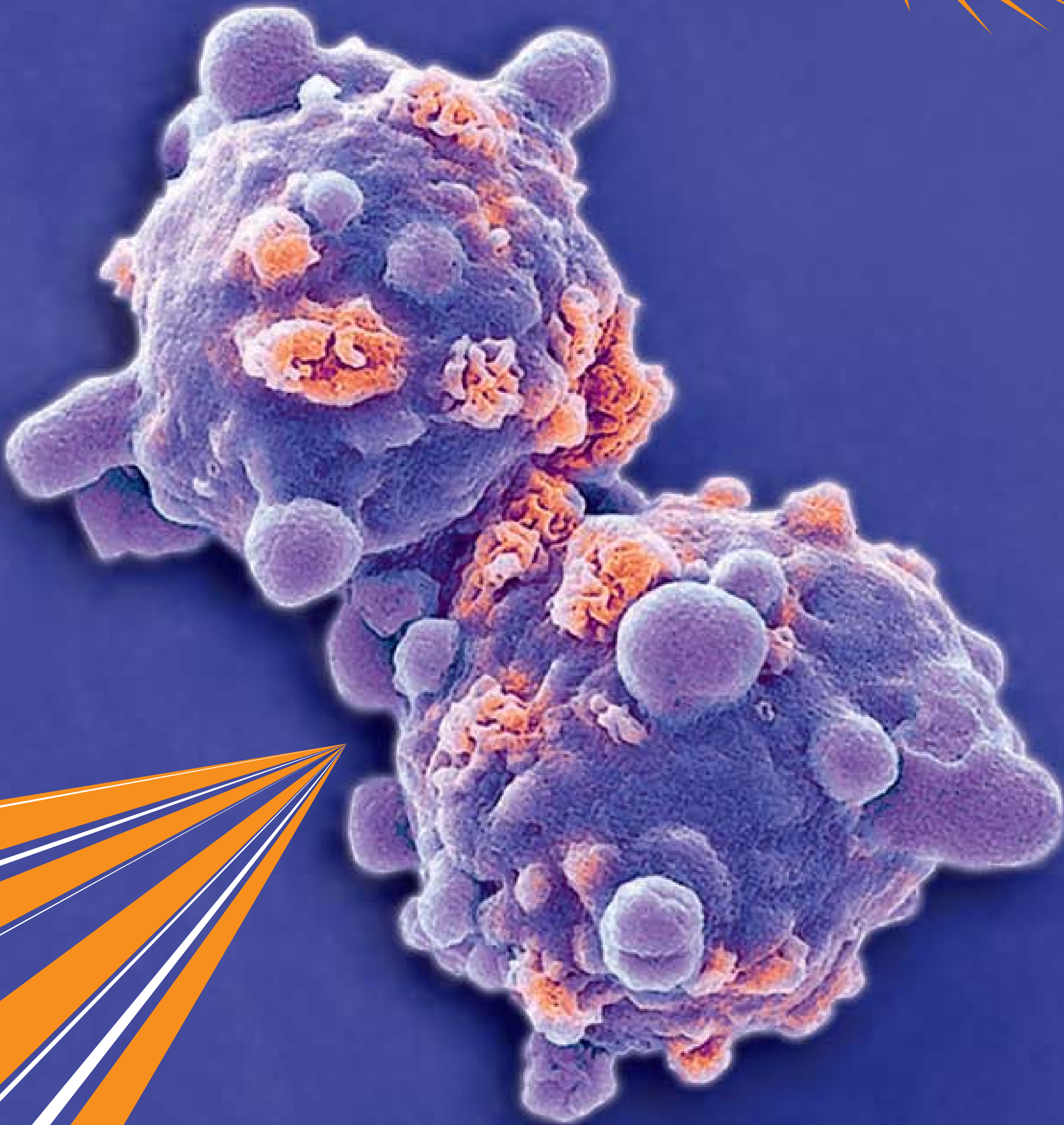
ANTISOMA



Targeting cancer

Antisoma plc
Annual Report and Accounts 2010

Antisoma is a biotechnology company specialising in the development and commercialisation of novel drugs for the treatment of cancer

Contents

Overview

01 Key events of 2009/2010
02 Joint Chief Executive's and Chairman's statement
04 Financial review
06 Board of Directors

Governance

08 Directors' report (including Business review)
11 Corporate social responsibility review
13 Report of the Board on remuneration
19 Corporate governance

Financial statements

22 Independent auditors' report to the members of Antisoma plc
23 Consolidated income statement
23 Consolidated statement of comprehensive income
24 Consolidated statement of financial position
25 Company statement of financial position
26 Consolidated statement of changes in equity
26 Company statement of changes in equity
27 Consolidated statement of cash flows
28 Company statement of cash flows
29 Notes to the consolidated financial statements
ibc List of advisors

Key events of 2009/2010

AS1413

- > Positive final data reported from secondary AML phase II trial
- > Secondary AML phase III trial over 75% enrolled
- > FDA Fast Track status awarded
- > Phase III data expected H1 2011

AS1411

- > Positive long-term follow up data from phase II AML trial
- > Renal cancer phase II trial shows further evidence of activity
- > New non-clinical data indicate potential in major cancer types
- > Orphan drug status obtained in US and European Union for AML
- > Phase IIb trial in AML ongoing; headline data expected H1 2011

ASA404

- > Front-line lung cancer phase III trial discontinued for futility

Financial highlights

- > Cash at 30 June 2010 of £32.1 million (30 June 2009: £67.0 million)
  – Cash life extends well beyond key phase III results
- > Revenues of £20.3 million (2009: £25.2 million)
  – Reflects half of the $60 million up-front payment from sanofi-aventis (£19.7 million) for the divestment of oral fludarabine
- > Full year loss of £18.7 million (2009: loss of £16.4 million)

Joint Chief Executive's and Chairman's statement

Glyn Edwards
Chief Executive Officer

Barry Price
Chairman

Overview

We have had a challenging year, including a disappointment in March, when a phase III trial evaluating ASA404 as a first-line treatment for lung cancer was discontinued for futility. We recognise that ASA404 was considered the Company's most significant asset, but we are fortunate in having another late-stage cancer drug, AS1413, with substantial market potential. Addressing an indication in acute leukaemia where there is high unmet need, poor satisfaction with currently available generic therapies and clear potential for post-launch growth, AS1413 could readily achieve peak sales comparable in scale to the royalties that we might have obtained through our alliance on ASA404. We expect data from the phase III pivotal study of this compound in the first half of 2011.

AS1413 phase III trial nears recruitment target

AS1413 is a novel chemotherapy that we are testing in a large randomised phase III trial in patients with secondary acute myeloid leukaemia ('secondary AML'). The trial, known as ACCEDE, is approaching its enrolment target, which is to screen 450 patients in order to provide 420 evaluable patients. Enrolment should be completed in Q3 2010 and we expect to announce results in the first half of 2011.

During the year, we have presented new findings supporting AS1413 at major scientific and medical meetings. In December, we reported positive final data from a phase II trial of AS1413 in secondary AML at the American Society of Hematology ('ASH') Annual Meeting. We saw an encouraging number of longer-term responders, with 30% of patients who achieved remission after treatment with AS1413 still alive after two years. A presentation at the American Association of Cancer Research ('AACR') Annual Meeting in April reinforced the differentiation of AS1413 from currently available leukaemia treatments and its potential to provide unique benefits for patients. Presentations at the American Society of Clinical Oncology ('ASCO') Annual Meeting and the European Hematology Association ('EHA') Annual Meeting in June highlighted the importance of multi-drug resistance as a barrier to successful treatment of AML. A key feature of AS1413 is its ability to evade multi-drug resistance mechanisms.

In June we announced that the US Food and Drug Administration ('FDA') had granted Fast Track designation to AS1413 for the treatment of secondary AML. Fast Track-designated drugs usually qualify for Priority Review, an expedited review process available to drugs that offer major advances in treatment or provide a treatment where no adequate therapy exists.

There is interest from potential partners in licensing AS1413. We have decided to take a pragmatic stance to realising the value of the drug, and have therefore widened our partnering discussions to include US rights, which we had previously planned to retain. However, as we have the resources ourselves to complete development of AS1413, we will only strike a deal ahead of the phase III data if terms are sufficiently favourable.

We believe that AS1413 could ultimately find application in a number of blood cancer settings, with potential sales running to hundreds of millions of dollars annually.

AS1411 phase IIb trial ongoing

AS1411 is the most advanced aptamer in trials for cancer. In March we initiated a 90-patient phase IIb study in patients with AML. This trial follows an earlier 60-patient randomised phase II trial in AML, in which use of AS1411 in combination with cytarabine produced a higher remission rate than cytarabine alone, without imposing any significant additional side-effects. At this year's ASCO meeting, we presented long-term follow up data from the earlier study, showing that five of the eight patients who responded to an AS1411-based regimen, all of whom had advanced disease on entry to the study, had substantial survival durations (from 12 to over 20 months). Headline data from the phase IIb study are expected in the first half of 2011.

We continue to accumulate evidence that AS1411 has potential in a variety of different cancers. Non-clinical data presented at AACR in April showed activity in a model of colorectal cancer and positive findings when AS1411 was combined with various approved treatments for blood cancers. At the ASCO meeting in June we presented data from a 35-patient phase II study of AS1411 in advanced renal cancer, which provided further evidence of activity in this setting.

In October we announced that AS1411 had been granted orphan drug status in the US and the European Union for the treatment of AML. These grants will provide seven years of market exclusivity in the US and 10 years of exclusivity in the European Union if AS1411 is approved as a treatment for AML.

DCAM auto-immune programme progressing towards partnering

We have an important preclinical programme in auto-immune diseases. This comprises a series of molecules collectively known as DCAMs (dendritic cell auto-immune modulators). They are highly specific, small-molecule inhibitors of wild-type Flt3, and are designed for oral treatment of various auto-immune conditions. Positive results have already been achieved in animal models of inflammatory bowel disease and rheumatoid arthritis, and we are now working towards establishing a licensing partnership for further development of the programme.

Other pipeline developments

During the period, we discontinued development of a phase II product, AS1402, divested a phase I product, P2045, to Bryan Oncor, and put on hold further development of AS1409. We have also discontinued a number of preclinical programmes as we focus our resources on development of our late-stage products, AS1413 and AS1411.

Cash conservation measures enacted

We are no longer anticipating further revenues from the ASA404 programme, and have therefore taken steps to reduce our cash utilisation and ensure that our funds take us comfortably past key clinical data on AS1413 and AS1411, which are expected during the first half of 2011. We finished the period with cash and short-term deposits of £32.1 million (2009: £67.0 million).

Total revenues for the year ended 30 June 2010 were £20.3 million, compared with £25.2 million last year. This year's revenues reflect half of the $60.0 million up-front payment from sanofi-aventis (£19.7 million) for oral fludarabine, which was deferred from the previous financial year, and the first of five annual contingent payments due under the agreement.

> **"We have two promising cancer drugs, AS1413 and AS1411, both of which we expect to report key trial data by mid-2011."**
>
> **Glyn Edwards**
> Chief Executive Officer

Total operating expenses have increased from £40.8 million last year to £43.4 million this year, mainly reflecting an increase in general and administrative costs, which were £7.9 million (2009: £4.9 million), reflecting impairments made to intangible assets and lower foreign exchange gains during the year. Research and development ('R&D') costs were £35.5 million (2009: £35.9 million).

We have recorded a full-year loss of £18.7 million (2009: £16.4 million). At this stage in our development, profits and losses reflect the balance between recognition of deferred revenues and our ongoing operating expenses.

Board and management changes

Regrettably, we have had to restructure the business and make headcount reductions as part of our effort to conserve cash resources. As part of the restructuring, our former Chief Operating Officer, Dr Ursula Ney, left the Company and the Antisoma Board in April. Ursula made a very significant contribution to the development of Antisoma, and we wish her well with future ventures. In June we closed our laboratories at BioPark in Hertfordshire, leaving our operations concentrated at our headquarters in London and at our Cambridge, MA site and reducing our total headcount to around 60.

Outlook

We believe we have the product assets, people and financial resources to build value for the future. We look forward to a number of important clinical milestones in the near-term, notably phase III data on AS1413 and phase IIb data on AS1411, both of which we expect in the first half of 2011.

Glyn Edwards
Chief Executive Officer

Barry Price
Chairman

Financial review

Eric Dodd
Chief Financial Officer

The following review should be read in conjunction with the consolidated financial statements and related notes on pages 22 to 50 of this Annual Report.

Overview

Antisoma has continued to invest in clinical trials of its major late-stage products, AS1413 and AS1411. AS1413 is in a pivotal phase III trial and AS1411 is in a phase IIb trial. A further late-stage product, ASA404, is the subject of a collaboration with Novartis. A phase III trial of ASA404 as a first-line treatment for lung cancer was discontinued fur futility in March 2010 following an interim analysis. Novartis continues to run a separate phase III trial of ASA404 as a second-line treatment for lung cancer.

Following the termination of the ASA404 first-line lung cancer study, the Group does not anticipate receipt of further revenue for this product. The Group has therefore taken measures to extend its cash runway to ensure that, in the absence of such payments, it will have funds that last comfortably beyond the anticipated timing of key data from trials of AS1413 and AS1411. These measures have included headcount reductions and the closure of the Group's laboratories in Hertfordshire and Cambridge, MA and the cessation of certain preclinical programmes.

Substantially all of the Group's revenues, expenditures, operating profits or losses and net assets are attributable to research and development ('R&D') activity and to preparations for commercialisation of the Group's products.

Revenues are derived primarily from the realisation of value from the Group's product portfolio through licensing and divestment opportunities. In the current year, the Group recognised £20.3 million of revenue.

Results of operations

Revenues

The Group recorded revenues totalling £20.3 million in the year ended 30 June 2010 (2009: £25.2 million). During the year substantially all of the revenue generated was from the divestment of oral fludarabine in the prior financial year, which is explained in more detail below. Other revenue recognised in the prior financial year is derived from an up-front payment of $75.0 million from Novartis received in April 2007 and a further milestone payment of $25.0 million received in April 2008. Recognition of revenues from these payments was spread over the period to July 2008 based on Antisoma completing its obligations under the agreement with Novartis in August 2008.

Trading result

Antisoma made an operating loss for the year of £23.0 million (2009: £24.6 million). The decreased loss is due to an increased gross profit in the current year, although this has been mitigated by the restructuring costs that have been incurred in the year.

Restructuring

In order to reduce the operating costs of the business and extend the Group's cash runway, during the year Antisoma implemented restructuring measures which included headcount reductions and the closure of the Group's laboratories in Hertfordshire and Cambridge, MA. Restructuring costs of £2.2m were incurred, which comprised £1.1m of redundancy and associated termination costs and costs of £1.1m to settle obligations under property leases and research contracts.

Divestment of oral fludarabine

In May 2009, the Group divested US rights to oral fludarabine for an up-front payment of £39.4 million ($60.0 million) and five further annual payments of £0.6 million ($1.0 million) contingent on the absence of generic competition to the product in the marketplace. £19.7 million of the up-front consideration, which was deferred at the end of the prior financial year, and the first annual payment of £0.6 million have been recognised as revenue in the current financial year.

Research and development

Total R&D costs were £35.5 million, similar to the £35.9 million spent in 2009. This reflects the Group's commitment to invest in advancing its pipeline of cancer drugs. Key elements of the R&D spend were costs relating to the phase III trial of AS1413 and the phase IIb trial of AS1411.

General and administrative

General and administrative ('G&A') costs have increased to £7.9 million from £4.9 million last year. Underlying costs excluding the impact of foreign exchange have increased by £1.3 million as a result of impairments to intangible assets of £1.3 million following the cessation of certain development programmes in the year. Net gains on foreign exchange of £0.5 million were recorded in the year (2009: £2.2 million).

Finance income

Interest receivable decreased from £1.8 million to £0.4 million, in line with substantially lower interest rates in the year and lower average balances of cash and cash equivalents held during the year. Net foreign exchange gains on cash, cash equivalents and short-term deposits were £1.3 million (2009: £3.2 million) as a result of the appreciation of the US Dollar against Sterling during the year.

Taxation

UK corporation tax contains favourable provisions for certain qualifying R&D activities that have enabled the Group to claim enhanced tax deductions ('R&D tax credits'), which exceed the cost of such R&D activities. These R&D tax credits may be used to supplement trading losses that are carried forward against future profits or surrendered for a cash rebate at the prevailing rates. The Group has recognised £2.7 million of income in the current year in respect of R&D tax credits that will be claimed as cash rebates.

The Group has significant brought forward losses against which trading profits can be offset.

Liquidity and capital resources

Cash, cash equivalents and short-term deposits at 30 June 2010 were £32.1 million (2009: £67.0 million).

Net cash used in operating activities increased to £36.1 million from £1.6 million in 2009. The change reflects the timing of cash receipts from sanofi-aventis in respect of the divestment of oral fludarabine in the prior year, as well as underlying operating expenses, interest and taxation.

Current liabilities have decreased to £10.3 million as at 30 June 2010 from £29.0 million as at 30 June 2009, reflecting the decrease in deferred income resulting from the disposal of oral fludarabine in the previous financial year. There have been increases in provisions at 30 June 2010 in respect of the closure of the Group's laboratories in Hertfordshire and preclinical research programmes.

The Group expects current cash resources to support the continuing development of its key programmes through and well beyond the phase III results for AS1413, which are expected during the first half of calendar year 2011.

The Group holds its cash in its principal operating currencies in proportion to planned expenditure over the current cash runway. This will lead to volatility in the Group's income statement because of revaluation of cash balances in Sterling terms, but will provide a natural hedge to the forecast foreign currency spend of the Group.

In managing the Group's cash resources in the current economic environment, we have maintained a conservative treasury policy with short deposit terms and diversified counterparty risk.

Earnings per share

The loss per ordinary share was 3.0p, compared with 2.7p in 2009.

Eric Dodd
Chief Financial Officer
5 August 2010

> **"Following the restructuring measures that management has implemented during the year, our cash runway now extends comfortably beyond the expected timing of key phase III results for AS1413."**
>
> **Eric Dodd**
> Chief Financial Officer

Board of Directors

01

02

03

04

05

06

07

08

01: Barry Price, BSc, PhD, FRSC
Non-Executive Chairman
Barry, 67, was appointed to the Board of Antisoma in April 1997 and became Chairman in February 1998. He is also the Chairman of Summit plc. He has previously held the positions of Director at Chiroscience plc, Celltech Group plc and Pharmagene plc and Director of Primary Production at Glaxochem Ltd.

