1,152,165</u>	<u>(1,002,292)</u>	<u>210,597</u>
Merged shareholders' funds as at 6 June	<u><u>60,724</u></u>	<u><u>1,152,165</u></u>	<u><u>(1,002,292)</u></u>	<u><u>210,597</u></u>

As at 1 February 2001 Futura Medical Developments Limited had share capital of £58,824 and share premium of £650,565. A further 1,900 ordinary shares of £1 each were allotted and fully paid at a premium of £501,600 for cash consideration.

FUTURA MEDICAL PLC (FORMERLY KNOWN AS FUTURA (HOLDINGS) PLC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2002

17 Profit and loss account

	Group £	Company £
At 1 January 2001	(1,002,292)	-
(Loss)/profit for the year	(1,250,027)	10,480
	<u>(2,252,319)</u>	<u>10,480</u>
Closing shareholders' (deficit)/funds	<u>(2,252,319)</u>	<u>10,480</u>

18 Share premium

	Group & company 2002 £
At 1 January 2001	-
Premium on shares issued during the year	3,280,000
Less share issue costs	(261,788)
	<u>3,018,212</u>
At 31 January 2002	<u>3,018,212</u>

19 Reconciliation of movements in shareholders' funds

	Group £	Company £
(Loss)/profit for the financial year	(1,250,027)	10,480
Proceeds from issue of shares	3,038,212	3,098,936
	<u>1,788,185</u>	<u>3,109,416</u>
Net addition to shareholders' funds	1,788,185	3,109,416
Opening shareholders funds	210,597	-
	<u>1,998,782</u>	<u>3,109,416</u>
Closing shareholders' funds	<u>1,998,782</u>	<u>3,109,416</u>

20 Related party transactions

During the period the company lent Futura Medical Developments Limited, its wholly owned subsidiary, £1,267,500. At the balance sheet date the amount owed by Futura Medical Developments Limited amounted to £1,130,169.

Prior to signing a contract of employment and become Chief Executive on 18 June 2001, J H Barder provided consulting services through Naylands Dibble Limited. Of the total fees of £23,517, none were outstanding at 31 January 2002.

Dr W D Potter also provides consulting services to Futura Medical Developments Limited through Stapleford Scientific Services. Of the total fees and expenses of £19,056, the amount outstanding at 31 January 2002 was £2,063.

21 Ultimate controlling party

The directors do not believe there to be an ultimate controlling party.