Antisoma plc Annual Report and Accounts 2011

ANTISOMA

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List of Advisors

Financial advisor and broker
CANACCORD | Genuity
7th Floor
Cardinal Place
80 Victoria Street
London SW1E 5JL

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

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Chairman's Statement

Overview

This has been a very difficult year for the Group. At the end of January we announced that the ACCEDE phase III trial of 1413 in Secondary Acute Myeloid Leukemia (secondary AML) had failed to meet its primary endpoint and its development would be discontinued. At the same time, we announced that early data from the Phase IIb of AS1411 in AML was likely to be inconclusive.

Having given careful consideration to our situation following these outcomes, a decision was taken to curtail any further investment in the Group's various development programmes and to reduce ongoing operating costs to a minimal level in order to conserve cash resources. These measures included a restructuring of the Board and the departure of the Group's Chief Executive and also of its Chief Financial Officer in February, followed by a redundancy programme under which the Group's permanent headcount was reduced to nil by the end of April. A small number of former employees were re-engaged to support the Group in a consultancy role during the final stages of the cost reduction process including the closure of the Group's two remaining premises in Chiswick Park, London and Cambridge, Massachusetts, USA.

During the last 6 months, the Board has sought options to exploit the Group's underlying intellectual property and has completed the sale of a phase II product, AS1402, to Biothera Inc, the sale of AS1411 to Advanced Cancer Therapeutics Inc, the sale of a preclinical programme in auto-Immune diseases to DCAM Pharma Inc and the disposal of some patent interests to CharlestonPharma LLC. The upfront proceeds of these disposals amounted to £0.25 million but two of these deals also have the potential to generate future royalties going forward if the related products are developed successfully.

As a result of the decision to curtail further investment in the Group's development programmes, impairment reviews were performed on the goodwill and intangible assets associated with these and their values were written down, resulting in a £58.2 million impairment charge.

Financial highlights

We finished the year with cash and short-term deposits of £12.3 million versus £32.1 million at the end of June 2010. The reduction in the Group cash and short-term deposits balance is discussed in more detail in the financial review on page 3. The Group's existing cash balances are expected to increase to approximately £14.2 million during the next quarter following receipt of outstanding recoverable balances, including an R&D tax credit due, and settlement of outstanding trade creditors and other payables.

Total revenues for the year ended 30 June 2011 were £1.2 million, compared with £20.3 million last year and included the second of five annual contingent payments of US$ 1 million each due under the oral fludarabine sale agreement.

The loss for the year before tax was £77.9 million (2010: £21.4 million) and included the cost of impairment of intangibles amounting to £58.2 million (2010: £1.3 million) and restructuring costs of £3.1 million on redundancy and property lease terminations (2010: £2.2 million).

Net assets at 30 June 2011 amounted to £12.5 million versus £ 80.5 million at 30 June 2010.

Board and management changes

As part of the restructuring, our Chief Executive Officer, Glyn Edwards, our Chief Financial Officer, Eric Dodd, our Non-Executive Chairman Barry Price and Birgit Stattin-Norinder, a Non-Executive Director, all left the Group and the Antisoma Board between the end of February and 1 March 2011 and I took on the role of Non- Executive Chairman at that time. In addition, Michael Bretherton, who is a director of one of our significant shareholders, ORA Capital Partners Limited, was appointed as a new Non-Executive Director on 1 March 2011.

Outlook

The Group benefits from a solid statement of financial position whilst now running a low cost base. The Directors are continuing to evaluate a range of new commercial and acquisition opportunities and I am hopeful that we will be successful in exploiting such an opportunity during the current year in order to generate value for shareholders.

Grahame Cook

26 July 2011

Financial review

The following review should be read in conjunction with the consolidated financial statements and related notes on pages 22 to 56 of this Annual Report.

Overview
Following the decision to stop development of AS1413 and AS1411, Antisoma took measures to conserve its cash resources by reducing costs, extinguishing liabilities and divesting assets.

These measures have included headcount reductions (the Group had no employees at 30 June 2011) and the closure of the Group's offices in Chiswick Park, London and Cambridge, Massachusetts, USA, and the cessation of funding on all development programmes.

The Board also sought options to exploit the Company's underlying intellectual property and has completed the sale of most of the Group's development products. The upfront proceeds of these disposals amounted to £0.25 million but two of these deals also have the potential to generate future royalties going forward if the related products are developed successfully.

Results of operations
Revenues
The Group recorded revenues totalling £1.2 million compared with £21.4 million last year and included the second of five annual contingent payments of £624,000 (US$1 million) each due under the oral fludarabine sale agreement. In May 2009, the Group divested US rights to oral fludarabine for an up-front payment of US$60.0 million (£39.4 million, of which £20.3 million was recognised as revenue in 2010) and five further annual payments of US$1 million contingent on the absence of generic competition to the product in the marketplace.

Restructuring and impairment costs
As a result of the decision to curtail any further investment in the Group's development programmes, impairment reviews were performed on the goodwill and intangible assets associated with these and their values were written down to the recoverable amount with a consequent impairment charge cost of £58.2 million in the year (2010: £1.3 million).

In addition, the cost of the restructuring to implement headcount reductions and the closure of the Group's premises in Chiswick Park, London and Cambridge, Massachusetts amounted to £3.1 million, comprising redundancy costs of £2.0 million and property lease termination costs of £1.1 million (2010: total restructure costs £2.2 million relating to closure of Group laboratories and redundancies).

Trading result
The loss for the year before tax was £77.9 million (2010: £21.4 million) and included cost of impairment of intangibles and restructuring costs of redundancy and property lease terminations as described above.

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 £1.4 million of income in the current year (2010: £2.7 million) in respect of R&D tax credits that will be claimed as cash rebates.

During the year the whole of the deferred tax payable balance of £7.2 million was released as a credit to income (2010: £nil) reflecting impairment of the related intangible goodwill assets balance down to nil.

Liquidity and capital resources
Cash, cash equivalents and short-term deposits at 30 June 2011 were £12.3 million versus £32.1 million at the end of June 2010.

In managing the Group's cash resources in the current economic environment, we have maintained a conservative treasury policy. Net assets at 30 June 2011 amounted to £12.5 million versus £80.5 million at 30 June 2010.

Christopher Hill
Company Secretary

26 July 2011

Board of Directors

Grahame Cook, MA, FCA, Chairman
Grahame, 53, was appointed Non-Executive Director in July 1999 and became Chairman in March 2011. 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 a non-executive director of Sinclair IS Pharma plc, MDY plc, Minoan plc, Morphogenesis Inc and C5 Capital Limited.

Michael Pappas, LLB, CA, Non-Executive Director
Michael, 55, 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.

Dale Boden, BA, Non-Executive Director
Dale, 54, 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.