02: Glyn Edwards, BSc, MBA, MBE
Chief Executive Officer
Glyn, 55, was appointed Chief Executive Officer in March 1998. He is an Executive Director of Antisoma plc and its subsidiary undertakings. Glyn has a BSc in Biochemistry from Bristol University and an MSc in Economics from the London Business School. Prior to joining Antisoma he was Director of Business Development at Therapeutic Antibodies.

03: Eric Dodd, BEng, ACA, MBA
Chief Financial Officer
Eric, 40, joined Antisoma plc as Chief Financial Officer in November 2008 and was appointed Executive Director in December 2008. He was previously Group Finance Director at Morse plc, an IT services and technology company. Before joining Morse in 2005, he held management positions at a number of companies, including GlaxoSmithKline, where he worked in the UK pharmaceuticals business. Eric qualified as an accountant with Deloitte and holds an MBA from London Business School.

04: Grahame Cook, MA, FCA
Non-Executive Director
Grahame, 52, was appointed Non-Executive Director in July 1999. He has 17 years of investment banking experience and is a chartered accountant. He was Chief Executive Officer of West LB Panmure until 2003. He was a Managing Director in investment banking at UBS Ltd from 1995 to 1998 and a member of UBS's Global Investment Banking Management Committee. He is Chairman of Sinclair Pharma plc and a Director of MDY plc. Grahame was a founder member of the TechMARK Advisory Committee.

05: Michael Pappas, LLB, CA
Non-Executive Director
Michael, 54, was appointed Non-Executive Director of Antisoma Research Ltd in 1993 and of Antisoma plc on formation of the Company in October 1996. He has a degree in law and is a member of the Institute of Chartered Accountants of Scotland. Michael is CEO of Alpheus Capital Management Ltd, a private equity advisory firm and holds various non-executive director positions including one at Kudos Independent Financial Services Ltd.

06: Birgit Stattin-Norinder, MSc Pharm
Non-Executive Director
Birgit, 61, was appointed Non-Executive Director in December 2003. Birgit has held senior research and development positions at Pharmacia & Upjohn Corp, Glaxo Group Research Ltd, Astra Research Centre AB, Pfizer Inc. and Parke Davis AB. She has been Chief Executive Officer and Chairman of Prolifix Ltd and currently serves on the boards of a number of public and private biotechnology companies, including Karo Bio AB, InDex Pharmaceuticals AB and PULS AB.

07: Dale Boden, BA
Non-Executive Director
Dale, 53, was appointed Non-Executive Director in September 2005. He is President of BF Capital Inc., a US private investment firm that focuses on private equity, venture capital investing and real estate development. He also serves on the boards of several US companies. Dale is based in Louisville, Kentucky and was a Director and member of the executive committee of Aptamera, Inc. prior to its acquisition by Antisoma.

08: Michael Lewis
Non-Executive Director
Michael, 51, was appointed Non-Executive Director in July 2008. He has previously held the positions of President for Europe, Middle East and Africa and Head of Global Marketing for the medical device company Gambro. Before joining Gambro in 2002, he was CEO and Managing Director of Sybron, a specialist dental business based in Switzerland. Mr Lewis has also held senior commercial positions at Boston Scientific International in Paris and Bard International in New Jersey. Michael is currently an advisor to Advent International and Chairman of Ranier Technology.

Directors' report (including Business review)

The Directors present their report and the audited financial statements for Antisoma plc ('Antisoma') and its subsidiaries (the 'Antisoma Group' or 'the Group') for the year ended 30 June 2010.

Principal activity

The Antisoma Group is a specialty biopharmaceutical development group, focused on the development and commercialisation of novel products for the treatment of cancer.

Business review

Review and future developments

The Group has continued to execute its strategy of progressing its pipeline of novel anti-cancer products towards commercialisation. A full review of the business and future developments is given in the Joint Chief Executive's and Chairman's Statement on pages 2 and 3.

Principal risks and uncertainties

The nature of pharmaceutical development is such that drug candidates may not be successful due to an inability to demonstrate in a timely manner the necessary safety and efficacy in a clinical setting to the satisfaction of appropriate regulatory bodies, such as the Food and Drug Administration ('FDA') in the US and the European Medicines Agency ('EMEA') in Europe. The Group may be unable to attract, by itself or from partners, the funding necessary to meet the high cost of developing its products through to successful commercialisation.

Clinical and regulatory risk

Drug substances may not be stable or economically reproducible. Unacceptable toxicities or insufficient efficacy in the chosen indication may cause the drug to fail or limit its applicability. Lack of performance by third party clinical research organisations or an inability to recruit patients may cause undue delays. Clinical and regulatory issues may arise or changes to the regulatory environment may occur that lead to delays, further costs or the cessation of programmes. Ethical, regulatory or marketing approvals may be delayed or withheld or, if awarded, may carry unacceptable conditions to further development or commercial success.

Competition and intellectual property risk

Many companies are developing drugs that may compete with and restrict the potential commercial success of the Group's products or render them obsolete. Companies may have intellectual property that restricts the Group's freedom of use or imposes high additional costs to obtain licences. The Group's intellectual property may become invalid or expire before its products are successfully commercialised.

Economic risk

The successful development and commercialisation of novel drugs carries a high level of risk and the returns may be insufficient to cover the costs incurred. Restrictions on health budgets worldwide or on the prices that may be charged for new drugs through competitive or other pressures may limit a drug's sales potential. The Group may not be able to attract partners on favourable terms to help develop or commercialise its products. Any such partners may fail to perform or commit the resources necessary to successfully commercialise the Group's products. All of the Group's manufacturing is outsourced and supplies of product may be interrupted.

Financial risk

Sustainability is dependent upon generating cash flows from successful development and commercialisation of the Group's products. Until then the Group will be dependent upon additional funding through completion of one or more licensing deals or through injection of capital. There can be no assurances that such funding will be achieved on favourable terms, if at all. Failure to generate additional funding may lead to postponement or cancellation of programmes and a scaling back of operations.

Corporate governance

The disclosure requirements set out in the Disclosure and Transparency Rules, paragraph 7.2, are included within the Corporate governance report on pages 19 to 21.

Dividends

No interim dividend (2009: £nil) was declared during the year and the Directors do not recommend payment of a final dividend in respect of the year (2009: £nil).

Directors

The Directors who held office during the year were as follows:

Executive Directors

Glyn Edwards
Eric Dodd
Ursula Ney (Resigned 31 March 2010)

Non-Executive Directors

Barry Price (Chairman, Independent)
Grahame Cook (Independent)
Birgit Norinder (Independent)
Michael Pappas
Dale Boden (Independent)
Michael Lewis (Independent)

Biographical details of the Directors are given on page 6.

Directors' interests

The interests of Directors in the shares and options of the Company as at 30 June 2010 are given in the Report of the Board on remuneration on pages 13 to 18. None of the Directors had a material interest at any time during the year in any contract of significance with the Group other than a service contract. Information regarding Directors' service contracts is given on page 15 within the Report of the Board on remuneration.

Substantial shareholdings

No single person directly or indirectly, individually or collectively, exercises control over the Company. The Directors are aware of the following persons, who had an interest in 3% or more of the issued ordinary share capital of the Company as at 25 July 2010.

Shareholder	Number of ordinary shares	% Holding
Leventis Holding SA	44,402,831	7.05
BVF Partners	35,515,992	5.18
Invesco	31,733,372	5.04
Oxford Bioscience Partners	27,681,447	4.40
APG Investments	21,722,710	3.45

At this date no other person had notified any interest in the ordinary shares of the Company required to be disclosed to the Company in accordance with Chapter 5 of the Disclosure and Transparency Rules of the Financial Services Authority in respect of holdings exceeding the 3% notification threshold.

Employees

The Directors are committed to continuing involvement and communication with employees on matters affecting both the employees and the Company. A full review of the policies relating to employees is given in the Corporate social responsibility review on pages 11 and 12.

Health, safety and environment

The Directors are committed to ensuring the highest standards of health and safety, both for their employees and for the communities within which the Group operates. The Directors are also committed to minimising the impact of the Group's operations on the environment. A full review of the policies relating to health and safety and the environment is given in the Corporate social responsibility review on pages 11 and 12.

Charitable and political donations

Charitable donations of £250 were made during the year (2009: £nil). No political donations were made in the year (2009: £nil).

Creditor payment policy

The Group seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The Group does not have a standard code of conduct that deals specifically with the payment of suppliers.

At the end of the year outstanding invoices for the Group represented eight days purchases (2009: 12). The Company did not have any outstanding invoices at the end of this or the preceding financial year.

Financial and non-financial Key Performance Indicators ('KPIs')

The Directors consider cash and research and development spend to be the Group's financial KPIs at the current stage of the Company's development. These are detailed in the Financial review on pages 4 and 5. The Directors consider that the most important non-financial KPIs relate to the number of drugs under development and the development stages reached by these drugs in each indication, both of which are detailed in the Joint Chief Executive and Chairman's statement on pages 2 and 3.

Risk management

The Group's risk management objectives and exposure to various risks are detailed above and in Note 19.

Voting rights

On a show of hands at a general meeting of the Company every holder of ordinary shares present in person and entitled to vote, and every proxy duly appointed by a member entitled to vote, has one vote and on a poll every member present in person or by proxy and entitled to vote has one vote for every ordinary share held. Further details regarding voting at the Annual General Meeting ('AGM') can be found in the Corporate Governance report on pages 19 to 21 and in the explanatory notes to the Notice of the AGM. None of the ordinary shares, including the shares held by the Employee Share Trusts, carry any special rights with regard to control of the Company. Electronic and paper proxy appointments and voting instructions must be received by the Company's registrars not later than 48 hours before a general meeting.

Directors' report (including Business review) continued

Additional information for shareholders

The following provides additional information for shareholders required to comply with regulations made pursuant to the Companies Act 2006:

- The structure of the Company's issued share capital is shown in Note 21 to the financial statements. The percentage of the total issued share capital represented by each class of share issued by the Company is as follows: ordinary shares 59%; preference shares 41%.
- The rights and obligations attaching to the Company's ordinary shares and preference shares are set out in the Company's Articles of Association, copies of which can be obtained from Companies House in the UK or by writing to the Company Secretary. Subject to applicable statutes, shares may be issued with such rights and restrictions as the Company may by ordinary resolution decide, or (if there is no such resolution or so far as it does not make specific provision) as the Board may decide. Holders of ordinary shares are entitled to attend and speak at general meetings of the Company, to appoint one or more proxies and, if they are corporations, corporate representatives and to exercise voting rights. Holders of ordinary shares may receive a dividend and on a liquidation may share in the assets of the Company. Holders of ordinary shares are entitled to receive the Company's Annual Report and Accounts. Subject to meeting certain thresholds, holders of ordinary shares may requisition a general meeting of the Company or the proposal of resolutions at AGMs. The rights and obligations attaching to the Company's preference shares are summarised in Note 21 of the Accounts.
- The Company is not aware of any agreements between shareholders on voting rights or that may result in restrictions in the transfer of securities.
- There are no restrictions on the transfer of ordinary shares in the Company other than (i) certain restrictions that may be imposed from time to time by laws and regulations (for example insider trading laws and market requirements relating to close periods), (ii) pursuant to the Listing Rules of the Financial Services Authority whereby certain employees of the Company require the approval of the Company to deal in the Company's securities and (iii) where a person with at least a 0.25% interest in the Company's certificated shares has been served with a disclosure notice and has failed to provide the Company with information concerning interests in those shares.
- The Company's Articles of Association may only be amended by a special resolution at a general meeting of shareholders.
- The Board can appoint a Director but anyone so appointed must be re-elected by an Ordinary Resolution at the next general meeting.
- One third of the Directors must offer themselves for re-election at each AGM.
- Subject to the Company's Memorandum and Articles of Association, UK legislation and any directions given by special resolution, the business of the Company is managed by the Board. The Directors have been authorised to allot and issue ordinary shares. These powers are exercised under authority of resolutions of the Company passed at its AGM held on 10 November 2009. Further details of resolutions the Company is seeking for the allotment and issue of its ordinary shares are set out in the explanatory notes to the Notice of the AGM.
- The Company's Articles of Association permit the Board to grant the Directors indemnities in relation to their duties as directors, including qualifying third party indemnity provisions (within the meaning of the Companies Act 2006) in respect of any liabilities incurred by them in connection with any negligence, default, breach of duty or breach of trust in relation to the Company. No such indemnities have been granted.
- Directors' interests in the share capital of the Company are shown in the table on page 16.
- Major interests (i.e. those greater than 3%) of which the Company has been notified are shown on page 9.
- With the exception of the potential vesting of share options as detailed in the Report of the Board on remuneration and in Note 22, the Company is not party to any agreements which take effect, alter or terminate upon a change of control of the Company following a takeover bid. There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid.

Annual General Meeting

The Notice convening the AGM, which will take place at 10.30am on 16 November 2010 at the offices of CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London EC1A 4DD, is expected to be sent out to shareholders in October 2010. Details of the business to be transacted at the AGM can be found in the Notice.

Auditors

A resolution to reappoint the auditors, PricewaterhouseCoopers LLP, will be proposed at the AGM.

Disclosure of information to auditors

So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware. Each Director has taken all the steps that he or she ought to have taken in his or her duty as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board

Eric Dodd
Company Secretary
5 August 2010

Corporate social responsibility review

Antisoma's business is the development of novel drugs that could deliver more effective and safer treatments to large numbers of cancer patients worldwide.

The Group is committed to operating its business in accordance with its corporate social responsibilities to all stakeholders. The Board is mindful of the importance of being socially responsible and strives to improve the Group's approach to corporate social responsibility. The Group conducts its business with a view to having a positive impact on the local community. Our corporate social responsibility framework continues to develop as the Group matures.

The Group is a member of the BioIndustry Association ('BIA'), the trade association for biotechnology companies in the UK. The BIA has published a Code of Practice for information communication and management amongst its members. The Group plays an active role in the BIA and complies with this Code of Practice.

Stakeholder communication

The Group gives a high priority to effective communication with all stakeholders. Antisoma has a dedicated in-house communications team responsible for ensuring the comprehensive delivery of information to all stakeholders. The Group's website provides a service whereby shareholders and others interested in the Group can download public documents, such as press releases and annual and interim reports. Visitors can also register their details on an automated mailing list. Antisoma regularly webcasts Group presentations.

The Group is committed to sharing information with the wider scientific community. Senior members of staff participate in a variety of scientific forums in the cancer research field, and we regularly present and publish our work.

The Chief Executive Officer, Chief Financial Officer and VP, Marketing and Communications meet regularly with analysts and major shareholders to update them on the Group's business and to gain understanding of the market's expectations. Barry Price, our Chairman, is also available for meetings with investors.

Our people

Much of our value and potential for success depends upon our employees and the experience and expertise they bring to the Group. The Directors believe in rewarding staff appropriately and have designed the Group's remuneration policy accordingly. Employees' salaries are benchmarked against similar positions within other biopharmaceutical companies of a similar size. Employees are eligible to participate in the Company Share Option Plan and Deferred Share Bonus Plan. In addition, all permanent staff are eligible for life assurance cover, a private healthcare scheme and membership of the Group pension scheme. The Group provides enhanced policies relating to maternity and paternity leave, which exceed the current statutory position in both the UK and the US.

The Group is committed to providing equal opportunities, irrespective of background, age, sex, race, sexual orientation, religion, gender, nationality, marital status or disability. There is a section on the Group's website showing current vacancies and information on recruitment policy. We aim to attract the best people in the industry and we believe in maximising every employee's potential.

Management has an 'open-door' policy, and employees can raise questions about the Group or their employment easily and get issues resolved quickly. Employee appraisals are carried out once a year and objectives are set annually. Employees consider their objectives within the framework of the organisation as a whole, since we believe this helps to promote both greater efficiency and a sense of shared achievement.

We encourage in-house training and support staff in further study where appropriate. The Group strives to accommodate employees' needs in order to enable them to balance their working and home life.

Antisoma's intranet promotes internal communication, keeping employees up-to-date with current news and building good working relationships through information sharing. The Group also holds regular employee meetings.

The Group aims to conduct its business to the highest standards and with honesty and integrity at all times. The Group's policies, with which employees are expected to comply, include guidance relating to standards of conduct, equal opportunities, gratuities, harassment and whistle-blowing.

The Group implements quality standards related to the development of human pharmaceuticals, including GCP (Good Clinical Practice), GLP (Good Laboratory Practice) and GMP (Good Manufacturing Practice). Standard Operating Procedures ('SOPs') are in place for all key areas related to patient safety, integrity of data from our studies and regulatory compliance.

Our partners

The Group works with a variety of partners to carry out the appropriate studies for the development of each of its products. We strive to develop good working relationships with all our contractors. Our SOPs are shared with partners to ensure they are using appropriate quality standards for work being performed on our behalf. We routinely audit contractors before appointing them and then regularly during the course of a project. Contractors are chosen based on, amongst other things, technical ability, capacity, geographical location and quality standards.

Health and safety
The Group is committed to providing a safe environment for its employees and others who are engaged in, or who may be impacted by, the Group's operations. The Board is aware of its legal and moral obligations for health and safety at work and is committed to preventing accidents and minimising occupational ill health. Policies relating to health and safety are set out in the Group's Safety Code of Practice. The Group's Health and Safety Committee meets regularly to discuss issues and promote good practice across the Group and there are a number of Health and Safety Officers and Fire Wardens amongst the employees.

Environment
The Group is committed to playing a part in protecting the environment and is aware of its corporate responsibilities. The Group seeks to minimise the impact of its activities on the environment. The Group's policies relating to laboratory health and safety, including disposal of waste, are set out in the Safety Code of Practice. The Group endeavours to ensure that all gaseous emissions and liquid or solid waste products are controlled and disposed of, whether handled directly or via a third party, in accordance with applicable laws and regulations and with the minimum impact on the environment. The Group meets all the statutory requirements relating to handling and disposal of radioactive materials. All clinical waste produced by our laboratories is given a unique tag on removal to ensure that it can be traced back to the Group if necessary.

Report of the Board on remuneration
This part of the remuneration report is unaudited

Introduction
This report complies with the Combined Code on Corporate Governance published in June 2008 (the 'Combined Code') and sets out the Group's remuneration policy and details of Directors' remuneration. A resolution to approve this report will be proposed to shareholders at the Annual General Meeting ('AGM') in November 2010.

