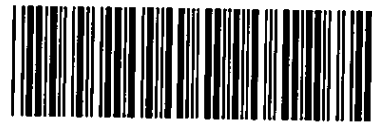


COMPANY REGISTRATION NUMBER 2282511

THE AEROGEN COMPANY LIMITED  
ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED  
31st DECEMBER 2006

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COMPANIES HOUSE

TAYLOR COCKS  
Chartered Accountants  
Abbey House  
Hickleys Court  
South Street  
Farnham  
Surrey  
GU9 7QQ

THE AEROGEN COMPANY LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31st DECEMBER 2006

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Notes to the abbreviated accounts	3 to 5

THE AEROGEN COMPANY LIMITED

ABBREVIATED BALANCE SHEET

31st DECEMBER 2006

	Note	2006 £	2005 £
FIXED ASSETS	2		
Intangible assets		-	1,664
Tangible assets		<u>432,746</u>	<u>11,676</u>
		432,746	13,340
CURRENT ASSETS			
Stocks		43,965	63,536
Debtors		230,574	220,796
Cash at bank and in hand		<u>672,621</u>	<u>822,165</u>
		947,160	1,106,497
CREDITORS Amounts falling due within one year		<u>199,174</u>	<u>160,525</u>
NET CURRENT ASSETS		747,986	945,972
TOTAL ASSETS LESS CURRENT LIABILITIES		1,180,732	959,312
PROVISIONS FOR LIABILITIES AND CHARGES		<u>55,595</u>	<u>74,168</u>
		1,125,137	885,144
CAPITAL AND RESERVES			
Called-up equity share capital	3	140,000	140,000
Profit and loss account		<u>985,137</u>	<u>745,144</u>
SHAREHOLDERS' FUNDS		1,125,137	885,144

The Balance sheet continues on the following page  
The notes on pages 3 to 5 form part of these abbreviated accounts

THE AEROGEN COMPANY LIMITED

ABBREVIATED BALANCE SHEET *(continued)*

31st DECEMBER 2006

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act

The director acknowledges his responsibility for

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved and signed by the director on

18 MAY 2007



MR A WILKINSON

The notes on pages 3 to 5 form part of these abbreviated accounts

THE AEROGEN COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31st DECEMBER 2006

**1 ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

**Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Patents - 10% straight line

**Fixed assets**

All fixed assets are initially recorded at cost

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Property	- 4% straight line
Plant & Machinery	- 15% to 25% reducing balance
Fixtures & Fittings	- 15% to 25% reducing balance
Motor Vehicles	- 25% straight line
Computer Equipment	- 50% straight line

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

THE AEROGEN COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31st DECEMBER 2006

1 ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2 FIXED ASSETS

	Intangible Assets £	Tangible Assets £	Total £
<b>COST</b>			
At 1st January 2006	27,779	46,626	74,405
Additions	–	436,242	436,242
At 31st December 2006	<u>27,779</u>	<u>482,868</u>	<u>510,647</u>
<b>DEPRECIATION</b>			
At 1st January 2006	26,115	34,950	61,065
Charge for year	1,664	15,172	16,836
At 31st December 2006	<u>27,779</u>	<u>50,122</u>	<u>77,901</u>
<b>NET BOOK VALUE</b>			
At 31st December 2006	–	432,746	432,746
At 31st December 2005	<u>1,664</u>	<u>11,676</u>	<u>13,340</u>

THE AEROGEN COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31st DECEMBER 2006

3 SHARE CAPITAL

Authorised share capital

	2006	2005
	£	£
80,000 Ordinary shares of £1 each	80,000	80,000
60,000 Ordinary A shares of £1 each	60,000	60,000
	<u>140,000</u>	<u>140,000</u>

Allotted, called up and fully paid

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	80,000	80,000	80,000	80,000
Ordinary A shares of £1 each	60,000	60,000	60,000	60,000
	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>