Michael Lewis, Non-Executive Director
Michael, 52, 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 Lugano, Switzerland. Mr Lewis has also held senior commercial positions at Boston Scientific International in Paris and CR Bard in New Jersey. Michael is currently Chairman of Ranier Technology and a Director of Luminate Ltd.

Michael Bretherton, Non-Executive Director
Michael, 55, was appointed as a Non-Executive Director of the Company in March 2011. He is Finance Director of ORA Capital Partners Limited, an investment company operating principally in the technology, resources and financial services sectors. In addition, Michael is Chairman of Oxford Advanced Surfaces Group Plc and is a director of Tissue Regenix Group plc, Nanoco Group plc, Obtala Resources Limited and Oxford Pharmascience Group plc, all of which are AIM listed. He has a degree in Economics from Leeds University and is a member of the Institute of Chartered Accountants in England and Wales. His early career included working as an accountant and manager with PriceWaterhouse for 7 years in London and the Middle East, followed by finance roles at the Plessey Company plc, Bridgend Group plc, Mapeley Limited and Lionhead Studios Limited.

Directors' Report

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 2011.

PRINCIPAL ACTIVITY

The Antisoma Group is a speciality biopharmaceutical group which has just completed a restructuring exercise and the Board is now in the process of evaluating a range of new commercial and acquisition opportunities.

BUSINESS REVIEW

Review and future developments

A full review of the business and future developments is given in the Chairman's Statement on page 2 and the Financial Review on page 3.

Principal risks and uncertainties

The principal risks facing the Group at 30 June 2011 concern financial risks associated with its cash balances. See note 19 for further details.

DIVIDENDS

No interim dividend (2010: £nil) was declared during the year and the Directors do not recommend payment of a final dividend in respect of the year ended 30 June 2011 (2010: £nil).

DIRECTORS

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

Executive Directors	Non-Executive Directors
Glyn Edwards (Resigned 28 February 2011)	Grahame Cook (Chairman, Independent)*
Eric Dodd (Resigned 28 February 2011)	Michael Pappas
	Dale Boden (Independent)
	Michael Lewis (Independent)
	Michael Bretherton (Appointed 01 March 2011)
	Birgit Stattin-Norinder (Independent) (Resigned 01 March 2011)
	Barry Price (Chairman, Independent) (Resigned 01 March 2011)

* Grahame Cook was previously a Non-Executive Director of the Company and took on the role of Non-Executive Chairman on 1 March 2011.

Biographical details of the current directors are given on page 4.

DIRECTORS' INTERESTS

The interests of Directors in the shares and options of the Company as at 30 June 2011 are given in the Report of the Board on remuneration on pages 8 to 14. 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 pages 10 and 11 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 per cent. or more of the issued ordinary share capital of the Company as at 15 July 2011.

Shareholder Holding	Number of ordinary shares	%
ORA (Guernsey) Limited	128,098,385	20.04
BVF Partners	44,771,610	7.00
Leventis Holding SA	44,402,831	6.95
Gartmore Investment Management	27,050,000	4.23

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 per cent. notification threshold.

Directors' Report (continued)

EMPLOYEES

When applicable, the Directors are committed to continuing involvement and communication with employees on matters affecting both the employees and the Company.

HEALTH, SAFETY AND ENVIRONMENT

The Directors are committed to ensuring the highest standards of health and safety, both for 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.

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 nil days purchases (2010: 8). 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 Board considers cash to be the Group's sole financial KPI. This is detailed in the Financial review on page 3. The Group's principal non-financial KPI is the number of drugs under development and the development stage reached by those drugs. After the failure of AS1413 and AS1411 (as described in the Chairman's statement on page 2), the Group no longer has any drugs under development.

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 can be found in the Corporate Governance report on pages 15 to 19 and in the explanatory notes to the Notice of the Annual General Meeting which will be posted to shareholders separately. 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.

Preference shares carry no right to attend or vote at any general meetings of shareholders as described in note 21.

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 60 per cent. (2010: 59 per cent.); preference shares 40 per cent. (2010: 41 per cent.).

- 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 Annual General Meetings. The rights and obligations attaching to the Company's preference shares are summarised in Note 21 of the financial statements.

- 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 per cent. 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. The Directors must offer themselves for re-election at each Annual General Meeting.
- 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 Annual General Meeting held on 16 November 2010.
- 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 12.
- Major interests (i.e. those greater than 3 per cent.) of which the Company has been notified are shown on page 5.

ANNUAL GENERAL MEETING

The Notice convening the next Annual General Meeting, which is expected to take place in September 2011 at the offices of CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London EC1A 4DD, will be posted to shareholders separately nearer the time.

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

Christopher Hill
Company Secretary

26 July 2011

Report of the Board on Remuneration

This part of the remuneration report is unaudited

Introduction

This report complies with the UK Corporate Governance Code on Corporate Governance published in June 2010 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 September 2011.

Policy

The Group currently has no permanent employees and the remuneration policies listed below apply to the year ended 30 June 2010 and to the part of the current year when the Group retained employees. As and when the Group takes on permanent employees in the future, new but similar policies will be developed by the Remuneration Committee as appropriate.

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 UK Corporate Governance 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.

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 16. The Remuneration Committee, which met three 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 were 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.

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 had 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 contributed 12.5 per cent. 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 operated 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. The maximum potential bonus for full achievement of personal and corporate objectives was 60 per cent. of salary for the Chief Executive Officer and 30 per cent. for other Executive Directors. For exceptional performance, as determined by the Remuneration Committee, the maximum potential bonus may be increased to 85 per cent. for the Chief Executive Officer and to 60 per cent. for other Executive Directors. 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 (the long-term incentive primarily operated for the Management Group), a Company Share Option Plan and a Deferred Share Bonus Plan.

The Executive Incentive Plan offers shares that vest on a sliding scale after 3 years provided total shareholder return is better than median with full vesting at upper quartile.

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

The Deferred Share Bonus Plan 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 eliminated 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 peer group was worse.

(a) *Executive Incentive Plan*

Prior to the restructuring referred to in the Chairman's statement and the Directors' report, the Group adopted a long-term incentive scheme following approval by shareholders in November 2003; this is known as the Executive Incentive Plan (the 'EIP'). For the year ended 30 June 2011 the Remuneration Committee 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 were two types of award, Performance Share Awards and Matching Awards, which were 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 were granted twice a year following the release of the Group's preliminary year-end and interim results. Matching Awards were 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 were limited in value to 33 per cent. of an employee's salary each year.
- All employees of the Group were eligible to participate in the EIP at the discretion of the Remuneration Committee.
- An award normally vested no earlier than the third anniversary of its grant to the extent that the applicable performance condition (see below) was been satisfied, the participant is still employed by the Group and, in the case of Matching Awards, the Invested Shares have been retained. It would then remain capable of exercise for a period of three years.
- The value of Performance Share Awards granted under the EIP to current employees was limited to 200 per cent. of base salary in any financial year.
- Performance Share Awards vested 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 ranked below median on the third anniversary the performance target will not have been met and the Performance Share Award would lapse. Where the TSR ranks between median and upper quartile the Performance Share Award would vest pro-rata between 25 per cent. and 100 per cent. There was 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

Report of the Board on Remuneration (continued)

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 per cent. and 100 per cent. 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 per cent. 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 encouraged employees to retain their Invested Shares for at least five years and tried to ensure 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 13 and 14, 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 August 2010.