Policy
The Remuneration Committee aims to ensure that the Group is able to attract and retain Executive Directors and employees with the necessary skills and expertise by providing competitive remuneration, incentives and benefits that reward individual and group performance. The Remuneration Committee considers the guidelines set out in the Combined Code and those published by the Association of British Insurers and the National Association of Pension Funds. The Remuneration Committee has carried out a review of the annual performance incentive and longer-term incentives and believes that they are constructed to meet the future needs of the Group and to align the interests of Executive Directors and employees with those of shareholders. The Remuneration Committee also believes that Executive Directors and senior employees should be encouraged to own shares in the Company to further align their interests with those of shareholders. The current remuneration policies, which will also apply through to the end of next year, are outlined below.

Committee
The Remuneration Committee is comprised entirely of independent Non-Executive Directors and is chaired by Dale Boden. Other Directors who served on the Remuneration Committee during the year are listed on page 19. The Remuneration Committee, which met four times during the year, recommends policy on compensation to the Board, and determines total compensation for Executive Directors and senior managers (the 'Management Group'). The Remuneration Committee also establishes the policy for total compensation for all employees within the Group and approves long-term share awards. Hewitt New Bridge Street ('HNBS'), which has considerable expertise in the biotechnology sector, was appointed by the Remuneration Committee and continues to provide independent advice and analysis on compensation matters, including the provision of competitive market data. HNBS assisted the Group to implement the Remuneration Committee's decisions and to value share awards under International Financial Reporting Standard 2 'Share-based Payment'. HNBS provides no other services to the Group. Remuneration Committee meetings are attended, as appropriate, by the Chief Executive Officer, who comments on remuneration proposals other than those directly concerning his own remuneration, and the Chairman of the Board, if requested by the Chairman of the Remuneration Committee. The Company Secretary provides administrative support to the Committee. The terms of reference of the Committee may be found on the Company's website at www.antisoma.com.

Components of Executive Directors' and senior managers' compensation packages
Consistent with the policy stated above, compensation awarded to the Management Group comprises a mix of performance and non-performance-related elements. In respect of all Executive Directors, performance-related elements have the potential to represent more than half of their individual total remuneration.

Base salary
Salaries are reviewed annually taking into account the responsibilities and performance of each Director or senior manager and his/her expected future contribution, and relevant market data. The Remuneration Committee aims to set base salaries at market levels compared to similar positions within other biopharmaceutical companies of a similar size. There were no increases in the base salary of any Director or employee during the financial year, unless an employee moved into a different post within the Group.

Pensions and other benefits
The Group contributes 12.5% of base salary to the private pension arrangements for each member of the Management Group. Other benefits include life and permanent health insurance. Car allowances are also provided to the Management Group.

Annual performance incentive
The Group operates a discretionary bonus scheme. Such bonuses are awarded dependent upon performance, which is measured against individual and corporate objectives agreed at the beginning of the year, also taking into account the relative share price performance of the Company. No bonuses are to be paid to the Directors in 2010 in respect of the 12-month period from 1 July 2009 to 30 June 2010. The maximum potential bonus for full achievement of personal and corporate objectives continues to be 60% of salary for the Chief Executive Officer and 30% for other Executive Directors. For exceptional performance, as determined by the Remuneration Committee, the maximum potential bonus may be increased to 85% for the Chief Executive Officer and to 60% for other Executive Directors. Actual bonuses earned by the Executive Directors for the 12-month period to 30 June 2010, expressed as a percentage of base salary over that period, were 0% (2009: 51%) for the Chief Executive Officer, 0% (2009: 25%) for the Chief Financial Officer and 0% (2009: 25%) for the Chief Operating Officer.

The Remuneration Committee believes that some or all of the variable compensation of the Management Group, including Executive Directors, should be in the form of deferred shares rather than cash. The monetary value of the awards will not be increased by this; rather, the proportion taken in cash may be reduced at the Remuneration Committee's discretion. This conserves the Company's cash resources and further aligns management's interests with those of shareholders.

Longer-term incentives
The Group's primary long-term incentive arrangements comprise an Executive Incentive Plan ('EIP') (the long-term incentive primarily operated for the Management Group), a Company Share Option Plan ('CSOP') and a Deferred Share Bonus Plan ('DSBP').

The Executive Incentive Plan offers shares that vest on a sliding scale after three years provided total shareholder return is better than median in comparison with a group of peer companies, with full vesting if return falls into the upper quartile.

The Company Share Option Plan is a conventional share option scheme where vesting is based on absolute share price growth.

The DSBP is an annual bonus of deferred shares which vest over 12–24 months. The size of the award is based on the performance of the individual over the prior period, usually 12 months.

The value of management's equity participation was rightly wiped out by the fall in share price after the ASA404 trial result. The Remuneration Committee believed that management should receive a new equity incentive reflecting the new position of the Company. An award of options under the CSOP was made in June 2010 as the Remuneration Committee believed it was appropriate to reward management for any future absolute increase in share price. A CSOP award was felt to be more appropriate at that time than an award under the EIP which could have paid out if the share price had not changed provided that the share price performance of the Company's peer group was worse.

(a) Executive Incentive Plan

The Group adopted a long-term incentive scheme following approval by shareholders in November 2003; this is known as the EIP. For the year ended 30 June 2010 the Remuneration Committee has made awards to the Management Group and to other employees as Performance Share Awards and Matching Awards under the EIP. A summary of the EIP is set out below:

- There are two types of award, Performance Share Awards and Matching Awards, which may be made under the EIP. Performance Share Awards are shares which an employee receives after three years, subject to the satisfaction of a pre-agreed performance target (see below) and continued employment. Performance Share Awards are granted twice a year following the release of the Group's preliminary year-end and interim results. Matching Awards are free shares given to employees who invest part of their annual bonus in Company shares ('Invested Shares'), subject to continued employment of not less than three years and the share price meeting pre-agreed performance targets. Invested Shares will be limited in value to 33% of an employee's salary each year.
- All employees of the Group are eligible to participate in the EIP at the discretion of the Remuneration Committee.
- An award will normally vest no earlier than the third anniversary of its grant to the extent that the applicable performance condition (see below) has been satisfied, the participant is still employed by the Group and, in the case of Matching Awards, the Invested Shares have been retained. It will then remain capable of exercise for a period of three years.
- The value of Performance Share Awards granted under the EIP to current employees is currently limited to 200% of base salary in any financial year.
- Performance Share Awards vest in full after three years provided that the Company's Total Shareholder Return ('TSR') ranks in the upper quartile on the third anniversary of the date of grant compared with a pre-selected list[1] of UK-listed biotechnology and pharmaceutical companies. Where the TSR ranks below median on the third anniversary the performance target will not have been met and the Performance Share Award will lapse. Where the TSR ranks between median and upper quartile the Performance Share Award will vest pro rata between 25% and 100%. There will be no opportunity for retesting.
- If Matching Awards are granted, the performance condition for Matching Awards would be similarly linked to the Company's TSR ranking compared against the same list[1] of biotechnology and pharmaceutical companies used for the Performance Share Awards. Where the TSR is ranked in the upper quartile then shares equal in number to the Invested Shares will be awarded. Where the TSR is ranked below median no shares will be awarded. Where the TSR falls between median and upper quartile then the number of Matching Award shares will vest pro rata between 25% and 100% of the number of Invested Shares.
- If the performance condition is achieved after three years, the employee can decide to retain the Invested Shares for a fourth or fifth year, in which case the number of Matching Award shares may be adjusted upwards, but not downwards, up to a maximum of 150% of the Invested Shares for upper quartile performance at the end of five years. This is not viewed as retesting by the Remuneration Committee because if the performance condition is not satisfied after three years the Matching Award lapses.
- The Matching Award conditions encourage employees to retain their Invested Shares for at least five years and ensures that a Matching Award is only earned for sustained good TSR performance.
- If the Company were to be acquired then awards under the EIP will only vest at the date of change of control to the extent that the performance condition has been met and where, in the opinion of the Remuneration Committee, the acquiring company does not offer broadly similar replacement awards or where the employee is not retained by the acquiring company. Performance Share Awards were granted to Executive Directors and certain senior employees during the year as set out on pages 16 to 18, and in Notes 22 and 23.

Matching Awards were granted on 8 July 2005 in respect of bonuses earned by Executive Directors and certain other employees for the 12-month period ended 30 June 2005 and invested by them in Invested Shares. HNBS has independently verified that the TSR ranked in the upper quartile in respect of the initial performance period for the Matching Awards. Accordingly, 661,369 Matching Awards held by Executive Directors vested on 8 July 2008 and a further 165,342 vested on 8 July 2009. A grant of Matching Awards was made in October 2009.

1 The selected list of comparator companies set for the Performance Share Awards in the period is: Abcam, Allergy Therapeutics, Alliance Pharma, Ark Therapeutics, Asterand, AstraZeneca, Axis-Shield, BTG, Dechra Pharmaceutics, Eco Animal Health Group, Epistem Holdings, Genus, GlaxoSmithKline, Goldshield Group, GW Pharmaceuticals , Hikma Pharmaceuticals, Immupharma, Phytopharm, Prostrakan Group, Proteome Sciences, Oxford Biomedica, Renovo Group, Shire, Sinclair Pharma, Silence Therapeutics, Vectura Group, Vernalis and Verona Pharma.

(b) Deferred Share Bonus Plan

Shareholders approved the DSBP at the 2008 AGM to provide the Company with greater flexibility with respect to incentivising and retaining key employees below Board level. Under the arrangement, an individual may receive a deferred share bonus award in any financial year over shares worth up to 100% of salary (the majority of awards are expected to be significantly below this), which will vest, subject to continued employment, one third on the first anniversary of grant, one third after 18 months and one third on the second anniversary of grant. Awards were made under this plan to employees outside of the Management Group in September 2009.

(c) Company Share Option Plan

Shareholders approved the CSOP at the 2008 AGM following the expiry of the 1998 Company Share Option Plan (the '1998 CSOP'). All employees (including Executive Directors) are eligible to participate in the CSOP under which UK tax favoured, US tax favoured and non-tax favoured share options may be granted. Consistent with the 1998 CSOP, options may be granted to an individual in any financial year over shares worth 200% of base salary. For awards granted to Executive Directors, 25% of options will be exercisable if the growth in share price from the date of grant to the third anniversary of the date of grant equals 25%, increasing on a straight-line basis so that 100% of options will be exercisable if the growth in share price from the date of grant to the third anniversary equals or is greater than 35%. Awards were made under this plan to the Executive Directors and Senior Management in June 2010.

Service contracts

The service contracts for the two Executive Directors (Glyn Edwards – dated 16 March 1998; Eric Dodd – dated 28 October 2008):

- are not of a fixed-term duration;
- are subject to 12 months' notice by either party. The Group is entitled to pay a sum in lieu of notice equivalent to: (i) the base salary for Glyn Edwards; and (ii) the base salary plus car allowance for Eric Dodd; and
- are not subject to liquidated damages in the event of termination by the Group.

The terms of these service contracts reflect the Company's policy on Directors' service contracts.

Ursula Ney was made redundant and resigned as a Director of Antisoma plc with effect from 31 March 2010. The Company paid Dr Ney £327,000 in lieu of salary and benefits, in accordance with the terms of her service contract, and £50,538 redundancy.

Non-Executive Directors

Remuneration of Non-Executive Directors is determined by the Board and is set at levels which are comparable with those provided by other biotechnology companies of a similar size, taking into account the commitments made by Non-Executives in discharging their duties. Terms of service are specified in letters of appointment. Currently, appointments are for a period of three years, which may be renewed, and are subject to six months' notice. The most recent dates of appointment or reappointment of Non-Executive Directors are: 1 June 2009 for Barry Price, Grahame Cook and Michael Pappas; 19 May 2009 for Dale Boden; 9 July 2008 for Michael Lewis; and 9 December 2009 for Birgit Norinder. Non-Executive Directors do not have service contracts.

Audited information

The following information has been audited (except as noted).

Directors' remuneration

Full details of Directors' remuneration and grants of share options are set out below:

	Salary and fees £'000	Bonuses[1] £'000	Monetary value of benefits[2] £'000	Termination pay[3] £'000	Total excluding pensions £'000	2010 Pensions[4] £'000	2009 Total excluding pensions £'000	2009 Pensions £'000
Glyn Edwards	**305**	**–**	**14**	**–**	**319**	**38**	474	38
Ursula Ney	**210**	**–**	**11**	**378**	**599**	**26**	364	42
Raymond Spencer	**–**	**–**	**–**	**–**	**–**	**–**	335	71
Eric Dodd	**200**	**–**	**13**	**–**	**213**	**25**	174	17
Barry Price	**90**	**–**	**–**	**–**	**90**	**–**	60	–
Grahame Cook	**37**	**–**	**–**	**–**	**37**	**–**	37	–
Michael Pappas	**34**	**–**	**–**	**–**	**34**	**–**	30	–
Dale Boden	**37**	**–**	**–**	**–**	**37**	**–**	37	–
Birgit Norinder	**36**	**–**	**–**	**–**	**36**	**–**	35	–
Michael Lewis	**35**	**–**	**–**	**–**	**35**	**–**	30	–
	984	**–**	**38**	**378**	**1,400**	**89**	1,576	168

1 No bonuses will be paid to Directors in respect of the 12-month period from 1 July 2009 to 30 June 2010.
2 Executive Directors' benefits include a car allowance and private health insurance.
3 Ursula Ney was made redundant and resigned as a Director of Antisoma plc with effect from 31 March 2010. The Company paid Dr Ney £327,000 in lieu of salary and benefits, in accordance with the terms of her service contract, and £50,538 redundancy.
4 Only Executive Directors' base salary is pensionable. Non-Executive Directors' fees are non-pensionable. The aggregate emoluments of key management are given in Note 4.

Directors' interests in shares (unaudited)

The interests of the Directors in the shares of the Company on 30 June 2010, all of which were beneficially held, are set out below:

	Ordinary shares of 1p each	
	30.06.10	30.06.09
Barry Price	**950,468**	743,077
Glyn Edwards	**2,300,000**	2,140,000
Ursula Ney	**n/a**	645,391
Eric Dodd	**110,000**	50,000
Grahame Cook	**1,125,540**	1,125,540
Michael Pappas[1]	**915,220**	887,184
Dale Boden[2]	**794,111**	794,111
Michael Lewis	**397,694**	98,190
Birgit Stattin-Norinder	**62,290**	–

1 Michael Pappas' total holdings include a beneficial interest totalling 70,000 ordinary Antisoma shares held by Barclayshare Nominees.
2 Dale Boden's total holdings include a beneficial interest totalling 638,469 ordinary Antisoma shares held by BF Capital, BFC III Ltd and by The Sentinel Trust.

Other than shown in the tables above, no Director had any interest in the shares of the Company or of other Group companies at 30 June 2010. Note 30 provides details of transactions with Directors up to 25 July 2010.

Three Non-Executive Directors, Barry Price, Birgit Stattin-Norinder and Michael Lewis, elected to take a proportion of their fees in new Antisoma plc 1p ordinary shares. The Directors have agreed not to dispose of these shares for a minimum period of one year from the date of allotment.

Interests in share options and awards

Details of options held by Directors to purchase Antisoma plc 1p ordinary shares are set out below:

Glyn Edwards

Date of grant	At 30.06.09	Granted in the year	Lapsed in the year	**At 30.06.10**	Price per share	Date from which exercisable[3]	Expiration date
1998 CSOP Options							
09.07.99	432,214	–	(432,214)	**–**	42.60p	[1,2]	09.07.09
09.06.00	170,410	–	(170,410)	**–**	£1.009	10.06.03	09.06.10
19.09.00	17,540	–	–	**17,540**	£1.425	20.09.03	19.09.10
13.02.01	58,981	–	–	**58,981**	£2.119	14.02.04	13.02.11
17.09.01	289,331	–	–	**289,331**	37.50p	18.09.04	17.09.11
16.04.02	855,827	–	–	**855,827**	20.70p	17.04.05	16.04.12
23.09.02	1,452,074	–	–	**1,452,074**	12.34p	24.09.05	23.09.12
20.02.03	425,006	–	–	**425,006**	26.34p	21.02.06	20.02.13
21.09.04	359,452	–	–	**359,452**	14.00p	22.09.07	21.09.14
21.02.05	868,871	–	(868,871)	**–**	22.20p	22.02.08	21.02.15
2008 CSOP Options							
17.06.10	–	5,083,000	–	**5,083,000**	6.00p	17.06.13	17.06.20
EIP Performance Share Awards							
20.09.05	419,302	–	–	**419,302**	1p	21.09.08	20.09.11
24.02.06	521,946	–	–	**521,946**	1p	25.02.09	24.02.12
19.10.06	742,841	–	–	**742,841**	1p	20.10.09	19.10.12
20.02.07	434,276	–	–	**434,276**	1p	21.02.10	20.02.13
15.09.07	690,241	–	–	**690,241**	1p	16.09.10	15.09.13
26.02.08	534,621	–	–	**534,621**	1p	27.02.11	26.02.14
23.09.08	721,486	–	–	**721,486**	1p	23.09.11	23.09.14
19.02.09	796,916	–	–	**796,916**	1p	19.02.12	19.02.15
16.09.09	–	782,901	–	**782,901**	0p	16.09.12	16.09.15
18.02.10	–	620,026	–	**620,026**	0p	18.02.13	18.02.16
EIP Matching Share Awards							
23.10.09	–	240,000	–	**240,000**	0p	23.10.12	23.10.15
	9,791,335	**6,725,927**	**(1,471,495)**	**15,045,767**			

Ursula Ney (resigned as a Director on 31 March 2010)

Date of grant	At 30.06.09	Granted in the year	Lapsed in the year	**At 30.03.10**	Price per share	Date from which exercisable[3]	Expiration date
1998 CSOP Options							
21.09.04	235,278	–	–	**235,278**	14p	22.09.07	30.09.10
21.02.05	568,715	–	(568,715)	**–**	22.2p	22.02.08	21.02.15
EIP Performance Share Awards							
20.09.05	286,650	–	–	**286,650**	1p	21.09.08	31.03.11
24.02.06	355,725	–	–	**355,725**	1p	25.02.09	31.03.11
19.10.06	529,443	–	–	**529,443**	1p	20.10.09	31.03.11
20.02.07	309,520	–	–	**309,520**	1p	21.02.10	31.03.11
15.09.07	479,773	–	(479,773)	**–**	1p	15.09.10	15.09.13
26.02.08	371,605	–	(371,605)	**–**	1p	26.02.11	26.02.14
23.09.08	529,879	–	(529,879)	**–**	1p	23.09.11	23.09.14
19.02.09	585,276	–	(585,276)	**–**	1p	19.02.12	19.02.15
16.09.09	–	574,990	(574,990)	**–**	0p	16.09.12	16.09.15
18.02.10	–	455,364	(455,364)	**–**	0p	18.02.13	18.02.16
EIP Matching Share Awards							
23.10.09	–	247,500	(247,500)	**–**	0p	23.10.13	23.10.15
	4,251,864	**1,277,854**	**(3,813,102)**	**1,716,616**			

Eric Dodd

Date of grant	At 30.06.09	Granted in the year	Lapsed in the year	**At 30.06.10**	Price per share	Date from which exercisable[3]	Expiration date
2008 CSOP Options							
17.06.10	–	3,333,000	–	**3,333,000**	6.00p	17.06.13	17.06.20
EIP Performance Share Awards							
11.11.08	1,078,740	–	–	**1,078,740**	1p	11.11.11	11.11.14
19.02.09	418,054	–	–	**418,054**	1p	19.02.12	19.02.15
16.09.09	–	410,707	–	**410,707**	0p	16.09.12	16.09.15
18.02.10	–	325,260	–	**325,260**	0p	18.02.13	18.02.16
EIP Matching Share Awards							
23.10.09	–	90,000	–	**90,000**	0p	23.10.13	23.10.15
	1,496,794	**4,158,967**	**–**	**5,655,761**			

Incentive Plan Invested Shares/Matching Awards

	Date of award	Invested shares	Potential Matching Award 08.07.08	Potential Matching Award 08.07.10	Exercise price	Date from which exercisable	Expiration date
Glyn Edwards	08.07.05	337,835	337,835	506,752	1p	09.07.08	08.07.11
Ursula Ney	08.07.05	195,391	195,391	244,238	1p	09.07.08	31.03.11

The above Matching Awards were granted on 8 July 2005.