(1) The selected list of comparator companies set for the Performance Share Awards in the year 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 IS Pharma, Silence Therapeutics, Vectura Group, Vernalis and Verona Pharma.

(b) *Deferred Share Bonus Plan*

Shareholders approved the Deferred Share Bonus Plan (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 per cent. 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 August 2010.

(c) *Company Share Option Plan*

Shareholders approved the Company Share Option Plan (the 'CSOP') at the 2008 AGM following the expiry of the 1998 Company Share Option Plan (the '1998 CSOP'). All employees (including Executive Directors) were 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 per cent. of base salary. For awards granted to Executive Directors, 25 per cent. 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 per cent., increasing on a straight-line basis so that 100 per cent. 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 per cent. 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 that served during the year (Glyn Edwards – dated 16 March 1998; Eric Dodd – dated 28 October 2008):

- were not of a fixed-term duration;

- were 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
- were 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.

Glyn Edwards was made redundant and resigned as a Director of Antisoma plc with effect from 28 February 2011. The Company paid Mr Edwards £416,000 in lieu of salary, in accordance with the terms of his service contract, and redundancy.

Eric Dodd was made redundant and resigned as a Director of Antisoma plc with effect from 28 February 2011. The Company paid Mr Dodd £251,000 in lieu of salary and benefits, in accordance with the terms of his service contract, and 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 at the Annual General Meeting of Non-Executive Directors are: 1 June 2009 for Grahame Cook and Michael Pappas; 16 November 2010 for Dale Boden and Michael Lewis and 1 March 2011 for Michel Bretherton. Non-Executive Directors do not have service contracts. All of the Non-Executive Directors are proposed for re-election at the Annual General Meeting to be held in September 2011. Biographical details of the Non-Executive Directors proposed for re-appointment are included on page 4.

Report of the Board on Remuneration (continued)

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 £'000	Monetary value of benefits[1] £'000	Termination pay[3] £'000	Total excluding pensions £'000	2011 Pensions[3] £'000	2010 Total excluding pensions £'000	2010 Pensions £'000
Glyn Edwards (resigned 28/2/11)	203	–	10	416	629	25	319	38
Ursula Ney	–	–	–	–	–	–	599	26
Eric Dodd (resigned 28/2/11)[4]	133	20	9	251	413	17	213	25
Barry Price (resigned 1/3/11)	48	–	–	–	48	–	90	–
Grahame Cook	33	–	–	–	33	–	37	–
Michael Pappas	29	–	–	–	29	–	34	–
Dale Boden	29	–	–	–	29	–	37	–
Birgit Norinder (resigned 1/3/11)	23	–	–	–	23	–	36	–
Michael Lewis	31	–	–	–	31	–	35	–
Michael Bretherton (appointed 1/3/11)	3	–	–	–	3	–	–	–
	532	20	19	667	1,238	42	1,400	89

(1) Executive Directors' benefits include a car allowance and private health insurance.

(2) Glyn Edwards was made redundant and resigned as a Director of Antisoma plc with effect from 28 February 2011. The Company paid Mr Edwards £310,865 in lieu of salary, in accordance with the terms of his service contract, and £105,577 redundancy. Eric Dodd was made redundant and resigned as a Director of Antisoma plc with effect from 28 February 2011. The Company paid Mr Dodd £238,000 in lieu of salary and benefits, in accordance with the terms of his service contract, and £12,538 redundancy.

(3) 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.

(4) Following Mr Dodd's resignation, he was engaged by the Group to act on a consultancy basis. For the period from 1 March to 30 June 2011 the Group paid £131,000 to Westcountry Financial Management Limited, a company in which Mr Dodd is the sole director.

Directors' interests in shares (unaudited)

The interests of the Directors in the shares of the Company on 30 June 2011, all of which were beneficially held, are set out below:

	Ordinary shares of 1p each 30.06.11	30.06.10
Barry Price	n/a	950,468
Glyn Edwards	n/a	2,300,000
Eric Dodd	n/a	110,000
Grahame Cook	1,125,540	1,125,540
Michael Pappas[1]	915,220	915,220
Dale Boden[2]	794,111	794,111
Michael Lewis	601,910	397,694
Birgit Stattin-Norinder	n/a	62,290
Michael Bretherton[3]	200,000	n/a

(1) Michael Pappas' total holdings include a beneficial interest totalling 751,785 ordinary Antisoma shares held by Barclayshare Nominees. Michael Pappas has a relationship with Leventis Holdings SA, which has a holding of 44,402,831 shares in the Company at 30 June 2011.

(2) Dale Boden's total holdings include a beneficial interest totalling 338,469 ordinary Antisoma shares held by BF Capital, BFC III Ltd.

(3) Michael Bretherton's total holdings include a beneficial interest totalling 200,000 ordinary Antisoma shares held by Barclayshare Nominees. Michael Bretherton is a director of ORA Capital Partners Limited which also has a holding of 128,098,385 shares in the Company at 30 June 2011.

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 2011. Note 28 provides details of transactions with Directors up to 22 July 2011.

Three Non-Executive Directors, Barry Price (resigned 1 March 2011), Birgit Stattin-Norinder (resigned 1 March 2011) 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 ordinary 1p shares are set out below:

Glyn Edwards

Date of grant	At 30.06.10	Granted in the year	Exercised	Lapsed in the year	At 30.06.11	Price per share	Date from which exercisable	Expiration date
1998 CSOP Options								
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	–	–	(885,827)	–	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
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	–	(454,909)	(235,332)	–	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
Deferred Share Bonus								
03.08.10	–	1,016,667	(338,889)	(677,778)	–	0p	03.08.11	03.08.12
TOTAL	15,054,767	1,016,667	(2,912,163)	(13,180,271)	–	–	–	–

Eric Dodd

Date of grant	At 30.06.10	Granted in the year	Exercised	Lapsed in the year	At 30.06.11	Price per share	Date from which exercisable	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
Deferred Share Bonus								
03.08.10	–	666,667	(222,222)	(444,445)	–	–	03.08.11	03.08.12
TOTAL	5,655,761	666,667	(222,222)	(6,100,206)	–	–	–	–

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

Report of the Board on Remuneration (continued)

* 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.

All of the above Incentive Plan Invested Shares/Matching Awards lapsed in the year (2010: nil).

No options were exercised by the Directors and no options were cancelled or expired during the year other than as stated above.

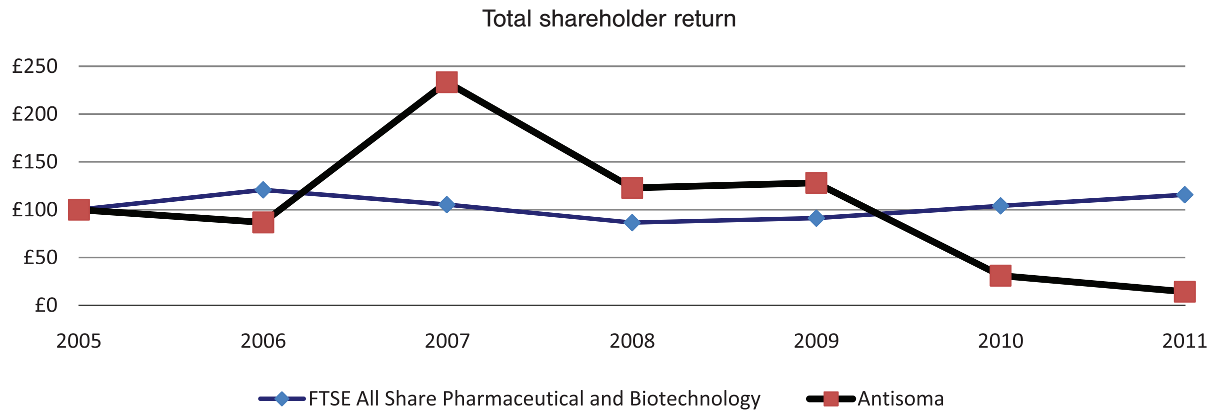
Total gains made by directors on the exercise of share options in the year were £43,000 (2010: nil).

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.

The market price of the Company's shares at 30 June 2011 was 2.5p (30 June 2010: 5.8p) on the London Stock Exchange and the range of market prices during the year was between 2.2p and 6.9p.

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 per cent. 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 2011, the Company had used 6.6 per cent. (2010: 5.2 per cent.) out of the 10 per cent. available (all of which was granted between 18 November 2008 and 30 June 2011). Had a dilution limit of 10 per cent. over the previous 10 years been operated, dilution would be 11.6 per cent. at 30 June 2011 (2010: 10.2 per cent.).

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 2011 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.



This graph shows the value, by the end of June 2011, 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

26 July 2011

Corporate Governance

The Group seeks to follow best practice in corporate governance and has complied throughout the year with all relevant provisions set out in section 1 of the UK Corporate Governance Code, 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 Code.

Due to the effects of the restructuring in the current year, the Group did not have in appointment a Senior Independent Non-executive Director constantly throughout the year, thus contravening provision A.4.1 of the UK Corporate Governance Code.

The Chairman of the Board of Directors, Grahame Cook, also chairs the Audit Committee. This composition is not in line with provision C.3.1 of the UK Corporate Governance Code but was deemed appropriate given Mr Cook's expertise in financial and accounting matters.

Board of Directors

At 30 June 2011, the Board consists of solely Non-Executive directors due to the cessation of operational aspects of the Group. The Non-Executive Director, Michael Pappas, acts as the Chief Executive Officer in the absence of Executive directors. The Chairman is responsible for the leadership of the Board and for ensuring its effectiveness.

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 2011, the Board of Directors comprised: a Non-Executive Chairman, Grahame Cook and four Non-Executive Directors, Dale Boden, Michael Lewis, Michael Pappas and Mike Bretherton, of whom Grahame Cook, Dale Boden and Michael Lewis are regarded as independent. As noted on page 12, as at 30 June 2011, 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, Michael Lewis had an interest in 601,910 ordinary shares and Michael Bretherton had an interest in 200,000 ordinary shares. As at 20 July 2011, no Directors have acquired an additional interest in the ordinary shares or share options of the Company since 30 June 2011. In the opinion of the Board these shareholdings do not impair their independent status as none of them constitute a substantial shareholding. As stated in Note 28, 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, Michael Bretherton is Finance Director of ORA Capital Partners Limited, which is a major shareholder in the Group. 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 Graham Cook's independence of character or judgement because of the small personal shareholding. Biographical details of Directors are given on page 4.

The current Senior Independent Director is Dale Boden.

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.

There were 8 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 held 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

Corporate Governance (continued)

professional development. The Board are provided with all relevant information in a timely manner to enable members to discharge their duties effectively.

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 against applicable codes of best practice. 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 the past Executive Directors. The performance of the ex-Chief Executive was reviewed by the Chairman and discussed with the Remuneration Committee by reference to achievement of individual and Company objectives.

The performance of other ex-Executive Directors was reviewed and monitored by the Chairman and Remuneration Committee. All Board members are submitted for re-election regularly, subject to meeting satisfactory performance standards as detailed above. As such, all of the Board members are subject to re-election at the Annual General Meeting to be held in September 2011. Biographical details of the directors are disclosed on page 4.

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. 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 three times during the year, with the Company's external auditors and the former 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 Audit Committee has primary responsibility for making a recommendation on the appointment, reappointment and removal of the external auditor.

When applicable, the Remuneration Committee recommended to the Board the compensation policy and strategy for the Group as a whole and specifically for Executive Directors and senior management. It also approved 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 Stattin-Norinder and Michael Lewis were members during the year. The Report of the Board on remuneration is set out on pages 8 to 14. Two 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. Dale Boden and Michael Lewis are also members of the committee. 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 in the year ended 30 June 2011
The Board attended the following Board meetings and committees:

Board/Committee member	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings
Barry Price	5/5	n/a	n/a	1/1
Glyn Edwards	5/5	n/a	n/a	1/1
Eric Dodd	5/5	n/a	n/a	n/a
Grahame Cook	8/8	3/3	n/a	1/1
Michael Pappas	8/8	n/a	n/a	1/1
Birgit Stattin-Norinder	5/5	n/a	2/2	1/1
Dale Boden	8/8	2/3	2/2	1/1
Michael Lewis	8/8	3/3	2/2	1/1
Michael Bretherton	3/3	2/2	n/a	n/a

Relationship with shareholders
The Group 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.

The Board takes steps to understand the views of major shareholders. This is achieved through direct feedback from significant shareholders and feedback from the Group's brokers and financial advisors. Non-Executive Directors together with the Chairman of the Board 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 Group 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 and the Non-Executive Directors, and the Group's relatively small size and curtailed operations, the Board does not consider it appropriate to have an internal audit function.