Notes: All options and awards were granted for no consideration. No other Directors have share options in the shares of the Company or other Group companies. No options were exercised by the Directors and no options lapsed or were surrendered during the year other than as stated above.

Performance conditions

Performance conditions attaching to all the Performance Share Awards and Matching Awards are consistent with the policy set out in the Report of the Board on remuneration. A full list of each TSR comparator group set for each award is available on request from the Company Secretary.

Performance and exercise conditions attaching to the 1998 CSOP options are set out below:

1 Conditional upon securing a commercial agreement in respect of the Group's then lead product. This condition was satisfied in October 1999. These options lapsed on 8 July 2009.

2 One quarter of the total number of shares under option is exercisable at the date of grant. One quarter of the total number of shares under option become exercisable on each of the first, second and third anniversaries of the date of grant.

3 1998 CSOP options granted in 2000 and 2001 may be exercised provided that the market price of the shares exceeds the exercise price by at least 52% at any time between the third and tenth anniversary of the date of grant.

4 1998 CSOP options granted in 2002 to 2005 may be exercised provided that the market price of the shares exceeds the exercise price by at least 52% on the third anniversary of the date of grant or, failing that, the performance condition may be retested at six-monthly intervals on four further occasions up to and including the fifth anniversary of the date of grant, but in this case the performance condition is raised such that the share price is required to increase by a further 15% per annum over the extra period allowed for each successive test. If the exercise condition is met once during this period it need not be met again. If the performance condition is not met by the fifth anniversary then the option will lapse.

(No 1998 CSOP options have been granted to Executive Directors since 2005.)

The market price of the Company's shares at 30 June 2010 was 5.8p (30 June 2009: 24p) on the London Stock Exchange and the range of market prices during the year was between 4.9p and 38.8p.

Post balance sheet event

On 3 August 2010 Glyn Edwards and Eric Dodd were granted awards under the DSBP over 1,016,667 and 666,667 shares respectively in Antisoma plc.

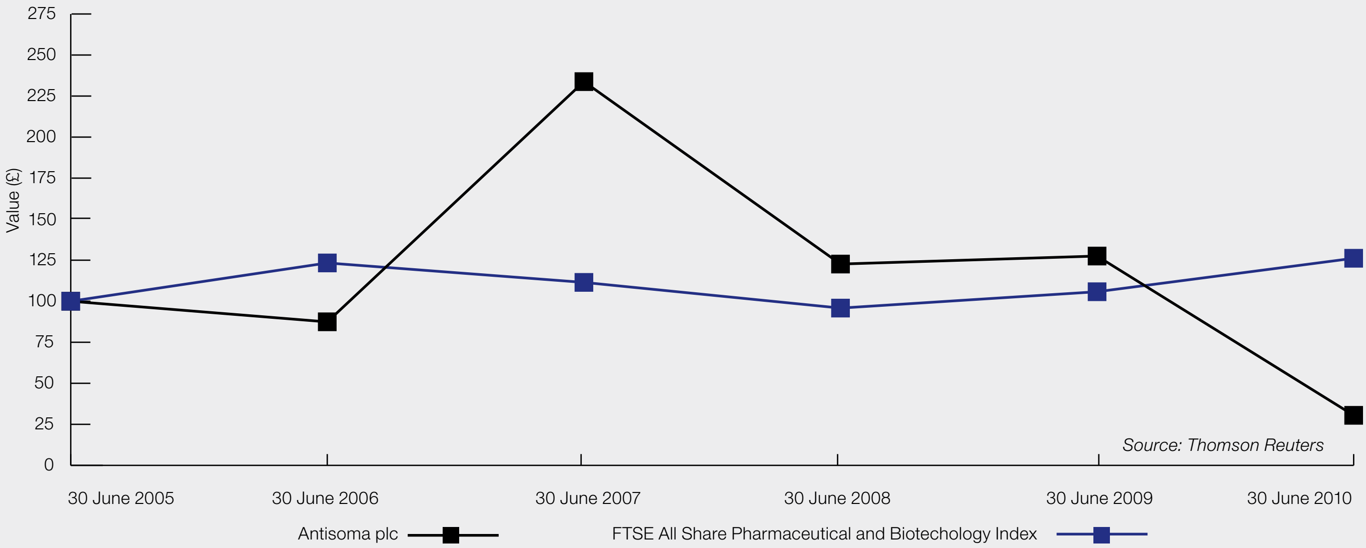
Dilution (unaudited)

Following shareholder approval at the 2008 AGM, the Company operates a forward looking dilution limit whereby the Company may not issue (or grant rights to issue) more than 10% of the issued share capital of the Company under the EIP, DSBP or CSOP (or any other employee share scheme) in any 10 calendar year period starting from 18 November 2008 (the date of shareholder approval for the amended EIP and new DSBP and CSOP). As at 30 June 2010, the Company had used 5.2% (2009: 0.7%) out of the 10% available (all of which was granted between 18 November 2008 and 30 June 2010). Had a dilution limit of 10% over the previous 10 years been operated, dilution would be 10.2% at 30 June 2010 (2009: 7.1%).

Total shareholder return (unaudited)

The total shareholder return chart presented below looks at the value of £100 invested in Antisoma plc on 30 June 2005 over the period to 30 June 2010 compared with £100 invested in the FTSE All-Share Pharmaceutical and Biotechnology Index, which the Directors believe provides the most appropriate comparison of the return to shareholders of Antisoma plc with the return represented by an index of other companies in its sector.

Total shareholder return



This graph shows the value, by the end of June 2010, of £100 invested in Antisoma on 30 June 2005 compared with the value of £100 invested in the FTSE All-Share Pharmaceutical and Biotechnology Index. The other points plotted are the values at intervening financial year-ends.

This report has been approved by the Board and signed on its behalf by:

Dale Boden
Chairman of the Remuneration Committee
5 August 2010

Corporate governance

The Group seeks to follow best practice in corporate governance and has complied throughout the period with all relevant provisions set out in section 1 of the Combined Code 2008, unless stated otherwise below. A copy of the Code is publicly available at www.frc.org.uk. This report, together with the Report of the Board on remuneration, sets out the manner in which the Group has applied the principles contained in the Combined Code.

Board of Directors

Responsibilities of the Board include setting the Group's strategic aims and objectives, helping to ensure that the necessary resources are available for their achievement, approval of operating plans, budgets and forecasts and the review of the performance of the business against objectives, approval of acquisitions and disposals, and other major business matters and policies, review and approval of reporting to shareholders, reviewing performance of management and ensuring the maintenance of internal controls to assess and manage financial and operational risks. Additionally, the Board undertakes matters concerning Board and other senior executive appointments.

The Directors bring a range of relevant expertise and experience to the Board. As at 30 June 2010, the Board of Directors comprised: a Non-Executive Chairman, Barry Price (who is also the Chairman of Summit plc), five additional Non-Executive Directors, Grahame Cook, Birgit Norinder, Dale Boden, Michael Lewis and Michael Pappas, of whom the first four are regarded as independent; and two Executive Directors, Glyn Edwards and Eric Dodd. All Non-Executive Directors bring an independent judgement to Board deliberations and decisions. As noted on page 16, as at 30 June 2010, Barry Price had an interest in 950,468 ordinary shares, Grahame Cook had an interest in 1,125,540 ordinary shares, Michael Pappas had an interest in 915,220 ordinary shares, Dale Boden had an interest in 794,111 ordinary shares and Michael Lewis had an interest in 397,694 ordinary shares. Since 30 June 2010, Barry Price has acquired an additional 32,328 ordinary shares, Birgit Stattin-Norinder an additional 13,290 ordinary shares and Michael Lewis an additional 50,287 ordinary shares in lieu of Directors' fees. As at 25 July 2010, no other Directors have acquired an additional interest in the ordinary shares or share options of the Company since 30 June 2010. In the opinion of the Board these shareholdings do not impair their independent status. As stated in Note 30, Michael Pappas has a relationship with Leventis Holdings SA, which has been a major shareholder of the Company since its foundation and, therefore, Michael Pappas is not formally regarded as an independent Non-Executive Director. Barry Price, Michael Pappas and Grahame Cook have each been on the Board for over nine years. The Board firmly believes that the above factors do not impair their independence of character or judgement. Biographical details of Directors are given on page 7.

The current Senior Independent Director is Birgit Stattin-Norinder.

All Directors have direct access to the services and advice of the Company Secretary. The Company Secretary is responsible for ensuring compliance with relevant procedures, rules and regulations. The Board as a whole determines the appointment and removal of the Company Secretary. Directors may, at the Company's expense, seek independent legal advice on any matter relating to the discharge of their duties. During the year, Kevin Kissane was made redundant and resigned as Company Secretary and Eric Dodd was appointed in his place.

There were 11 scheduled Board meetings during the year. Appropriate information for the business to be conducted is provided in advance of Board meetings. The Directors may make further enquiries, as they deem appropriate. The Chairman holds meetings with the Non-Executive Directors without the Executive Directors. The Senior Independent Director additionally holds meetings with the other Non-Executive Directors, without the Chairman present, to appraise the Chairman's performance.

New Non-Executive Directors receive an introduction to the business, meeting with senior executives for detailed discussions on the activities of the Group. Relevant training seminars have been attended by various Board members to provide further professional development.

The Board has evaluated its own performance and that of its Audit, Remuneration and Nominations Committees on a broad range of issues including structure, functionality and meeting of objectives, conduct of meetings, corporate governance and relationships with shareholders. The results of these evaluations have been discussed and the Senior Independent Director is responsible for implementing any recommendations for change. The Non-Executive Directors, led by the Senior Independent Director, are responsible for performance evaluation of the Chairman, taking into account the views of Executive Directors. The performance of the Chief Executive is reviewed by the Chairman and discussed with the Remuneration Committee by reference to achievement of individual and Company objectives.

The performance of other Executive Directors is reviewed and monitored by the Chief Executive and discussed annually with the Chairman and Remuneration Committee.

The Board delegates certain other responsibilities to the Audit, Remuneration and Nominations Committees, the terms of reference of which may be found on the Company's website at www.antisoma.com.

Board committees

The Audit Committee is chaired by Grahame Cook. Dale Boden and Michael Lewis were also members during the year and Michael Pappas was a member until 8 March 2010. Although Michael Pappas is not regarded as independent and this does not comply with the provisions in section 1 of the Combined Code 2008, the Board considers he has expertise to bring to the Audit Committee, which has three other members who are independent. The terms of reference for the Audit Committee include responsibility for monitoring the integrity and compliance of the financial statements, for reviewing significant financial judgements contained therein and for ensuring that arrangements for the independent audit of the Annual Report and Accounts and review of interim financial statements are appropriate and effective. The Audit Committee also reviews the internal financial control systems, treasury management procedures and controls and, together with the Board, risk management systems. The Audit Committee met four times during the year, with the Company's external auditors and the Chief Financial Officer attending when appropriate. The Audit Committee conducted a self-assessment of its performance by reference to an evaluation checklist. The Chair of the Audit Committee is nominated as the person to whom any financial or other matters of impropriety may be reported ('whistle-blowing'). The Audit Committee reviews and approves the engagement letters and scope for every piece of work carried out by the auditors and is satisfied with the auditors' statement regarding independence and conflicts of interest. The Audit Committee is satisfied that the nature and extent of non-audit services does not impair auditor objectivity or independence. Details of the amounts paid to the external auditors during the year for audit and non-audit services are set out in Note 6 to the financial statements.

The Audit Committee operates a policy to safeguard the objectivity and independence of the external auditors. The policy sets out certain disclosure requirements by the external auditors to the Audit Committee, restrictions on the employment of the external auditors' former employees, partner rotation and procedures for the approval of non-audit services by the external audit firm. The Committee's policy is to review the necessity to consider whether to invite other firms to compete for the role with the incumbent firm at least as frequently as audit partner rotation is required. The Company's current auditors were originally appointed in 1998.

The Remuneration Committee recommends to the Board the compensation policy and strategy for the Group as a whole and specifically for Executive Directors and Senior Management. It also approves the grant of options under the Company Share Option Plan and Executive Incentive Plan, and the grant of deferred shares under the Deferred Share Bonus Plan. The Remuneration Committee is chaired by Dale Boden. Birgit Norinder and Michael Lewis were members throughout the year. The Report of the Board on remuneration is set out on pages 13 to 18. Four meetings of the Remuneration Committee were held during the year and were fully attended, with other members of the Board attending as appropriate.

The Nominations Committee is chaired by the Chairman of the Board. Grahame Cook and Birgit Norinder, Senior Independent Directors, are also members of the committee. Glyn Edwards, Chief Executive Officer, was a member until 8 March 2010. The Committee recommends to the Board appointment of new Directors, having applied objective criteria in making any nomination, to ensure the Board has a balance of relevant skills and experience. It also evaluates the structure, size and composition of the Board and recommends any changes to the membership of the Board it considers appropriate, and assesses the independence of Non-Executive Directors. The Nominations Committee met once during the year and the meeting was fully attended.

Attendance at Board meetings and committees

The Directors attended the following Board meetings and committees:

Board/Committee member	Board meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meetings
Barry Price	11/11	n/a	n/a	1/1
Glyn Edwards	11/11	n/a	n/a	1/1
Ursula Ney	9/9	n/a	n/a	n/a
Eric Dodd	11/11	n/a	n/a	n/a
Grahame Cook	11/11	4/4	n/a	1/1
Michael Pappas	9/11	n/a	n/a	n/a
Birgit Norinder	11/11	4/4	4/4	1/1
Dale Boden	10/11	2/3	4/4	n/a
Michael Lewis	11/11	4/4	4/4	n/a

Relationship with shareholders

The Company is committed to maintaining good relations with its shareholders through the provision of financial updates, interim and annual reports, press releases, presentations at conferences, through its website www.antisoma.com and through meeting with shareholders in general meetings. Individual meetings between Executive Directors and significant institutional shareholders are also arranged.

The Board takes steps to understand the views of major shareholders. This is achieved through feedback from meetings between management and significant shareholders and feedback from the Company's brokers and financial advisors. Non-Executive Directors together with the Chairman of the Board and the Executive Directors meet with shareholders at the AGM. Shareholders are invited to ask questions and to meet with Directors after the formal proceedings have ended. Shareholders may contact the Senior Independent Director if the normal channels of communication with the Company are inappropriate or have failed to resolve concerns.

Internal control and risk management

The Board has overall responsibility for ensuring that the Group maintains adequate systems of internal control. Such systems are designed to manage, rather than eliminate, risks and therefore can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has established a formal process which accords with the Turnbull guidance for identifying and evaluating the significant risks faced by the Group and carries out a comprehensive risk assessment at least annually. The Board regularly reviews the system of internal controls and the effectiveness of risk identification and evaluation, updating the risk assessment as appropriate. This review process has been in place throughout the year up to the date of approval of the Annual Report and Accounts and covers risk management and controls of financial, operational and regulatory matters. The Group has reviewed its internal financial controls and also carried out operational risk assessments and reviewed insurance provisions. On the recommendation of the Audit Committee, taking into account the close involvement of the Chief Financial Officer and other Executive Directors in managing and supervising the Group's financial affairs and the Group's relatively small size, the Board does not consider it appropriate to have an internal audit function.

The Board ensures that there are effective internal controls over the financial reporting and consolidation processes. Monthly accounts and forecasts are presented to the Board for review. The finance team undertakes a programme of review of accounting processes and Company performance to provide assurance to the Board on the integrity of the information supplied, which forms part of the consolidated results of the Group.

The BioIndustry Association Code of Best Practice

The UK BioIndustry Association, of which Antisoma plc is a member, published a code in 2000 to establish principles of best practice for information communication and management amongst its members. An updated edition was published in 2006. The principles support and extend the Company's duty to publish and communicate information in a fair, equal and balanced manner. The Board is committed to providing quality dialogue with investors and other interested parties and confirms that the Group has complied with the Code for the year under review.

Information required to be included in this Corporate Governance Report pursuant to paragraph 7.2.9(1) of the Disclosure and Transparency Rules has been included in the section of the Directors' report headed 'Additional information for shareholders' on page 10.

Going concern

As at 30 June 2010 the Company and Group had cash and liquid resources of £32.1 million to support the continuing development of its key programmes through and well beyond the key results for AS1413 and AS1411. Having reviewed the current business plans, the Directors believe that there are sufficient resources to meet the requirements of the business for at least 12 months from the date of this Annual Report and have therefore adopted the going concern basis in preparing the financial statements.