The Board is responsible for ensuring that there are effective internal controls over the financial reporting and consolidation processes. Regular testing of the controls in place occurs to ensure that they operate effectively and as planned. Monthly accounts and forecasts are presented to the Board for review. Prior to the reorganisation, the finance team undertook a programme of review of accounting processes and Group performance to provide assurance to the Board on the integrity of the information supplied, which forms part of the consolidated results of the Group. Since the date of the last such report, the Group faces no new significant risk areas. No significant weaknesses were discovered during the process and the Board believes that the internal controls operate effectively. The system of controls will continue to be monitored closely going forward.

Corporate Governance (continued)

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 pages 6 and 7.

Articles of Association

The Company's Articles of Association may only be amended by a special resolution at a general meeting of shareholders.

Going concern

As at 30 June 2011 the Company and Group had cash and liquid resources of £12.3 million available. 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

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 United Kingdom 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 EU, 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.

- 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.

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

By order of the Board

Christopher Hill
Company Secretary

26 July 2011

Independent Auditors' Report to the Members of Antisoma plc

We have audited the financial statements of Antisoma Plc for the year ended 30 June 2011 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 pages 18 and 19, 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 and express an opinion on 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. In addition, we read all the financial and nonfinancial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 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 Statement set out on pages 15 to 19 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; or
- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the parent company.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 18, in relation to going concern;
- the parts of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

Stephanie Hyde (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

26 July 2011

Consolidated Income Statement

For the year ended 30 June 2011

	Notes	2011 £'000	2010 £'000
Revenue	2	1,178	20,346
Research and development expenditure		(16,241)	(34,239)
Administrative expenses		(4,651)	(7,888)
Impairment of intangible assets		(58,197)	(1,261)
Operating loss	6	(77,911)	(23,042)
Finance income	5	52	1,678
Loss before taxation		(77,859)	(21,364)
Taxation	8	8,542	2,712
Loss for the year	25	(69,317)	(18,652)
Loss per ordinary share			
Basic	10	(10.9)p	(3.0)p
Diluted	10	(10.9)p	(3.0)p

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2011

	Notes	2011 £'000	2010 £'000
Loss for the year	25	(69,317)	(18,652)
Exchange translation difference on consolidation		(382)	1,000
Total comprehensive expense for the year		(69,699)	(17,652)

Consolidated Statement of Financial Position

As at 30 June 2011

	Notes	2011 £'000	2010 £'000
ASSETS			
Non-current assets			
Goodwill	11	–	7,353
Intangible assets	12	–	51,824
Property, plant and equipment	13	–	1,173
		–	60,350
Current assets			
Trade and other receivables	15	883	2,106
Current tax receivable		1,463	3,614
Short-term deposits	19	–	21,965
Cash and cash equivalents	19	12,312	10,098
		14,658	37,783
LIABILITIES			
Current liabilities			
Trade and other payables	16	(316)	(7,220)
Current tax payable		(1)	–
Provisions	20	(1,806)	(3,071)
Net current assets		12,535	27,492
Total assets less current liabilities		12,535	87,842
Non-current liabilities			
Deferred tax liabilities	17	–	(7,353)
Provisions	20	–	(28)
		–	(7,381)
Net assets		12,535	80,461
Shareholders' equity			
Share capital	21	10,725	10,628
Share premium	23	122,091	122,070
Other reserves	24	8,282	47,919
Accumulated losses	25	(128,563)	(100,156)
Total shareholders' equity		12,535	80,461

Approved by the Board of Directors on 26 July 2011 and signed on its behalf by:

Grahame Cook
Chairman

Company number – 03248123

Company Statement of Financial Position

As at 30 June 2011

	Notes	2011 £'000	2010 £'000
ASSETS			
Non-current assets			
Investments in subsidiaries	14	12,838	71,432
Trade and other receivables	15	–	9,030
		12,838	80,462
Current assets			
Trade and other receivables	15	–	8
Cash and cash equivalents		25	25
		25	33
LIABILITIES			
Current liabilities			
Trade and other payables	16	(20)	(52)
Net current assets/(liabilities)		5	(19)
Net assets		12,843	80,443
Shareholders' equity			
Share capital	21	10,725	10,628
Share premium	23	122,091	122,070
Other reserves	24	–	49,599
Accumulated losses	25	(119,973)	(101,854)
Total shareholders' equity		12,843	80,443

Approved by the Board of Directors on 26 July 2011 and signed on its behalf by:

Grahame Cook
Chairman

Company number – 03248123

Consolidated Statement of Changes in Equity

As at 30 June 2011

Group	Note	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 2009		10,480	119,783	2,273	7,664	39,255	(83,240)	96,215
Total comprehensive expense 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
At 1 July 2010		10,628	122,070	–	8,664	39,255	(100,156)	80,461
Total comprehensive expense for the year		–	–	–	(382)	–	(69,317)	(69,699)
New share capital issued	21	97	21	–	–	–	–	118
Reserve transfer	24	–	–	–	–	(39,255)	39,255	–
Share options: value of employee services	22	–	–	–	–	–	1,655	1,655
At 30 June 2011		10,725	122,091	–	8,282	–	(128,563)	12,535

Company Statement of Changes in Equity

As at 30 June 2011

Company	Note	Share capital £'000	Share premium £'000	Shares to be issued £'000	Other reserve: merger £'000	Profit and loss £'000	Total £'000
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
At 1 July 2010		10,628	122,070	–	49,599	(101,854)	80,443
Total comprehensive expense for the year		–	–	–	–	(69,373)	(69,373)
New share capital issued	21	97	21	–	–	–	118
Reserve transfer	24	–	–	–	(49,599)	49,599	–
Share options: value of employee services	22	–	–	–	–	1,655	1,655
At 30 June 2011		10,725	122,091	–	–	(119,973)	12,843

Consolidated Statement of Cash Flows

For the year ended 30 June 2011

	2011 £'000	2010 £'000
Cash flows from operating activities		
Loss for the year	(69,317)	(18,652)
Adjustments for:		
Foreign exchange	494	(779)
Finance income	(52)	(1,678)
Tax credit	(1,380)	(2,712)
Deferred tax credit	(7,162)	–
Impairment of intangible assets	58,197	1,261
Disposal of intangible assets	250	–
Depreciation of property, plant and equipment	391	673
Loss on disposal of property plant and equipment	804	534
Share-based payments	1,655	1,736
Operating cash outflows before movement in working capital	(16,120)	(19,617)
Decrease/(increase) in trade and other receivables	1,238	(420)
Decrease in trade and other payables	(8,363)	(19,089)
Cash used in operations	(23,245)	(39,126)
Interest received	118	442
Taxation received	3,531	2,582
Net cash used in operating activities	(19,596)	(36,102)
Cash flows from investing activities		
Purchase of property, plant and equipment	(121)	(459)
Disposal of property, plant and equipment	89	68
Sale of short-term deposits	21,965	5,859
Net cash generated from investing activities	21,933	5,468
Cash flows from financing activities		
Proceeds from issue of ordinary share capital	118	162
Net cash generated from financing activities	118	162
Net increase/(decrease) in cash and cash equivalents	2,455	(30,472)
Exchange (losses)/gains on cash and bank overdrafts	(241)	1,355
Cash and cash equivalents at beginning of year	10,098	39,215
Cash and cash equivalents at end of year	12,312	10,098

Company Statement of Cash Flows

For the year ended 30 June 2011

	2011 £'000	2010 £'000
Cash flows from operating activities		
Loss for the year	(69,373)	(124,807)
Finance income	(109)	(18,609)
Impairment of investments	60,249	26,241
Operating cash outflows before movement in working capital	(9,233)	(117,175)
Decrease in trade and other receivables	9,037	119,658
Decrease in trade and other payables	(32)	(21,255)
Cash used in operations	(228)	(18,772)
Finance income	110	18,610
Net cash used in operating activities	(118)	(162)
Cash flows from financing activities		
Proceeds from issue of ordinary share capital	118	162
Net cash generated from financing activities	118	162
Net movement in cash and cash equivalents	–	–
Cash and cash equivalents at beginning of year	25	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 Mitre House, 160 Aldersgate Street, London EC1A 4DD.

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 EU, and International Financial Reporting Interpretation Committee interpretations ('IFRIC') and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

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

ADOPTION OF NEW ACCOUNTING STANDARDS

Standards, amendments and interpretations effective up to 30 June 2011

Annual improvements to IFRSs (2009) (effective 1 January 2010). This is a collection of amendments to 12 standards as part of the IASB's programme of annual improvements. The standards impacted are:

- IFRS 2, 'Share based payment'.
- IFRS 5, 'Non-current assets held for sale and discontinued operations'.
- IFRS 8, 'Operating segments'.
- IAS 1, 'Presentation of financial statements'.
- IAS 7, 'Statement of cash flows'.
- IAS 17, 'Leases'.
- IAS 18, 'Revenue'.
- IAS 36, 'Impairment of assets'.
- IAS 38, 'Intangible assets'.

Most of the amendments are effective for annual periods beginning on or after 1 January 2010; early adoption is permitted.

Amendment to IFRS 2, 'Share-based payments – Group cash-settled payment transactions' (effective 1 January 2010).

Standards, amendments and interpretations effective up to 30 June 2011 but not relevant to the Group

Annual improvements to IFRSs (2009) (effective 1 January 2010). This is a collection of amendments to 12 standards as part of the IASB's programme of annual improvements. The standards impacted but not relevant to the Group are:

- IFRIC 9, 'Reassessment of embedded derivatives'.
- IAS 39, 'Financial instruments: Recognition and measurement'.
- IFRIC 16, 'Hedges of a net investment in foreign operation'.

Most of the amendments are effective for annual periods beginning on or after 1 January 2010; early adoption is permitted.
Amendment to IFRS 1, 'First-time adoption', on 'Additional exemptions' (effective 1 January 2010).

Amendment to IFRS 1, 'First time adoption', on financial instrument disclosures (effective 1 July 2010).

Amendments IAS 32, 'Financial instruments: Presentation', on 'Classification of rights issues' (effective 1 February 2010).

IFRIC 15, 'Agreements for construction of real estate' (effective 1 January 2009; EU-endorsed for annual periods beginning on or after 1 January 2010). This interpretation clarifies which standard (IAS 18, 'Revenue', or IAS 11, 'Construction contracts') should be applied to particular transactions.

IFRIC 18, 'Transfer of assets from customers' (effective for transfers of assets from customers received on or after 1 July 2009; EU-endorsed for use in annual periods beginning on or after 31 October 2009).

IFRIC 19, 'Extinguishing financial liabilities with equity investments' (effective 1 July 2010).

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

Annual improvements 2010. This set of amendments includes changes to six standards and one IFRIC. It is based on the exposure draft issued in August 2009, with an additional change to IFRS 1, 'First-time adoption of IFRS', which was exposed as part of the 'rate-regulated activities' proposals issued in July 2009. Effective for annual periods beginning on or after 1 January 2011.

Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in Other comprehensive income (OCI) on the basis of whether they are potentially recycled to profit or loss (reclassification adjustments). The amendments do not address which items are presented in OCI. Effective for annual periods beginning on or after 1 July 2012.

IFRS 10, 'Consolidated financial statements This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. This new standard might impact the entities that a group consolidates as its subsidiaries. Effective for annual periods beginning on or after 1 January 2013.

IFRS 13, 'Fair value measurement'. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. Effective for annual periods beginning on or after 1 January 2013.

IAS 27 (revised 2011), 'Separate financial statements'. This standard includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10. Effective for annual periods beginning on or after 1 January 2013.

Interpretations and amendments to existing standards that are not yet effective and not relevant for the Group's operations

Amendment to IAS 24, 'Related party disclosures'. Effective for annual periods beginning on or after 1 January 2011.

Amendments to IFRS 7, 'Financial instruments: Disclosures' on de-recognition. Effective for annual periods beginning on or after 1 July 2011.

Amendment to IFRS 1, 'First time adoption', on fixed dates and hyperinflation. Effective for annual periods beginning on or after 1 July 2011.

Amendment to IAS 12, 'Income taxes' on deferred tax. Effective for annual periods beginning on or after 1 January 2012.

IFRS 11, 'Joint arrangements'. Effective for annual periods beginning on or after 1 January 2013.

Amendment to IAS 19,'Employee benefits'. Effective for annual periods beginning on or after 1 January 2013.

IFRS 12, 'Disclosures of interests in other entities'. Effective for annual periods beginning on or after 1 January 2013.

IFRS 9, 'Financial instruments' – classification and measurement'. Effective for annual periods beginning on or after 1 January 2013.

IAS 28 (revised 2011), 'Associates and joint ventures'. Effective for annual periods beginning on or after 1 January 2013.

Amendment to IFRIC 14, 'Prepayments of a minimum funding requirement'. Effective for annual periods beginning on or after 1 January 2011.

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

Notes to the Consolidated Financial Statements (continued)

the financial statements, such as share based payment expense (note 22). Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial information of the Company and all its subsidiary undertakings. Subsidiary entities are entities over which the Group has control to govern the financial and operating policies of that entity. Subsidiaries are consolidated from the date which control begins and are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

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.