Statement of Directors' responsibilities in respect of the Annual Report, the Report of the Board on remuneration and the financial statements

The Directors are responsible for preparing the Annual Report, the Report of the Board on remuneration and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union 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.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements and the Directors' remuneration report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group 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 Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names and functions are listed in the Directors' report (including Business review) confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the Group; and
- the Directors' report (including Business review) includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

By order of the Board

Eric Dodd

Eric Dodd
Company Secretary
5 August 2010

Independent auditors' report to the members of Antisoma plc

We have audited the financial statements of Antisoma plc for the year ended 30 June 2010 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and Company statements of financial position, the consolidated and Company statements of changes in equity, the consolidated and Company statements of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRSs') as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the statement of Directors' responsibilities set out on page 21, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 June 2010 and of the Group's loss and Group's and parent company's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate governance report set out on pages 19 to 21 with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us;
- the parent company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns;
- certain disclosures of Directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- a corporate governance report has not been prepared by the parent company.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 21 in relation to going concern; and
- the parts of the Corporate governance report relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Stephanie Hyde.

Stephanie Hyde (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
9 Greyfriars Road, Reading
5 August 2010

Consolidated income statement
for the year ended 30 June 2010

	Notes	2010 £'000	2009 £'000
Revenue	2	**20,346**	25,230
Cost of sales		**–**	(9,085)
Gross profit		**20,346**	16,145
Research and development expenditure		**(35,500)**	(35,904)
Administrative expenses		**(7,888)**	(4,884)
Total operating expenses	6	**(43,388)**	(40,788)
Operating loss		**(23,042)**	(24,643)
Finance income	5	**1,678**	5,055
Loss before taxation		**(21,364)**	(19,588)
Taxation	8	**2,712**	3,161
Loss for the year	27	**(18,652)**	(16,427)
Loss per ordinary share			
Basic	10	**(3.0)p**	(2.7)p
Diluted	10	**(3.0)p**	(2.7)p

All amounts arise from continuing operations.

Consolidated statement of comprehensive income
for the year ended 30 June 2010

	Notes	2010 £'000	2009 £'000
Loss for the year		**(18,652)**	(16,427)
Exchange translation difference on consolidation	26	**1,000**	8,923
Other comprehensive income for the year net of tax		**1,000**	8,923
Total comprehensive expense for the year		**(17,652)**	(7,504)

The Group has no other recognised income or expense in the year that did not pass through the income statement.

Consolidated statement of financial position
as at 30 June 2010

	Notes	2010 £'000	2009 £'000
Assets			
Non-current assets			
Goodwill	11	**7,353**	6,708
Intangible assets	12	**51,824**	51,257
Property, plant and equipment	13	**1,173**	1,967
		60,350	59,932
Current assets			
Trade and other receivables	15	**2,106**	1,701
Current tax receivable		**3,614**	3,484
Short-term deposits	19	**21,965**	27,824
Cash and cash equivalents	19	**10,098**	39,215
		37,783	72,224
Liabilities			
Current liabilities			
Trade and other payables	16	**(7,220)**	(7,417)
Deferred income	18	**–**	(19,690)
Provisions	20	**(3,071)**	(1,902)
Net current assets		**27,492**	43,215
Total assets less current liabilities		**87,842**	103,147
Non-current liabilities			
Deferred income tax liabilities	17	**(7,353)**	(6,708)
Provisions	20	**(28)**	(224)
		(7,381)	(6,932)
Net assets		**80,461**	96,215
Shareholders' equity			
Share capital	21	**10,628**	10,480
Share premium	24	**122,070**	119,783
Shares to be issued	25	**–**	2,273
Other reserves	26	**47,919**	46,919
Profit and loss account	27	**(100,156)**	(83,240)
Total shareholders' equity		**80,461**	96,215

The financial statements on pages 23 to 50 were approved by the Board of Directors on 5 August 2010 and were signed on its behalf by:

B. J. Price

Barry Price
Chairman

Eric Dodd

Eric Dodd
Chief Financial Officer

Company statement of financial position
as at 30 June 2010

	Notes	2010 £'000	2009 £'000
Assets			
Non-current assets			
Investments in subsidiaries	14	**71,432**	95,937
Trade and other receivables	15	**9,030**	128,688
		80,462	224,625
Current assets			
Trade and other receivables	15	**8**	9
Cash and cash equivalents		**25**	25
		33	34
Liabilities			
Current liabilities			
Trade and other payables	16	**(52)**	(21,307)
Net current liabilities		**(19)**	(21,273)
Net assets		**80,443**	203,352
Shareholders' equity			
Share capital	21	**10,628**	10,480
Share premium	24	**122,070**	119,783
Shares to be issued	25	**–**	2,273
Other reserves	26	**49,599**	49,599
Profit and loss account	27	**(101,854)**	21,217
Total shareholders' equity		**80,443**	203,352

The financial statements on pages 23 to 50 were approved by the Board of Directors on 5 August 2010 and were signed on its behalf by:

B. J. Price

Barry Price
Chairman

Eric Dodd

Eric Dodd
Chief Financial Officer

Consolidated statement of changes in equity
for the year ended 30 June 2010

	Share capital £'000	Share premium £'000	Shares to be issued £'000	Other reserve: retranslation £'000	Other reserve: merger £'000	Profit and loss £'000	Total £'000
At 1 July 2008	10,467	119,629	2,273	(1,259)	39,255	(68,158)	102,207
Total comprehensive income for the year	–	–	–	8,923	–	(16,427)	(7,504)
New share capital issued	13	154	–	–	–	–	167
Share options: value of employee services	–	–	–	–	–	1,345	1,345
At 30 June 2009	10,480	119,783	2,273	7,664	39,255	(83,240)	96,215
At 1 July 2009	10,480	119,783	2,273	7,664	39,255	(83,240)	96,215
Total comprehensive income for the year	–	–	–	1,000	–	(18,652)	(17,652)
New share capital issued	148	2,287	(2,273)	–	–	–	162
Share options: value of employee services	–	–	–	–	–	1,736	1,736
At 30 June 2010	**10,628**	**122,070**	**–**	**8,664**	**39,255**	**(100,156)**	**80,461**

Company statement of changes in equity
for the year ended 30 June 2010

	Share capital £'000	Share premium £'000	Shares to be issued £'000	Other reserve: merger £'000	Profit and loss £'000	Total £'000
At 1 July 2008	10,467	119,629	2,273	64,894	5,842	203,105
Total comprehensive income for the year	–	–	–	–	(1,265)	(1,265)
New share capital issued	13	154	–	–	–	167
Transfers	–	–	–	(15,295)	15,295	–
Share options: value of employee services	–	–	–	–	1,345	1,345
At 30 June 2009	10,480	119,783	2,273	49,599	21,217	203,352
At 1 July 2009	10,480	119,783	2,273	49,599	21,217	203,352
Total comprehensive expense for the year	–	–	–	–	(124,807)	(124,807)
New share capital issued	148	2,287	(2,273)	–	–	162
Share options: value of employee services	–	–	–	–	1,736	1,736
At 30 June 2010	**10,628**	**122,070**	**–**	**49,599**	**(101,854)**	**80,443**

Consolidated statement of cash flows
for the year ended 30 June 2010

	Notes	2010 £'000	2009 £'000
Cash flows from operating activities			
Loss for the year		**(18,652)**	(16,427)
Adjustments for:			
Foreign exchange gain		**(779)**	(2,238)
Finance income		**(1,678)**	(5,055)
Tax credit		**(2,712)**	(3,161)
Depreciation of property plant and equipment		**673**	650
Loss on disposal of property, plant and equipment		**534**	–
Impairment of intangible assets		**1,261**	–
Derecognition of an intangible asset	7	**–**	8,750
Share-based payments		**1,736**	1,345
Operating cash flows before movement in working capital		**(19,617)**	(16,136)
(Increase)/decrease in trade and other receivables		**(420)**	385
(Decrease)/increase in trade and other payables and deferred income		**(19,089)**	12,829
Cash used in operations		**(39,126)**	(2,922)
Finance income		**442**	1,951
Income taxes received/(paid)		**582**	(620)
Research and development tax credit received		**2,000**	–
Net cash used in operating activities		**(36,102)**	(1,591)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(459)**	(232)
Sale of property, plant and equipment		**68**	8
Purchase of intangible assets		**–**	(1,779)
Sale/(purchase) of short-term deposits		**5,859**	(17,824)
Net cash used in investing activities		**5,468**	(19,827)
Cash flows from financing activities			
Proceeds from issue of ordinary share capital		**162**	167
Net cash generated from financing activities		**162**	167
Net decrease in cash and cash equivalents		**(30,472)**	(21,251)
Exchange gains on cash and cash equivalents		**1,355**	3,605
Cash and cash equivalents at beginning of year		**39,215**	56,861
Cash and cash equivalents at end of year		**10,098**	39,215

Company statement of cash flows
for the year ended 30 June 2010

	2010 £'000	2009 £'000
Cash flows from operating activities		
Loss for the year	**(124,807)**	(1,265)
Adjustments for:		
Finance income	**(18,609)**	(780)
Impairment of investment	**26,241**	1,717
Operating cash flows before movement in working capital	**(117,175)**	(328)
Decrease/(increase) in trade and other receivables	**119,658**	(26)
Decrease in trade and other payables	**(21,255)**	(568)
Cash used in operations	**(18,772)**	(922)
Finance income	**18,610**	780
Net cash used in operating activities	**(162)**	(142)
Cash flows from financing activities		
Proceeds from issue of ordinary share capital	**162**	167
Net cash generated from financing activities	**162**	167
Net increase in cash and cash equivalents	**–**	25
Cash and cash equivalents at beginning of year	**25**	–
Cash and cash equivalents at end of year	**25**	25

Notes to the consolidated financial statements

1. Principal accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The Company is a public limited company which is listed on the London Stock Exchange and is incorporated and domiciled in the United Kingdom. The address of its registered office is Chiswick Park Building 5, 566 Chiswick High Road, London W4 5YF.

Basis of preparation

The consolidated financial statements have been prepared by Antisoma plc in accordance with International Financial Reporting Standards ('IFRS'), as adopted for use by the European Union, and International Financial Reporting Interpretation Committee interpretations ('IFRIC') and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Adoption of new accounting standards

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 July 2009 and have been applied by the Group:

- IAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring non-owner changes in equity to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present two statements.
- IFRS 8, 'Operating segments'. IFRS 8 replaces IAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. Management considers that there is only one reportable segment: drug development. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Senior Management Team that makes strategic decisions. Assets, liabilities and overheads are allocated to this one segment.
- IFRS 2 (amendment), 'Share-based payment' deals with vesting conditions and cancellations. The amendment does not have a material impact on the Group's financial statements.
- IAS 32 (amendment), 'Financial instruments: Presentation'. The amendment does not have a material impact on the Group's financial statements.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 July 2009 and have been applied by, but are not currently relevant to the Group:

- IAS 39 (amendment), 'Financial instruments: Recognition and measurement';
- IFRS 3 (revised), 'Business combinations' and consequential amendments to IAS 27 (revised), 'Consolidated and separate financial statements', IAS 28, 'Investments in associates' and IAS 31, 'Interests in joint ventures'.
- IAS 23 (amendment) 'Borrowing Costs';
- IAS 38 (amendment) 'Intangible assets';
- IFRIC 17 'Distribution of non-cash assets to owners'; and
- IFRIC 18 'Transfer of assets from customers'.

Future announcements

The following IFRS and IFRIC interpretations have been issued by the International Accounting Standards Board ('IASB') but are not yet effective.

The following interpretations are not yet effective and not relevant for the Group's operations:

- IFRS 7 'Financial instruments disclosure (amended)';
- IFRIC 15 'Agreements for the construction of real estate';
- IFRIC 16 'Hedges of a net investment in a foreign operation'; and
- IFRS 5 (amendment) 'Non-current assets held for sale and discontinued operations'.

The Group has not early adopted any of the standards issued but not effective.

Use of estimates and judgements

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements, such as intangible assets (Note 12). Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The financial statements are prepared in accordance with the historical cost convention.

Notes to the consolidated financial statements continued

1. Principal accounting policies continued

Basis of consolidation

The consolidated financial statements include the financial information of the Company and all its subsidiary undertakings.

The acquisition of Antisoma Research Ltd was a business combination involving entities under common control. The financial statements of Antisoma Research Ltd have been consolidated using the principles of 'merger accounting'. The principles of merger accounting are that the assets and liabilities of the acquired company are not restated to fair value, no goodwill arises and the consolidated financial information incorporates the combined companies' results as if the companies had always been combined.

In line with the provisions of IFRS 1, acquisitions completed before 1 July 2004 have not been accounted for under IFRS 3. Instead, the historical UK GAAP accounting treatment has been retained.

All other subsidiaries have been consolidated using the principles of acquisition accounting under IFRS 3. Under IFRS 3, the results of acquired subsidiaries are included in the consolidated income statement from the date that they are acquired. The cost of an acquisition is measured as the fair value of consideration, including costs directly attributable to the acquisition. All of the subsidiary's identifiable assets and liabilities that exist at the date of acquisition are recorded at their fair values. The excess of the cost of acquisition over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intra-Group transactions, profits and balances are eliminated in full on consolidation.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 (revised) Business Combinations are recognised at their fair values at the acquisition date. If the conditions of section 612 of the Companies Act 2006 are met, merger relief is taken on the issue of shares and a merger reserve is recognised.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the income statement.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of consideration over the fair value of the Group's share of identifiable net assets acquired. Goodwill is recognised as an asset and carried at cost less accumulated impairment losses. Goodwill is tested for impairment at least annually and whenever there is an indicator of impairment. Impairment losses in respect of goodwill are not reversed. As permitted by IFRS 1, goodwill written off prior to transition to IFRS has not been reinstated as an asset and will not be included in determining any subsequent profit or loss on disposal. See Note 11 for a detailed description of the impairment review that is carried out.

Intangible fixed assets

Intangible fixed assets other than goodwill, which comprise licences, product rights and in process research and development ('R&D'), are recorded at their fair values at acquisition date (if acquired as part of a business combination) or cost (if acquired separately) and are amortised on a straight-line basis over their estimated useful economic lives from the time they are available for use. Where a product is at a relatively early stage of development the full cost of the licences or rights purchased are capitalised but not amortised until that product is available for use. Subsequent milestone payments made by the Group to the licensor are also capitalised as and when they are made. Annual maintenance charges paid per the terms of the licence agreement are expensed in administrative costs as they are incurred.

Assets that are not yet available for use are not subject to amortisation and are tested at least annually for impairment or whenever there is an indicator of impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying value exceeds its recoverable amount. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. See Note 12 for a detailed description of the impairment review that has been carried out.

1. Principal accounting policies continued

Impairment

In carrying out impairment reviews of goodwill, intangible and tangible assets, a number of significant assumptions have to be made when preparing cash flow projections. These include the likelihood of success of clinical trials, the likelihood of regulatory approval, the milestone payments receivable, future rates of market growth, the market demand for the products, the future profitability of the products, and the longevity of the products in the market. If actual results should differ or changes in expectations arise, impairment charges may be required which would materially impact on operating results. Details of impairment reviews can be seen in Notes 11 and 12.

Property, plant and equipment

Property, plant and equipment are held at cost less accumulated depreciation and any impairment in value. Depreciation is provided to write off the cost or valuation, less estimated residual values, of all property, plant and equipment, over their expected useful lives. It is calculated on a straight-line basis at the following rates:

Office equipment	15% per annum
Computers – office and laboratory	33% per annum
Office fixtures and fittings	33% per annum
Laboratory fixtures and fittings	20% per annum
Laboratory equipment – owned	20% per annum
Laboratory equipment – leased	20% per annum

An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits with banks that have a maturity of three months or less from the date of inception.

Deposits that have a maturity greater than three months but less than a year from the date of inception have been disclosed separately as short-term deposits.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material. Provisions are not recognised for future operating losses.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity. In this case the tax is recognised in equity.

Current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns in regard to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements in accordance with IAS 12 – 'Income taxes'. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable nor the accounting profit or loss.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Research and development tax credits

The Group makes claims each year for R&D tax credits and, when it is loss making, elects to take the cash equivalent amount. The Group accrues for the expected cash equivalent amount for each year into that year's financial statements.

1. Principal accounting policies continued

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments in respect of operating leases are charged on a straight-line basis to the income statement over the lease term.

Revenue

Revenue, which excludes value added tax, represents the fair value of consideration receivable in respect of goods and services supplied. The Group's business strategy includes entering into collaborative licence and development agreements with biotechnology and pharmaceutical companies for the development and commercialisation of the Group's product candidates. The terms of the agreements historically have included non-refundable licence fees, funding of R&D, payments based on the achievement of clinical development milestones, and royalties on product sales. In certain instances the agreements have included the sale of exclusive options on future compounds and share subscription agreements.

Revenue arising from collaborative agreements consisting of multiple elements is allocated to those elements in accordance with contractual terms, which are indicative of the fair values of the individual elements. Significant management judgement is required in determining whether, in substance, elements of such contracts operate independently of other elements and whether they should therefore be accounted for separately. Revenue in respect of each separable element (or, where no elements are separable, in respect of the contract as a whole) are spread over the period over which the Group is expected to complete its service obligations under an arrangement. In the absence of a more rational basis on which such milestones may be recognised, up-front milestones are typically recognised on a straight-line basis over the performance period. In particular, if the Group is involved in a steering committee as part of a multiple element arrangement, the Group assesses whether its involvement constitutes an obligation or a right to participate. Steering committee services that are considered significant obligations are combined with other research service obligations required under an arrangement, if any, in determining the level of effort required in an arrangement and the period over which the Group expects to complete its obligations.

Revenue relating to amounts received from third parties in respect of the divestment of product rights, patents and intellectual property to those third parties is recognised, in the period in which the associated rights, patents and intellectual property are substantially transferred to the acquiring party and for which any key representations have been substantially met.

Amounts received or receivable under R&D contracts and collaborative research agreements are recognised as revenue in the period in which the related costs are incurred or services are provided. These contributions towards costs incurred are received where the Group is the principal in the transaction, and as such these amounts have been recorded gross as revenue and not netted against costs incurred. As revenue represents contributions towards costs incurred, no amounts have been allocated to cost of sales; instead all costs relating to these development programmes are recorded as R&D expenditure.