Goodwill is allocated to cash generating units or groups of cash generating units for the purpose of impairment testing on the basis that the cash generating units are expected to benefit from the business combination in which the goodwill arose.

INTANGIBLE FIXED ASSETS

Intangible fixed assets other than goodwill, which comprise licences, product rights and in process research and development, 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.

Recognition criteria used to determine whether intangible assets should be capitalised include;

- it is technically feasible to complete the product so that it will be available for use;
- management intends to complete the product and use or sell it;
- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- the expenditure attributable to the product during its development can be reliably measured.

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.

IMPAIRMENT

In carrying out impairment reviews of goodwill, intangible and tangible assets, a number of significant assumptions have to be made. 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. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its current use. 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:

Computers – office and laboratory	33% per annum
Office fixtures and fittings	33% per annum
Laboratory fixtures and fittings	20% per annum
Equipment – office and laboratory	20% per annum

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses)/gains in the income statement.

Notes to the Consolidated Financial Statements (continued)

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 RECEIVABLES

Trade and other receivables are initially recognised at the lower of original invoiced value and recoverable amount. When a receivable is uncollectible, it is written off against the allowance account for trade receivables.

TRADE AND OTHER PAYABLES

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

SEMENTAL REPORTING

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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 statement of financial position date and are discounted to present value where the effect is material. Provisions are not recognised for future operating losses. Details of provisions are included in note 20.

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 statement of financial position 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 research and development 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.

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 research and development, 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 research and development 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 research and development 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 intercompany 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

Research and development 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.

Notes to the Consolidated Financial Statements (continued)

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.

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 statement of financial position 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 statement of financial positions are translated at the rates ruling at the statement of financial position 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.

Preference shares are classified as equity as the holder has no mandatory right to redeem.

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. Non-market vesting conditions are included in the assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period , which is the period over which all the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimate of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. When the options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

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 undertakings, with a corresponding credit to equity.

There are no share options outstanding at the year end date.

2. SEGMENTAL INFORMATION

Antisoma's operating segments were 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', prior to the re-structuring, the Group had only one operating segment, being drug development.

The Senior Management Team assessed the performance of the operating segment on financial information which was 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 2011 were:

	2011 £'000	2010 £'000
Recognition of income from the divestment of oral fludarabine	624	20,346
Other	554	–
Total	1,178	20,346

Income from the divestment of oral fludarabine revenues are derived from one customer. This is anticipated to be the main stream of revenue over the next three years relating to previous operations.

The following table shows the carrying value of segment assets by location of assets:

	2011 £'000	2010 £'000
Total assets		
Currency zone		
UK	14,361	67,490
US	297	30,643
Total	14,658	98,133

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

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

	2011 £'000	2010 £'000
Capital expenditure		
Currency zone		
UK	20	355
US	101	104
Total	121	459

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

Notes to the Consolidated Financial Statements (continued)

3. DIRECTORS' EMOLUMENTS

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

	2011 £'000	2010 £'000
Aggregate emoluments		
Emoluments and benefits	571	1,400
Termination payments	667	–
Pension contributions	42	89
Highest-paid Director		
Emoluments and benefits	213	598
Termination payments	416	–
Pension contributions	25	26

Detailed information concerning Directors' remuneration and interests in share options is set out in the Report of the Board on remuneration pages 8 to 14. During the year two directors exercised share options. The Directors made gains of £43,000 (2010: £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:

	2011	2010
By activity		
Administration	31	27
Research and development	12	58
	43	85

The cost relating to the above employees and all directors is as follows:

	2011 £'000	2010 £'000
Staff costs		
Wages and salaries	3,695	6,890
Social security costs	551	779
Other pension costs (see note 29)	270	456
Termination payments	1,988	1,146
Share based payments (see note 22)	1,655	1,736
	8,159	11,007

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

Key Management Compensation (included in staff costs) includes six (2010: eight) senior managers, three (2010: three) Executive Directors and seven (2010: six) non-Executive Directors was:

Key management compensation

	2011 £'000	2010 £'000
Salaries and short-term employee benefits	1,447	3,137
Post-employment benefits	118	213
Termination benefits	1,403	564
Share based payments	1,015	1,015
	3,983	4,929

The Company has nil employees (2010: nil employees).

5. FINANCE INCOME/(COST)

	2011 £'000	2010 £'000
On short-term deposits	74	320
On cash and cash equivalents	44	90
Net foreign exchange (losses)/gains on financing activities	(66)	1,268
	52	1,678

6. OPERATING LOSS

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

	2011 £'000	2010 £'000
Depreciation on tangible property, plant and equipment	391	674
Impairment of intangible assets and goodwill	58,197	1,261
Loss on disposal of property, plant and equipment	–	534
Fixed asset impairment	804	–
Operating lease charges – Land and Buildings	–	9
Operating lease charges – Other	727	914
Net foreign exchange differences	407	(524)
Restructuring costs	3,119	2,198
Auditors' remuneration (see below)	112	210

	2011 £'000	2010 £'000
Auditors' remuneration		
Audit services		
– Fees payable to Company auditor for the audit of the Company and consolidated accounts	35	45
Non-audit services		
Fees payable to the Companys' auditor and its associates for other services:		
– The audit of Companys' subsidiaries pursuant to legislation	35	43
– Other Services pursuant to legislation	12	45
– Tax services	30	77
	112	210

RESTRUCTURING COSTS

During the year ended 30 June 2011 the Group engaged in a significant internal restructuring resulting in reductions in headcount (to nil) and the closure and vacation of the Group's premises in the UK and the USA. The restructuring costs incurred relate to redundancy and associated termination payments (2011: £2.0 million) and provisions for onerous lease and contract costs in respect of the closure of the premises (2011: £1.1 million), (2010: total restructuring costs £2.2 million relating to closure of Group laboratories and redundancies).

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.

Notes to the Consolidated Financial Statements (continued)

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 statement of financial position. The carrying value of the intangible asset disposed of was £8,750,000 and an up-front payment net of the costs of disposal of £39,380,000 was received at that time. This amount was recognised as revenue over two accounting periods when the conditions for its recognition had been satisfied. The Group is also entitled to receive contingent payments of $1,000,000 per annum for the following four years subject to certain conditions being met in each of those years. These payments will be recognised in the Group's income statement when the conditions relating to the payment have been satisfied. In the current year £624,000 ($1,000,000) has been recognized in respect of this income (2010: $1,000,000).