Non-refundable licence fees and payments on the achievement of development milestones are recognised as revenue when the Group has a contractual right to receive such payment, the amount can be measured reliably, it is probable that the economic benefits associated will flow to the Group, and when the specific conditions stipulated in the licence agreements have been satisfied.

Royalty revenue is to be recognised upon the sale of the related products, provided that the royalty amounts are reliably measurable, it is probable the benefits will be received, and the Group has no remaining obligations under the arrangement.

Amounts receivable as option fees to access the Group's intellectual property are spread over the option period.

Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated. Manufacturing start-up costs between validation and the achievement of normal production are expensed as incurred. Advertising and promotion expenditure is charged to the income statement as incurred. Shipment costs on inter-company transfers are charged to cost of sales; distribution costs on sales to customers are included in selling, general and administrative expenditure.

Research and development expenditure

R&D expenditure is currently written off to the income statement as it is incurred. Due to the regulatory and other uncertainties inherent in the development of the Group's products, the criteria for development costs to be recognised as an asset, as prescribed by IAS 38 – 'Intangible assets', are not met until the product has been submitted for regulatory approval and when it is highly probable that future economic benefits will flow to the Group. The Group does not currently have any internal development costs that qualify for capitalisation as intangible assets.

Financial instruments

Forward exchange contracts and foreign exchange options are revalued to fair value with net unrealised gains and losses recorded in the income statement. The Group does not employ hedge accounting. The Group does not have in existence any forward exchange contracts at the year-end.

1. Principal accounting policies continued

Foreign currency

The functional currency of each Group entity is the currency of the primary economic environment in which the entity operates. Transactions denominated in foreign currencies have been translated into the functional currency of the Group entity at month end rates of exchange. Monetary assets and liabilities denominated in foreign currencies have been translated at rates ruling at the balance sheet date. Exchange differences have been taken to operating results in the income statement.

The results of foreign operations are translated into the Group's presentational currency at month end exchange rates and their balance sheets are translated at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are dealt with through reserves.

In preparing the Group's financial statements, the Board makes judgements in relation to the determination of the functional currency of each of its undertakings. In respect to its UK trading subsidiary, a substantial part of its expenses are denominated in Sterling. While the revenues of the subsidiary under the Novartis agreement are principally denominated in US Dollars, the Board considers the economic environment that mainly influences revenues to be global rather than solely that of the US. Furthermore, historically the Group has retained the majority of its cash and short-term deposits in Sterling, except as necessary to meet anticipated liabilities to suppliers requesting payments in US Dollars. Although the Group may from time to time maintain substantial monetary assets in other currencies, it has determined that Sterling is the functional currency for its UK trading subsidiary.

The presentational currency of the Group and the Company is Sterling.

Pension costs

Retirement benefits to employees and Directors are provided by defined contribution pension schemes. The assets of these schemes are held separately from those of the Group in independently administered funds. Contributions made by the Group are charged to the income statement in the period to which they relate.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Share options

In accordance with IFRS 2 – 'Share-based payment', share options are measured at fair value at their grant date. The fair value is charged on a straight-line basis to the income statement over the expected vesting period. National Insurance payable on the exercise of share-based payments is treated as a cash-settled share-based payment under IFRS 2 and the Group makes charges to the income statement based on an estimate of the National Insurance liability in respect of the outstanding awards at each period end. Where the National Insurance liability is virtually certain to be recovered from the relevant employees a corresponding receivable amount is also recognised in the income statement. Details of the assumptions used in calculating the share-based payment charge are detailed in Note 22.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiary under-takings, with a corresponding credit to equity.

2. Segmental information

Antisoma's operating segments are being reported based on the financial information provided to the Senior Management Team, which is used to make strategic decisions. The Directors are of the opinion that under IFRS 8 – 'Operating segments' the Group has only one operating segment, being drug development.

The Senior Management Team assesses the performance of the operating segment on financial information which is measured and presented in a manner consistent with that in the financial statements.

All revenue is derived from customers whose operations are located in the US and Europe. The principal sources of revenue for the Group in the two years ended 30 June 2010 were:

	2010 £'000	2009 £'000
US		
Recognition of income from the divestment of oral fludarabine (Note 7) sanofi-aventis	**20,346**	19,690
Europe		
Recognition of up-front and milestone payments on a time apportioned basis: Novartis	**–**	5,401
R&D services and materials recharged: Novartis	**–**	139
Total revenues	**20,346**	25,230

2. Segmental information continued
The following table shows the carrying value of segment assets by location of assets:

	2010 £'000	2009 £'000
Total assets		
UK	**67,490**	105,331
US	**30,643**	26,825
Total	**98,133**	132,156

Total assets are allocated based on where the assets are located.

The following table shows the costs in the period to acquire property, plant, equipment and intangibles by location of assets:

	2010 £'000	2009 £'000
Capital expenditure		
UK	**355**	1,875
US	**104**	136
Total	**459**	2,011

Capital expenditure is allocated based on where the assets are located.

3. Directors' emoluments
Directors' emoluments receivable by Directors of Antisoma plc from Antisoma Group companies are as follows:

	2010 £'000	2009 £'000
Aggregate emoluments		
Emoluments and benefits	**1,399**	1,576
Pension costs	**89**	168
Highest-paid Director		
Emoluments and benefits	**598**	474
Pension costs	**26**	38

The three (2009: three) Executive Directors have retirement benefits accruing to them through defined contribution schemes, in respect of qualifying services.

Detailed information concerning Directors' remuneration and interests in share options is set out in the Report of the Board on remuneration pages 13 to 18. The Directors made gains of £nil (2009: £nil) in relation to the exercise of share options.

4. Employee information
The average number of persons (including Executive Directors) employed by the Group during the year was:

	2010	2009
By activity		
Administration	**27**	30
R&D	**58**	58
	85	88

The cost relating to the above employees is as follows:

	2010 £'000	2009 £'000
Staff costs		
Wages and salaries	**6,890**	8,465
Social security costs	**779**	876
Pension costs – defined contribution plans (see Note 31)	**456**	733
Termination payments	**1,146**	814
Share-based payments	**1,736**	1,345
	11,007	12,233

Termination payments in both years relate to redundancies that occurred as a result of restructuring in those years.

4. Employee information continued

Key management compensation (included in staff costs) (includes eight (2009: nine) senior managers, three (2009: three) Executive Directors and six (2009: six) non-Executive Directors) was:

	2010 £'000	2009 £'000
Key management compensation		
Salaries and short-term employee benefits	**3,137**	3,291
Pension costs	**213**	293
Termination payments	**564**	237
Share-based payments	**1,015**	766
	4,929	4,587

The Company has nil employees (2009: nil employees).

5. Finance income

	2010 £'000	2009 £'000
Interest receivable:		
– On short-term deposits	**320**	1,178
– On cash and cash equivalents	**90**	635
Net foreign exchange gains on financing activities	**1,268**	3,242
	1,678	5,055

6. Operating loss

The following items have been charged/(credited) in arriving at the operating loss:

	2010 £'000	2009 £'000
Depreciation on tangible owned property, plant and equipment	**673**	650
Loss on disposal of property, plant and equipment	**534**	–
Hire of plant and machinery – operating leases	**9**	9
Hire of other assets – operating leases	**914**	1,216
Net foreign exchange differences	**(524)**	(2,238)
Restructuring costs	**2,198**	–
Auditors' remuneration (see below)	**210**	254

	2010 £'000	2009 £'000
Auditors' remuneration		
Audit services		
Fees payable to Company's auditor for the audit of the Company and consolidated accounts	**45**	45
Non-audit services		
Fees payable to the Company's auditor and its associates for other services:		
The audit of Company's subsidiaries pursuant to legislation	**43**	33
Tax services	**77**	85
Other services	**45**	91
	210	254

Other services provided by the Group's auditors

The terms of reference for the Audit Committee include responsibility for monitoring the integrity and compliance of the financial statements, for reviewing significant financial judgements contained therein and for ensuring that arrangements for the independent audit of the Annual Report and Accounts and review of interim financial statements are appropriate and effective. The Audit Committee reviews and approves the engagement letters and scope for every piece of work carried out by the auditors and is satisfied with the audit company's statement regarding compliance and conflicts of interest. The Audit Committee is satisfied that the nature and extent of non-audit services does not impair auditor objectivity or independence.

Restructuring costs

During the year ended 30 June 2010 the Group engaged in a significant internal restructuring resulting in reductions in headcount and the closure of the Group's laboratories and research facility in Hertfordshire. The restructuring costs incurred relate to redundancy and associated termination payments and provisions for onerous lease and contract costs in respect of the closure of the laboratories.

7. Disposal of oral fludarabine

During the year ended 30 June 2009, the Group sold the US rights to oral fludarabine to sanofi-aventis LLC which had previously been recognised as an intangible asset in the Group's balance sheet. The carrying value of the intangible asset disposed of was £8,750,000. An up-front payment net of the costs of disposal of £39,380,000 was received in the year; however, certain elements of the consideration totalling £19,690,000 had not met the criteria for recognition in the prior financial period. The criteria were met in the current year; consequently the revenue was recognised. The Group is also entitled to receive contingent payments of $1,000,000 per annum for the following five years subject to certain conditions being met in each of those five years. These payments will be recognised in the Group's income statement when the conditions relating to the payment have been satisfied.

8. Taxation

	2010 £'000	2009 £'000
Current tax:		
Current tax on loss for the year	**(2,725)**	(3,484)
Adjustments in respect of prior years	**13**	323
Total current tax	**(2,712)**	(3,161)
Deferred tax	**–**	–
Total tax credit for the period	**(2,712)**	(3,161)

The tax on the Group's profit or loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits or losses of the consolidated entities as follows:

	2010 £'000	2009 £'000
Loss on ordinary activities before taxation	**(21,364)**	(19,588)
Loss on ordinary activities multiplied by the standard rate of UK corporation tax at 28% (2009: 28%)	**(5,982)**	(5,485)
Effects of:		
Timing differences between depreciation and capital allowances charged	**–**	4
Expenses not deductible for tax purposes	**313**	377
Losses carried forward or surrendered for R&D tax credits	**5,669**	4,552
Losses carried back	**–**	552
Current year R&D tax credit	**(2,725)**	(2,864)
Adjustment in respect of prior periods	**13**	323
Tax credit on interest income	**–**	(620)
Total tax credit for the period	**(2,712)**	(3,161)

At 30 June 2010, the Group had tax losses available for carry forward in excess of £110 million (2009: £98 million) subject to agreement with the relevant tax authority.

9. Company loss for the financial year

As permitted by section 408 of the Companies Act 2006, the parent company's (the Company's) income statement has not been included with these financial statements. The results for the Company are presented under IFRS.

The Company's result for the financial year was a loss of £124,807,000 (2009: £1,265,000).

The Company has no other recognised income or expense in the year that did not pass through the income statement; hence a statement of comprehensive income has not been prepared for the Company.

10. Loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. These represent share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year ended 30 June 2010.

	2010	2009
Loss for the year (£'000)	**(18,652)**	(16,427)
Weighted average number of shares ('000)	**621,937**	613,901
Basic loss per ordinary share	**(3.0)p**	(2.7)p

In the two years ended 30 June 2010, the Group had no dilutive potential ordinary shares in issue because it was loss making.

11. Goodwill

Group

	2010 £'000	2009 £'000
Cost		
As at 1 July	**6,708**	5,559
Revaluation due to changes in foreign exchange rates	**645**	1,149
As at 30 June	**7,353**	6,708
Accumulated impairment losses		
As at 1 July	**–**	–
As at 30 June	**–**	–
Net book amount at 30 June	**7,353**	6,708

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. During the year, the acquired goodwill in respect of Antisoma Inc. was tested for impairment in accordance with IAS 36. This test resulted in no impairment of the goodwill. In order to test the impairment of the goodwill in respect of Antisoma Inc. a discounted cash flow model was created for AS1411, the product acquired with Antisoma Inc. A number of significant assumptions have to be made when preparing cash flow projections.

The discounted cash flow looks at all future cash outflows for AS1411 such as clinical trial costs and marketing and sales costs, and also looks at cash inflows from milestone payments and royalties (based on estimated penetration levels, estimated price in each target market and market growth rates of 2%). Cash flows are considered over the period to 2023. A change in the following assumptions will give rise to an impairment; if the discount rate rose from 13.5% to 14.3% or if the growth rate reduced from 2% to –1.8%. (If actual cash flows should differ, or changes in expectations arise, impairment charges may be required which would materially impact operating results.) These cash flows are then probability weighted based on the stage of development of AS1411 using standard industry probability factors. All the cash flows are then discounted using the Group's pre-tax weighted average cost of capital of 13.5% (2009: 13.5%) as applied to development products. If the total net present value is in excess of the intangible book value of AS1411 (see Note 12) plus the goodwill then no impairment is made to the goodwill. This test resulted in no impairment of the goodwill.

Company

The Company has no goodwill.

12. Intangible assets

Group

	Licences and product rights £'000	Aptamera intellectual property £'000	Xanthus intellectual property £'000	Total £'000
Cost				
At 1 July 2008	6,651	15,752	26,378	48,781
Additions	400	–	1,379	1,779
Disposals	–	–	(8,750)	(8,750)
Revaluation due to changes in foreign exchange rates	–	3,256	7,823	11,079
At 30 June 2009	7,051	19,008	26,830	52,889
Revaluation due to changes in foreign exchange rates	–	1,828	–	1,828
At 30 June 2010	7,051	20,836	26,830	54,717
Amortisation				
Aggregate amortisation and impairment at 1 July 2008	1,632	–	–	1,632
At 30 June 2009	1,632	–	–	1,632
Impairment charge	1,261	–	–	1,261
At 30 June 2010	2,893	–	–	2,893
Net book amount at 30 June 2010	**4,158**	**20,836**	**26,830**	**51,824**
Net book amount at 30 June 2009	5,419	19,008	26,830	51,257

The disposal in the prior year of £8,750,000 relates to the disposal of the intellectual property of the Group's oral fludarabine product (see Note 7).

The Group tests intangible assets that have not yet been brought into use annually for impairment, or more frequently if there are indications that intangible assets might be impaired.

12. Intangible assets continued

The intangible assets have not been amortised as the products are not sufficiently close to market to be considered to have been brought into use and therefore subject to amortisation under IAS 38.

In carrying out impairment reviews of intangible assets, a number of significant assumptions have to be made by management when preparing cash flow projections. These include the likelihood of success of clinical trials, the likelihood of regulatory approval, the milestone payments received, future rates of market growth estimated at between 1% and 2%, the market demand for the products, the future profitability of the products, the longevity of the products in the market and cost of capital. Cash flows are considered over the period to 2023. If actual cash flows should differ, or changes in expectations arise, impairment charges may be required which would materially impact on operating results. These cash flows are then probability weighted based on the stage of development of each product using standard industry probability factors. All the cash flows are then discounted using the Group's pre-tax weighted average cost of capital of 13.5% as applied to development products.

During the period the Group announced that it was ceasing further development of certain products (AS1402), programmes (development of AS1411 for renal cancer) and preclinical research. Under IAS 36, the cessation of further development is considered to be an indication that the associated goodwill and intangible assets may be impaired.

Impairment reviews have been performed on the goodwill and intangible assets associated with the products and programmes where development has ceased in order to determine the recoverable amounts of the assets, the recoverable amount being the higher of value in use and the fair value of the asset less the costs to sell. When development of a product is discontinued, management is of the opinion that the value in use is nil.

Consequently, an impairment of £1,261,000 has been made to impair the carrying value of such intangible assets to £nil. The impairment has been recorded within administrative expenses.

No reasonably likely change in a key assumption would have given rise to an impairment of any other intangible asset. The sensitivity of the carrying values of intangible assets and goodwill to key assumptions is disclosed in Note 11.

There has been no amortisation expense in relation to the intangible assets for the year.

Company

The Company has no intangible fixed assets.

13. Property, plant and equipment

Group

	Office computers, equipment, fixtures and fittings (owned) £'000	Computers, laboratory equipment (leased) £'000	Laboratory computers, equipment, fixtures and fittings (owned) £'000	Total £'000
Cost				
At 1 July 2008	2,392	161	1,628	4,181
Additions at cost	73	–	159	232
Disposals	(48)	(161)	(94)	(303)
Exchange movement	10	–	15	25
At 30 June 2009	2,427	–	1,708	4,135
Additions at cost	217	–	242	459
Disposals	(483)	–	(1,794)	(2,277)
Exchange movement	3	–	17	20
At 30 June 2010	2,164	–	173	2,337
Depreciation				
At 1 July 2008	630	161	1,032	1,823
Charge for the year	309	–	341	650
Disposals	(10)	(161)	(125)	(296)
Exchange movement	–	–	(9)	(9)
At 30 June 2009	929	–	1,239	2,168
Charge for the year	469	–	204	673
Disposals	(306)	–	(1,370)	(1,676)
Exchange movement	(8)	–	7	(1)
At 30 June 2010	1,084	–	80	1,164
Net book amount at 30 June 2010	**1,080**	**–**	**93**	**1,173**
Net book amount at 30 June 2009	1,498	–	469	1,967

13. Property, plant and equipment continued

Company

The Company has no tangible fixed assets.

14. Investments

Company

	2010 £'000	2009 £'000
Cost and valuation of interests in Group undertakings		
As at 1 July	**95,937**	74,659
Additions	**–**	36,597
Impairment	**(26,241)**	(1,717)
Disposals	**–**	(14,947)
Capital contributions in respect of share-based payments	**1,736**	1,345
As at 30 June	**71,432**	95,937

During the year, a phase III trial in which a subsidiary undertaking of the Company had an interest was halted. As a result, the Company reviewed the valuation of its investments in Group undertakings and made an impairment loss of £26,241,000 to write down the valuation of the investments to the book values of assets in those subsidiaries.

During the prior year the Group underwent a group reconstruction. The disposal relates to the sale of Antisoma Inc to Xanthus Pharmaceuticals, Inc. (a subsidiary of the Company). Antisoma Inc. was subsequently merged into Xanthus Pharmaceuticals, Inc. Xanthus Pharmaceuticals, Inc. was then renamed Antisoma Inc. The impairment arises as the net present value of the expected future cash flows of Antisoma Inc. (formerly Aptamera Inc.) at the date of the reconstruction was lower than the carrying value of the investment in the subsidiary undertaking. The impairment loss writes down the carrying value of the investment to the valuation of the subsidiary undertaking at the date of the reorganisation.

The additions in the prior year relate to subscriptions for shares in Antisoma Research Ltd and Antisoma Ventures Ltd.

The share-based payment charges relate to the share options granted in the Company on behalf of employees of Antisoma Research Ltd and Antisoma Inc.

Interests in Group undertakings

Name of undertaking	Country of incorporation	Description of shares held	% of nominal value of issued shares held	Principal business activity
Antisoma Research Ltd	Great Britain	1p 'A' ordinary and £1 redeemable preference	100	development and commercialisation of potential therapeutic products for the treatment of cancer
Antisoma Ventures Ltd	Great Britain	£1 ordinary shares	100	development and commercialisation of potential therapeutic products for the treatment of cancer
Cancer Therapeutics Ltd	Great Britain	£1 'A' ordinary and 25p 'B' ordinary	100	dormant
Antisoma Development Ltd	Great Britain	£1 ordinary shares	100	dormant
Antisoma Inc.	United States of America	US$0.001	100	development and commercialisation of potential therapeutic products for the treatment of cancer
Theronostics, Inc.	Canada	CAD$0.01	100	non-trading
Xanthus Securities, Inc.	United States of America	US$0.01	100	investing entity established under Massachusetts law

15. Trade and other receivables

Group

	2010 £'000	2009 £'000
Trade receivables	**664**	–
Other receivables	**265**	477
Prepayments and accrued income	**1,177**	1,224
	2,106	1,701

15. Trade and other receivables continued
Company

	2010 £'000	2009 £'000
Non-current		
Amounts owed by Group undertakings	**9,022**	128,688
Current		
Prepayments and accrued income	**8**	9
	9,030	128,697

There are no fixed repayment terms in respect of the amounts owed by Group undertakings, which represent the funding of ongoing R&D requirements.

The Group considers that the carrying amount of trade and other receivables approximates their fair value.

16. Trade and other payables – current
Group

	2010 £'000	2009 £'000
Trade payables	**680**	979
Other tax and social security	**173**	228
Accruals	**6,367**	6,210
	7,220	7,417

Company

	2010 £'000	2009 £'000
Amounts owed to Group undertakings	**–**	21,250
Accruals	**52**	57
	52	21,307

There are no fixed repayment terms in respect of the amounts owed to Group undertakings, which arose on a restructuring in the prior year.

The Group considers that the carrying amount of trade and other payables approximates their fair value.

17. Deferred tax
Group

	2010 £'000	2009 £'000
Deferred tax payable at 1 July	**(6,708)**	(5,559)
Revaluation due to changes in foreign exchange rates	**(645)**	(1,149)
Deferred tax payable at 30 June	**(7,353)**	(6,708)
Deferred tax receivable at 1 July	**–**	–
Deferred tax receivable at 30 June	**–**	–

The deferred tax payable relates to intangible assets recognised on the acquisition of Aptamera, Inc. in 2005. The amount recognised is net of deferred tax receivables on brought forward losses arising in the same tax jurisdiction. The movement in the deferred tax payable relates to the restatement of the dollar value of the Antisoma Inc. balance sheet.

Deferred tax receivables and payables are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

17. Deferred tax continued

No other provisions for deferred tax have been made in other tax jurisdictions as it is probable that no liability will arise in the foreseeable future due to the availability of tax losses. The amount unprovided of the total potential liability/(asset) is as follows:

Group

	2010 £'000	2009 £'000
Tax effect of timing differences		
(Shortfall)/excess of depreciation over capital allowances	**(332)**	57
Employee benefits in excess of amounts vested	**(1,406)**	(1,251)
Losses carried forward	**(30,855)**	(27,407)
	(32,593)	(28,601)

Company

No provision for deferred tax has been made as it is probable that no liability will arise in the foreseeable future due to the availability of tax losses that can be group relieved. No deferred tax assets have been recognised as there is insufficient certainty of future taxable profits.

18. Deferred income

Group

	2010 £'000	2009 £'000
Deferred income < 1 year	**–**	19,690

The deferred income balance at 30 June 2009 related to a proportion of the proceeds received from the divestment of the rights to oral fludarabine which did not qualify for recognition in that financial year. The criteria for recognition were met in the current year; consequently the revenue was recognised.

Company

The Company has no deferred income.

19. Financial instruments

The financial risks faced by the Group include liquidity risk, interest rate risk, credit risk and currency risk. The Board reviews and agrees policies for managing each of these risks. Where appropriate, the Group uses derivative financial instruments to reduce exposure to foreign exchange risk; it does not use derivative financial instruments for trading purposes. The Group did not hold any derivative financial instruments at 30 June 2010 or 30 June 2009.

The Group's main objectives in using financial instruments are the maximisation of returns from funds held on deposit while maintaining credit risk at acceptable levels and, when appropriate, the generation of additional cash resources through financing arrangements for capital assets and the issue of shares.

Liquidity risk

The Group's policy is to raise cash in advance of when it is required and when market conditions are appropriate, using those financial instruments that can be negotiated with the providers of finance at that time. The Group determines that sufficient cash balances should be held as cash and cash equivalents to meet liabilities as they fall due.

Interest rate risk

The Group receives interest from cash on deposit and the level of this interest is dependent upon prevailing interest rates. The Group seeks to maximise the receipt of interest subject to acceptable levels of credit risk.

Credit risk

The Group places funds on deposit only with financial institutions who have a high credit rating and does not place a disproportionate amount of funds with any single financial institution.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the balance sheet (or in the detailed analysis provided in the notes to the financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

19. Financial instruments continued

Currency risk

The Group's results and liquidity are affected by fluctuations in foreign currency exchange rates, principally in respect to the US Dollar. A substantial part of its expense activities and capital expenditures are in UK Sterling, whereas its revenue (current and potential) from licensing agreements is, and is expected to be, primarily in US Dollars.

The Board monitors the Group's exposure to foreign currencies. The Group has historically maintained a balance of US Dollar and Euro deposits in order to meet certain anticipated liabilities to suppliers requesting payments in these two currencies. The Group has sold and purchased US Dollars and Euros at the spot rates to maintain this balance as appropriate. As a result of the above, any significant movements in the exchange rate between these two currencies and UK Sterling may have a material effect on the Group's future reported results of operations, financial position and cash flows.

The Group has not sought to hedge its net investment in overseas operations. The Group believes that, upon commercialisation of its product candidates, it will begin to receive increased revenues in currencies other than the US Dollar.

Numerical disclosures regarding financial instruments are set out below. Additional disclosures are set out in the accounting policies relating to financial instruments and foreign currencies.

In accordance with IAS 39 – 'Financial instruments: Recognition and measurement', the Group has reviewed all contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements set out in the standard.

Capital risk management

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained loss as disclosed in the consolidated statement of changes in equity. The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern and to ensure the Group has sufficient capital available to meet future funding requirements. Details of funding requirements are explained in the liquidity and capital resources section of the Financial review on pages 4 and 5.

The Group is not subject to any externally imposed capital requirements.

Interest rate risk profile of the Group's financial liabilities

No interest is payable on the Group's provision for National Insurance on share options.

The Group has no liabilities that are exposed to interest rate risk.

The maturity profile of the Group's financial liabilities is shown in Notes 16 and 20.

Interest rate risk profile of the Group's financial assets

	Cash and cash equivalents 2010 £'000	**Short-term deposits 2010 £'000**	Cash and cash equivalents 2009 £'000	Short-term deposits 2009 £'000
Sterling	**7,782**	**12,500**	19,410	10,500
US Dollars	**1,724**	**2,986**	12,772	13,923
Euros	**592**	**6,479**	7,033	3,401
	10,098	**21,965**	39,215	27,824
Fixed rate < 1 year	**3,318**	**21,965**	33,283	27,824
Floating rate < 1 year	**6,780**	**–**	5,932	–
	10,098	**21,965**	39,215	27,824

The fixed rate short-term deposits in Sterling, US Dollars and Euros were placed with banks for between one month and six months and earned interest of between 0.15% and 1.5% in the year ended 30 June 2010 (2009: between 0.1% and 6.25%). Floating rate cash earns interest based on relevant national LIBID equivalents.

The table below shows the impact on post-tax loss if interest rates on cash and cash equivalents and short-term deposits had been 0.5% (2009: 0.5%) higher/lower with all other variables held constant.

	2010 £'000	2009 £'000
Increase/decrease on post-tax loss:		
Sterling	**125**	171
US Dollar	**70**	80
Euro	**44**	21
Total	**239**	272

Interest rate movements on trade payables and other receivables do not present a material exposure to the Group's balance sheet.

19. Financial instruments continued

Currency risk profile

The functional currency of the Group's major trading subsidiary is Sterling, and the majority of its transactions are denominated in that currency. At 30 June 2010, the Group had net foreign currency assets of £26,299,000 (2009: £53,279,000) in US Dollars and assets of £4,080,000 (2009: £9,331,000) in Euros and assets of £42,000 (2009: liabilities of £68,000) in other currencies.

At 30 June 2010, if Sterling had weakened/strengthened by 5% against the US Dollar with all other variables held constant, post-tax profit for the year would have been £1,384,000 higher and £1,252,000 lower, respectively (2009: £1,362,000 higher and £1,232,000 lower). At 30 June 2010, if Sterling had weakened/strengthened by 5% against the Euro with all other variables held constant, post-tax profit for the year would have been £215,000 higher and £194,000 lower, respectively (2009: £491,000 higher and £444,000 lower). 5% represents management's assessment of a reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes translation of US Dollar denominated cash and cash equivalents, short-term deposits, other receivables and trade and other payables. Movements in other currencies are considered immaterial.

Borrowing facilities

The Group had no unused borrowing facilities at 30 June 2010 or 30 June 2009.

Fair values

Where market values are not available, fair values of financial assets and liabilities have been calculated by discounting expected future cash flows at prevailing interest rates and by applying year-end exchange rates.

In the opinion of the Group there is no material difference between the fair value of cash and short-term investments and the carrying values referred to above. Carrying values approximate to fair values because of the short maturity period of these financial instruments.

20. Provisions

Group

	Onerous contract £'000	Employer's NI on share option gains £'000	Restructuring £'000	Total £'000
At 1 July 2008	–	234	476	710
Utilised in the year	–	–	(549)	(549)
Charged to the income statement	1,701	151	–	1,852
Revaluation due to changes in foreign exchange rates	–	–	113	113
At 30 June 2009	1,701	385	40	2,126
Utilised in the year	–	(28)	(40)	(68)
(Credited)/charged to the income statement	–	(249)	1,371	1,122
Revaluation due to changes in foreign exchange rates	(81)	–	–	(81)
At 30 June 2010	**1,620**	**108**	**1,371**	**3,099**

Provisions have been analysed between current and non-current as follows:

	2010 £'000	2009 £'000
Current liabilities	**3,071**	1,902
Non-current liabilities	**28**	224
	3,099	2,126

Onerous contract

The Group has a contractual obligation to make a payment in respect of a development agreement; however, the Group has now discontinued all further development of the product and in accordance with IAS 37 'Provisions and contingencies' has provided for the future contractual costs under the agreement. The associated cash outflows are short-term in nature.

Employer's National Insurance on share option gains

National Insurance payable on the exercise of share-based payments is treated as a cash-settled share-based payment under IFRS 2 and the Group makes charges to the income statement based on an estimate of the National Insurance liability in respect of the outstanding awards at each period end. The prior year provision has not been utilised. The timing of the outflow will be dependant on the exercise of share options, which is in turn dependent on their vesting period and share price.

The above provision is offset by an amount of £85,000 (2009: £313,000) receivable from employees as reimbursement of employer's National Insurance arising on share options issued on or after 6 April 1999 with a net refund to the profit and loss account of £20,000 (2009: £nil).

20. Provisions continued

Restructuring

The restructuring provision at 30 June 2010 relates to the closure of the Group's laboratories and research facility in Hertfordshire in the year ended 30 June 2010 and includes the cost of redundancies and onerous leases. The associated cash outflows for the restructuring costs are expected to be fully utilised in the next financial year.

The restructuring provision at 30 June 2009 related to costs in respect of the closure of the Montreal office in the year ended 30 June 2008. The provision was fully utilised in the year.

Company

The Company has no provisions for liabilities and charges.

21. Share capital

Group and Company

	2010 £'000	2009 £'000
Issued, allotted, called-up and fully paid		
629,614,356 (2009: 614,822,588) ordinary shares of 1p each	**6,296**	6,148
4,331,683 (2009: 4,331,683) preference shares of £1 each	**4,332**	4,332
	10,628	10,480

The zero coupon convertible redeemable preference shares of £1 each have the following principal terms attached:

- No rights to receive dividends or other distributions out of the profits of the Company;
- On winding up, the preference shareholders rank above ordinary shareholders in payment of a sum equal to the nominal capital paid up but have no rights to participate further in the assets of the Company;
- No rights to receive notice of or attend or vote at any general meeting of shareholders;
- Convertible into converted ordinary shares at any point in the two years commencing 1 July 2003, based on a formula dividing the aggregate nominal amount of preference shares held by the average share price of ordinary shares for 10 days before and after the conversion notice is served;
- Redeemable at the option of the Company at any time at par; and
- No conversion or redemption has occurred.

The share capital history of the Company during the period since 1 July 2008 through to 30 June 2010 is as follows:

Date of issue	Reason for issue	Shares issued number	Price (p)	Consideration (£)
07.07.08	in lieu of fees to Non-Executive Directors	36,412	23.00	n/a
07.10.08	in lieu of fees to Non-Executive Directors	18,987	19.75	n/a
21.01.09	in lieu of fees to Non-Executive Directors	37,974	19.75	n/a
21.01.09	in lieu of fees to Non-Executive Directors	47,871	23.50	n/a
08.04.09	in lieu of fees to Non-Executive Directors	42,453	26.50	n/a
Between 28.08.08 and 22.05.09	exercise of employee share schemes	96,958	14.00	13,574
Between 16.09.08 and 19.06.09	exercise of employee share schemes	526,919	1.00	5,269
16.09.08	exercise of employee share schemes	30,713	12.34	3,790
16.09.08	exercise of employee share schemes	18,309	20.70	3,790
27.02.09	exercise of employee share schemes	27,750	26.34	7,309
Between 20.02.09 and 10.06.09	exercise of employee share schemes	203,709	22.20	45,223
Between 02.03.09 and 10.06.09	exercise of employee share schemes	202,984	22.10	44,859
13.05.09	exercise of employee share schemes	2,583	28.50	736
01.07.09	in lieu of fees to Non-Executive Directors	46,875	24.00	n/a
07.10.09	in lieu of fees to Non-Executive Directors	37,234	35.25	n/a
12.01.10	in lieu of fees to Non-Executive Directors	51,089	33.00	n/a
06.04.10	in lieu of fees to Non-Executive Directors	220,834	7.50	n/a
05.05.10	in lieu of fees to Non-Executive Directors	80,382	6.92	n/a
01.06.10	in lieu of fees to Non-Executive Directors	110,807	5.02	n/a
Between 07.07.09 and 01.06.10	exercise of employee share schemes	4,277,493	1.00	42,775
Between 09.10.09 and 03.03.10	exercise of employee share schemes	205,677	14.00	28,795
Between 10.08.09 and 24.08.09	exercise of employee share schemes	66,630	22.10	14,725
Between 23.12.09 and 03.03.10	exercise of employee share schemes	31,497	26.34	8,296
17.12.09	consideration for Xanthus acquisition (holdback shares)	9,568,960	23.75	n/a

The taxation benefit from the exercise of employee share schemes has increased the carried forward losses; see Note 17.

The shares issued as consideration for the acquisition of Xanthus Pharmaceuticals, Inc. were issued at a price of 23.75p per share based on the closing share price on 10 June 2008.

22. Potential issues of ordinary shares

The Group issues Deferred Share Bonus Plan (DSBP) Awards, Performance Awards and Matching Awards, as set out in the Report of the Board on remuneration and the tables below, to eligible employees following the issue of interim and preliminary year-end financial statements. Permanent employees are eligible to receive these awards at the discretion of the Remuneration Committee.

Performance Awards were granted in September 2009 and February 2010 to all eligible employees including the Executive Directors and senior managers. The performance conditions attaching to these awards are set out below.

Company Share Option Plan ('CSOP') options were granted to eligible employees in June 2010. Performance conditions attaching to CSOP options are set out in the Report of the Board on remuneration.

All awards are granted for nil consideration and subject to individual annual limits. The total number of shares granted under the various Group incentive plans, excluding those granted before 18 November 2008 and lapsed and surrendered options, may not exceed 10% of the issued share capital in any 10-year period (629,614,000 1p ordinary shares as at 30 June 2010; 614,823,000 1p ordinary shares as at 30 June 2009).

CSOPs

Date of grant	Exercise price (p)	Period when exercisable	Average remaining contractual life (years)	Number of shares 2010	Number of shares 2009
09.07.99	42.60	2002–2009	n/a	**–**	648,321
16.12.99	104.10	2002–2009	n/a	**–**	21,610
18.02.00	104.60	2003–2010	n/a	**–**	15,481
09.06.00	100.90	2003–2010	n/a	**–**	359,288
19.09.00	142.50	2003–2010	0.2	**87,719**	89,626
13.02.01	211.90	2004–2011	0.6	**68,417**	69,699
17.09.01	37.50	2004–2011	1.2	**549,727**	555,138
16.04.02	20.70	2005–2012	1.8	**1,587,044**	1,587,044
23.09.02	12.34	2005–2012	2.2	**2,111,896**	2,111,896
20.02.03	26.34	2006–2013	2.6	**851,353**	882,850
21.09.04	14.00	2007–2014	4.2	**1,000,895**	1,206,572
21.02.05	22.20	2008–2015	4.6	**1,400,199**	3,230,919
20.09.05	22.10	2008–2015	5.2	**154,846**	162,358
24.02.06	22.10	2009–2016	n/a	**–**	73,961
20.02.07	45.50	2010–2017	6.6	**52,400**	293,021
15.09.07	31.75	2010–2017	7.2	**630,417**	683,075
26.02.08	28.50	2011–2018	7.7	**599,237**	684,096
26.02.08	28.75	2011–2018	7.7	**153,918**	194,549
23.09.08	20.75	2011–2018	8.2	**908,988**	1,723,625
23.09.08	20.25	2011–2018	8.2	**452,557**	536,625
17.06.10	6.00	2013–2020	10.0	**23,416,000**	–
				34,025,613	15,129,754

The above options are normally exercisable from the day following the third anniversary of grant, or following a change in control of the Company, and subject to certain conditions relating to share price performance as set out in the Report of the Board on remuneration.

Executive Incentive Plan ('EIP') Performance Awards

Date of grant	Exercise price (p)	Period when exercisable	Average remaining contractual life (years)	Number of shares 2010	Number of shares 2009
20.09.05	1.00	2008–2011	1.2	**933,654**	1,130,371
24.02.06	1.00	2008–2011	1.7	**1,372,759**	1,819,987
07.06.06	1.00	2009–2012	n/a	**–**	489,208
19.10.06	1.00	2009–2012	2.3	**1,717,796**	3,743,137
20.02.07	1.00	2010–2013	2.6	**1,196,912**	2,000,453
15.09.07	1.00	2010–2013	3.2	**2,635,068**	3,294,642
26.02.08	1.00	2011–2014	3.7	**1,950,796**	2,683,869
23.09.08	1.00	2011–2014	4.2	**2,943,717**	4,140,099
11.11.08	1.00	2011–2014	4.4	**1,078,740**	1,078,740
19.02.09	1.00	2012–2015	4.6	**2,910,704**	4,358,218
16.09.09	0.00	2012–2015	5.2	**2,516,332**	–
18.02.10	0.00	2013–2016	5.6	**1,941,342**	–
				21,197,820	24,738,724

22. Potential issues of ordinary shares continued

EIP Deferred Share Bonus Plan Awards

Date of grant	Exercise price (p)	Period when exercisable	Average remaining contractual life (years)	Number of shares 2010	Number of shares 2009
16.09.09	0.00	2010–2016	6.3	**1,269,007**	–

EIP Matching Awards

Date of grant	Exercise price (p)	Period when exercisable	Average remaining contractual life (years)	Number of shares 2010	Number of shares 2009
08.07.05	1.00	2008–2011	1.0	**946,945**	1,139,159
23.10.09	0.00	2012–2015	4.3	**508,383**	–
				1,455,328	1,139,159

A summary of the scheme rules is given in the Report of the Board on remuneration – longer term incentives.

Options over 4,505,587 shares were exercised during the year (2009: 1,279,925). The weighted average exercise price was 2.05p (2009: 9.86p) and the weighted average share price at the time of exercise was 23.13p. (2009: 27.42p) The total cash received from the exercise of share options was £92,000 (2009: £126,000). The actual tax benefit realised for the tax deductions from option exercise of the share-based payment arrangements totalled £269,000 for the year ended 30 June 2010 (2009: £63,000).

The weighted average exercise prices over the year were as follows:

CSOPs

	2010 Number	2010 Weighted average exercise price (p)	2009 Number	2009 Weighted average exercise price (p)
Number of options outstanding at 1 July	**15,129,754**	**26.36**	18,942,242	32.08
– granted	**23,416,000**	**6.00**	2,441,671	20.60
– forfeited	**(3,171,637)**	**24.13**	(4,828,337)	38.38
– exercised	**(303,804)**	**17.06**	(583,006)	20.46
– expired	**(1,044,700)**	**64.84**	(842,816)	73.47
Outstanding at 30 June	**34,025,613**	**11.46**	15,129,754	26.36
Exercisable at 30 June	**6,547,637**	**19.29**	7,715,564	22.11

EIP Awards

	2010 Number	2010 Weighted average exercise price (p)	2009 Number	2009 Weighted average exercise price (p)
Number of awards outstanding at 1 July	**25,877,883**	**1.00**	17,692,737	1.00
– granted	**9,318,557**	**0.00**	9,932,067	1.00
– forfeited	**(7,072,502)**	**0.58**	(1,050,002)	1.00
– exercised	**(4,201,783)**	**0.98**	(696,919)	1.00
Outstanding at 30 June	**23,922,155**	**0.74**	25,877,883	1.00
Exercisable at 30 June	**6,092,035**	**0.99**	4,199,007	1.00

The above EIP Awards table includes Performance, DSBP and Matching Awards.

23. Share-based payments

The Group operates a number of share-based incentive schemes as detailed in Note 22 above. The fair value per award granted and the assumptions used in the calculations are as follows:

Date of grant	Type of award see Note 22 for terms	Number of awards	Exercise price (p)	Share price at grant date (p)	Fair value per award (p)	Expected volatility	Award life (years)	Risk free rate
20.02.03	CSOP	1,612,994	26.340	25.40	18.92	111%	4.25	3.8%
21.09.04	CSOP	2,257,681	14.000	13.50	8.95	93%	4.25	4.8%
21.02.05	CSOP	5,222,536	22.200	22.00	11.75	68%	4.25	4.7%
08.07.05	EIP Matching	1,336,038	1.000	18.50	11.17	44%	3.00	4.2%
20.09.05	CSOP	759,791	22.100	22.25	6.45	35%	4.25	4.3%
20.09.05	EIP Performance	1,890,880	1.000	22.25	14.38	35%	3.00	4.0%
24.02.06	CSOP	421,648	22.100	22.44	5.08	26%	4.25	4.2%
24.02.06	EIP Performance	2,573,171	1.000	22.44	14.50	26%	3.00	4.3%
07.06.06	EIP Performance	489,208	1.000	16.25	9.70	56%	3.00	4.7%
19.10.06	EIP Performance	2,775,395	1.000	26.75	22.18	92%	3.00	5.0%
19.10.06	EIP Performance	1,416,674	1.000	26.75	22.18	92%	3.00	5.0%
20.02.07	CSOP	410,208	45.500	49.75	24.68	62%	3.00	5.3%
20.02.07	EIP Performance	2,174,586	1.000	49.75	38.60	62%	3.00	5.3%
15.09.07	CSOP	821,745	31.750	32.00	13.99	55%	3.00	5.0%
15.09.07	EIP Performance	3,574,886	1.000	32.00	19.3	55%	3.00	5.0%
26.02.08	CSOP	824,171	28.500	28.75	13.36	61%	3.00	4.4%
26.02.08	ISO	194,549	28.750	28.75	13.28	61%	3.00	4.4%
26.02.08	EIP Performance	2,872,941	1.000	28.75	22.17	61%	3.00	4.4%
23.09.08	CSOP	1,723,625	20.750	20.75	9.10	56%	3.00	4.5%
23.09.08	ISO	718,046	20.250	20.75	9.20	56%	3.00	4.0%
23.09.08	EIP Performance	4,495,109	1.000	20.75	15.00	56%	3.00	4.4%
11.11.08	EIP Performance	1,078,740	1.000	20.25	15.60	54%	3.00	3.0%
19.02.09	EIP Performance	4,358,218	1.000	28.50	21.00	46%	3.00	1.8%
16.09.09	EIP Performance	3,752,684	0.000	30.00	19.11	40%	3.00	2.1%
16.09.09	EIP DSBP	1,911,370	0.000	30.00	30.00	47%	2.00	2.1%
23.10.09	EIP Matching	759,769	0.000	36.75	28.69	47%	3.00	2.1%
18.02.10	EIP Performance	2,894,734	0.000	35.50	23.25	38%	3.00	2.1%
17.06.10	CSOP	8,416,000	6.000	6.070	4.00	90%	3.00	1.9%
17.06.10	CSOP	15,000,000	6.000	6.070	3.70	90%	3.00	1.9%

A description of the key assumptions used in calculating the share-based payments follows:

1. The Monte Carlo valuation methodology was used.
2. Performance conditions have been incorporated into the Monte Carlo model in arriving at the fair value.
3. The expected volatility is based on historical volatility over a period of time prior to grant commensurate with the expected term of each award (or period since flotation if shorter) with more weight being placed on more recent share price movements.
4. Expected dividend yield is nil.
5. The risk free rate is equal to the prevailing UK Gilts rate at grant date, which is commensurate with the expected term.
6. The charge is spread over the expected vesting period on a straight-line basis.
7. In order to calculate the estimated leavers at the year ended 30 June 2005 for the CSOPs and EIP Performance Awards a figure of 15% pro rata for the unexpired period after 1 January 2005 was used. In the year ended 30 June 2007 CSOPs and EIP Performance Awards that had completed the three-year vesting period, or were within three months of their three-year vesting period, were charged based on the number of awards that could still vest. Given the higher number of leavers than anticipated, the remaining CSOPs and EIP Performance Awards were adjusted to a figure of 20% pro rated for the unexpired period after 1 January 2005. For the EIP Matching Awards granted in July 2005 the estimated leaver rate was assumed at 30%. This is higher than the CSOPs and EIP Performance Awards as these awards can lapse if a holder leaves employment but also if the holder remains in employment but sells their Invested Shares. In the year ending 30 June 2010 the leaver rate remained at 20% for all CSOPs and Performance Awards and 30% for Matching Awards.

The total charge for the year relating to employee share-based payment plans was £1,736,000 (£997,000 was charged to R&D and £739,000 was charged to administration) (2009: £1,345,000 (£780,000 was charged to R&D and £565,000 was charged to administration)), all of which related to the above equity-based transactions.

Certain Directors received part of their fees in shares, details of which are disclosed in Note 30 and in the Directors' remuneration report. The total charge for the year was £68,000 (2009: £45,000).

Subsequent share-based payment awards

On 3 August 2010 Glyn Edwards and Eric Dodd were granted awards under the DSBP over 1,016,667 and 666,667 shares respectively in Antisoma plc.

24. Share premium

Group and Company

	2010 £'000	2009 £'000
At 1 July	**119,783**	119,629
Issue of shares	**2,287**	154
At 30 June	**122,070**	119,783

25. Shares to be issued

Group and Company

	2010 £'000	2009 £'000
At 30 June	**–**	2,273

An additional issue of shares was required as part of the acquisition of Antisoma Inc. (formerly Xanthus Pharmaceuticals, Inc.) providing the pre-acquisition liabilities found post-acquisition did not exceed $375,000. The deferred consideration was issued in December 2009, 18 months after the closing date of the transaction.

26. Other reserves

Group

	Other reserve: retranslation £'000	Merger reserve £'000	Total £'000
At 1 July 2008	(1,259)	39,255	37,996
Foreign exchange adjustments on consolidation	8,923	–	8,923
At 30 June 2009	7,664	39,255	46,919
Foreign exchange adjustments on consolidation	1,000	–	1,000
At 30 June 2010	**8,664**	**39,255**	**47,919**

Company

	Merger reserve £'000
At 1 July 2008	64,894
Movement	(15,295)
At 30 June 2009	49,599
Movement	–
At 30 June 2010	**49,599**

The retranslation reserve relates to foreign exchange movements on consolidation.

The merger reserve at 1 July 2008 represents the reserves arising on the acquisition of Antisoma Research Ltd and the acquisition of Antisoma Inc. The movement on the merger reserve in the prior year represents the realisation of the reserve on the sale of Antisoma Inc. to Xanthus Pharmaceuticals, Inc. (an internal reorganisation).

27. Profit and loss account

Group

	2010 £'000	2009 £'000
At 1 July	**(83,240)**	(68,158)
Loss for the year	**(18,652)**	(16,427)
Share options: value of employee services	**1,736**	1,345
At 30 June	**(100,156)**	(83,240)

Company

	2010 £'000	2009 £'000
At 1 July	**21,217**	5,842
Loss for the year	**(124,807)**	(1,265)
Transfer from the merger reserve	**–**	15,295
Share options: value of employee services	**1,736**	1,345
At 30 June	**(101,854)**	21,217

28. Capital commitments

The Group and Company had no capital expenditure contracted for but not provided in the financial statements at 30 June 2010 (2009: £nil).

29. Financial commitments and contingencies

At 30 June 2010 the Group and Company had total commitments under non-cancellable operating leases as follows:

Group

	Land and buildings 2010 £'000	**Other 2010 £'000**	Land and buildings 2009 £'000	Other 2009 £'000
Total commitments under non-cancellable operating leases due:				
Within one year	**996**	**8**	1,101	7
Between one and two years	**868**	**6**	964	6
Between two and three years	**407**	**–**	868	–
Between three and four years	**–**	**–**	407	–
Between four and five years	**–**	**–**	–	–
After five years	**–**	**–**	–	–
	2,271	**14**	3,340	13

The Group leases offices and laboratories under non-cancellable operating lease agreements. The leases have various terms, escalation clauses and renewal rights. The Group also leases copier and fax machines under non-cancellable operating lease agreements.

Company

	Land and buildings 2010 £'000	Land and buildings 2009 £'000
Total commitments under non-cancellable operating leases due:		
Within one year	**658**	658
Between one and two years	**658**	658
Between two and three years	**407**	658
Between three and four years	**–**	407
Between four and five years	**–**	–
After five years	**–**	–
	1,723	2,381

30. Related party disclosures

During the two years ended 30 June 2010 the Directors of the Company subscribed for new ordinary shares of 1p each as follows:

Director	Number of shares subscribed	Price per share (p)	Date
Michael Pappas	16,304	23.000	07.07.08
Dale Boden	20,108	23.000	07.07.08
Michael Pappas	18,987	19.750	07.10.08
Eric Dodd	50,000	20.500	11.11.08
Michael Pappas	15,957	23.500	21.01.09
Michael Lewis	37,974	19.750	21.01.09
Michael Lewis	31,914	23.500	21.01.09
Michael Pappas	14,151	26.500	08.04.09
Michael Lewis	28,302	26.500	08.04.09
Michael Pappas	15,625	24.000	01.07.09
Michael Lewis	31,250	24.000	01.07.09
Michael Pappas	12,411	35.250	07.10.09
Michael Lewis	24,823	35.250	07.10.09
Barry Price	17,945	33.000	12.01.10
Michael Lewis	28,302	33.000	12.01.10
Birgit Stattin-Norinder	6,629	33.000	12.01.10
Barry Price	75,000	7.500	06.04.10
Michael Lewis	116,667	7.500	06.04.10
Birgit Stattin-Norinder	29,167	7.500	06.04.10
Barry Price	27,095	6.920	05.05.10
Michael Lewis	42,148	6.920	05.05.10
Birgit Stattin-Norinder	11,139	6.920	05.05.10
Barry Price	37,351	5.020	01.06.10
Michael Lewis	58,101	5.020	01.06.10
Birgit Stattin-Norinder	15,355	5.020	01.06.10

30. Related party disclosures continued

Subsequent share purchases

The Directors of the Company purchased new ordinary shares of 1p each, having elected to take a part of their fees in newly issued shares of the Company, as follows:

Director	Number of shares subscribed	Price per share (p)	Date
Barry Price	32,328	5.800	01.07.10
Michael Lewis	50,287	5.800	01.07.10
Birgit Stattin-Norinder	13,290	5.800	01.07.10

Transactions with Kudos Independent Financial Services Limited

Kudos Independent Financial Services Limited ('KIFS') is a related party because Michael Pappas is a Director of the Company and of KIFS. KIFS advises the Company in relation to pensions, permanent health insurance and life assurance and derives its income by way of commission from the suppliers of these products. No income is derived directly from the Company.

Transactions with Leventis Holding SA

Leventis Holding SA ('LH') is a related party as it was a substantial shareholder in Antisoma plc during the year under review. Michael Pappas is the representative of LH on the Board of Antisoma plc.

Antisoma Research Ltd formerly held leasehold premises at West Africa House, Ealing, UK. These offices were sub-leased from Leventis Overseas Limited (a subsidiary of LH). Rent has been charged on the space sub-leased by Antisoma Research Ltd during the year of £nil (2009: £29,000), with an additional annual service charge of £nil (2009: £2,000). The amount outstanding at the year-end was £nil (2009: £nil). Six months' notice of termination of the lease was given by Antisoma in February 2008.

Company

Under IFRS, transactions between the Company and the rest of the Group must be disclosed. The Company entered into the following transactions during the year with the rest of the Group:

	2010 £'000	2009 £'000
Inter-company receivable		
At 1 July	**128,688**	128,662
Impairment	**(117,341)**	
Additional amounts (repaid)/advanced	**(2,317)**	26
At 30 June	**9,030**	128,688
Inter-company payable		
At 1 July	**21,250**	–
Additional amounts (repaid)/advanced	**(21,250)**	21,250
At 30 June	**–**	21,250

Interest is not charged on the inter-company payable or receivable balances.

During the year the Company reviewed the recoverability of inter-company balances due from subsidiary undertakings. An impairment of £117,341,000 was made to the inter-company receivable.

The Company has issued share options to employees of subsidiary undertakings and in accordance with IFRS 2 has made a charge in the year of £1,736,000 (2009: £1,345,000).

During the year ended 30 June 2009, as part of an internal reorganisation of the Group, the Company purchased intangible assets from Antisoma Inc. (formerly Xanthus Pharmaceuticals, Inc.), a wholly owned subsidiary of the Company, for £34,201,000 and subsequently sold those assets to Antisoma Research Ltd, a wholly owned subsidiary of the Group, for £34,201,000. The Company also sold its investment in Antisoma Inc. (formerly Aptamera, Inc.), a wholly owned subsidiary, to Antisoma Inc. (formerly Xanthus Pharmaceuticals, Inc.), a wholly owned subsidiary, for £16,664,000.

The Company provides financing to its operating subsidiaries. Funding of £2,400,000 was provided to Antisoma Ventures Ltd during the prior financial year. Details of inter-company loans can be found in Notes 15 and 16.

Key management compensation is disclosed in Note 4. The Company's transactions with Directors are described on pages 49 and 50.

The Directors consider that there is no ultimate controlling party of the Company.

31. Post-employment benefits

The Group operates a defined contribution Group personal pension scheme for employees and Executive Directors in the UK and contributes to the 401k plans of its employees in North America. The total pension cost for the Group was £456,000 (2009: £733,000). The outstanding pension contributions at 30 June 2010 were £37,000 (2009: £34,000).

Notes

Notes

List of advisors

Financial advisor and broker
Piper Jaffray Ltd
One South Place
London
EC2M 2RB

Auditor
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Registrar
Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire
HD8 0GA

Legal advisor
CMS Cameron McKenna LLP
Mitre House
160 Aldersgate Street
London
EC1A 4DD

Executive remuneration advisor
Hewitt New Bridge Street
6 More London Place
London
SE1 2DA

Designed and produced by **Emperor Design Consultants Ltd**
Telephone **+44 (0)20 7729 9090 www.emperordesign.co.uk**

Antisoma plc
Chiswick Park Building 5
London W4 5YF
UK

T: +44 (0)20 3249 2100
F: +44 (0)20 3249 2101
E: enquiries@antisoma.com

Registered in England and Wales, no. 3248123