8. TAXATION

	2011 £'000	2010 £'000
Current tax on loss for the year	1,380	2,712
Deferred tax	7,162	–
	8,542	–

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:

	2011 £'000	2010 £'000
Loss on ordinary activities before taxation	(77,859)	(21,364)
Loss on ordinary activities multiplied by the standard rate of UK corporation tax at 27.5% (2010: 28%)	(21,411)	(5,982)
Effects of:		
Depreciation in excess of capital allowances	149	157
Expenses not deductible for tax purposes	2,755	156
Losses carried forward/(utilised) or surrendered for R&D tax credits	18,512	5,669
Current year Research and Development tax credit	(1,424)	(2,725)
Adjustment in respect of prior period	39	13
Total tax charge/(credit) for the period	(1,380)	(2,712)

At 30 June 2011, the Group had tax losses available for carry forward in excess of £166 million (2010: £110 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 and statement of comprehensive income have 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 £69,373,000 (2010: £124,807,000).

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 year.

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 2011.

Loss per ordinary share

	2011	2010
Loss for the year (£'000)	(69,317)	(18,652)
Weighted average number of shares ('000)	633,328	621,937
Basic loss per ordinary share	(10.9)p	(3.0)p

In the two years ended 30 June 2011, the Group had no dilutive potential ordinary shares in issue as it was loss making in both years.

11. GOODWILL

Group

	2011 £'000	2010 £'000
Cost		
As at 1 July	7,353	6,708
Foreign exchange movement	(191)	645
As at 30 June	7,162	7,353
Accumulated impairment losses		
As at 1 July	–	–
Impairment losses for the year	(7,162)	–
As at 30 June	(7,162)	–
Net book amount at 30 June	–	7,353

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 a total impairment of the goodwill balance and reflects a decision to cease funding on all Antisoma, Inc. development programmes following inconclusive or non-beneficial results on the related clinical trials.

Consequently, an impairment of £7,162,000 has been made to impair the carrying value of goodwill to £nil. The impairment has been recorded within operating expenses.

Company
The Company has no goodwill.

Notes to the Consolidated Financial Statements (continued)

12. INTANGIBLE ASSETS

Group

	Licences and product rights £'000	Aptamera Intellectual Property £'000	Xanthus Intellectual Property £'000	Total £'000
Cost				
At 1 July 2009	7,051	19,008	26,830	52,889
Foreign exchange movement	–	1,828	–	1,828
At 30 June 2010	7,051	20,836	26,830	54,717
Foreign exchange movement	–	(539)	–	(539)
At 30 June 2011	7,051	20,297	26,830	54,178
Amortisation				
Aggregate amortisation and impairment at 1 July 2009	(1,632)	–	–	(1,632)
Impairment charge	(1,261)	–	–	(1,261)
At 30 June 2010	(2,893)	–	–	(2,893)
Disposals	(156)	(94)	–	(250)
Impairment charge	(4,002)	(20,203)	(26,830)	(51,035)
At 30 June 2011	(7,051)	(20,297)	(26,830)	(54,178)
Net book amount at 30 June 2011	–	–	–	–
Net book amount at 30 June 2010	4,158	20,836	26,830	51,824

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.

During the year the Group announced that it was ceasing further development of all products, programmes 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 £51,035,000 has been made to impair the carrying value of such intangible assets to £nil. The impairment has been recorded within operating expenses.

Company
The Company has no intangible fixed assets.

13. PROPERTY, PLANT AND EQUIPMENT

Group

	Office computers, equipment, fixtures and fittings £'000	Laboratory computers, equipment, fixtures and fittings £'000	Total £'000
Cost			
At 1 July 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
Additions at cost	121	–	121
Disposals	(1,943)	(174)	(2,117)
Exchange movement	(342)	1	(341)
At 30 June 2011	–	–	–
Depreciation			
At 1 July 2009	929	1,239	2,168
Charge for the year	469	204	673
Disposals	(306)	(1,370)	(1,675)
Exchange movement	(8)	7	(2)
At 30 June 2010	1,084	80	1,164
Charge for the year	(391)	–	(391)
Impairment	(1,144)	(80)	(1,224)
Exchange movement	451	–	451
At 30 June 2011	–	–	–
Net book amount at 30 June 2011	–	–	–
Net book amount at 30 June 2010	1,080	93	1,173

During the year the Group's development activities ceased and its operations were restructured to minimise ongoing expenditure. All of the property, plant and equipment assets were written down to their recoverable amount.

Company

The Company has no tangible fixed assets.

14. INVESTMENTS

Company

	2011 £'000	2010 £'000
Cost and valuation of interests in Group undertakings		
As at 1 July	71,432	95,937
Impairment	(60,249)	(26,241)
Capital contributions in respect of share-based payments	1,655	1,736
As at 30 June	12,838	71,432

During the year, a phase III trial in which a subsidiary undertaking of the Company had an interest showed no beneficial effects and at the same time early data from a phase II trial at another subsidiary was inconclusive. Following this, a decision was taken

Notes to the Consolidated Financial Statements (continued)

to cease funding on all the Group's development programmes. As a result, the Company reviewed the valuation of its investments in Group undertakings and made an impairment charge of £60,249,000 to write down the valuation of the investments to the recoverable value of assets in those subsidiaries.

During the prior year the Group undertook a similar exercise following the halting of a phase III trial at a subsidiary and made an impairment charge of £26,241,000 in 2010.

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 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
Xanthus Securities, Inc.	United States of America	US$0.01	100	Investing entity established under Massachusetts law

15. TRADE AND OTHER RECEIVABLES

Group

	2011 £'000	2010 £'000
Trade and other receivables		
Trade receivables	652	664
Other receivables	221	265
Prepayments and accrued income	10	1,177
	883	2,106

The Group has no non-current receivables.

Company

	2011 £'000	2010 £'000
Non-current		
Amounts owed by Group undertakings	–	9,022
Current		
Prepayments and accrued income	–	8
	–	9,030

There were no fixed repayment terms in respect of the amounts owed by Group undertakings, which represented the funding of ongoing research and development requirements. Given the discontinuation of activities in the year, the amounts due from Group undertakings have been written off.

The Group considers that the carrying amount of trade and other receivables approximates their fair value. No impairment has been recognised on any receivable amounts and none are past due at the date of the financial statements.

16. TRADE AND OTHER PAYABLES GROUP

	2011 £'000	2010 £'000
Trade payables	–	680
Other payables	20	–
Other tax and social security	(27)	173
Accruals	323	6,367
	316	7,220

	2011 £'000	2010 £'000
Company		
Accruals	20	52

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 and the Company have no non-current payables.

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

17. DEFERRED TAX

Group

	2011 £'000	2010 £'000
Deferred tax payable		
Deferred tax payable at 1 July	(7,353)	(5,559)
Revaluation due to changes in foreign exchange rates	191	(1,794)
Credited to the income statement	7,162	–
Deferred tax payable at 30 June	–	(7,353)
Deferred tax receivable		
Deferred tax receivable at 30 June	–	–

The deferred tax payable relates to intangible goodwill 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. Revaluation movements in the deferred tax payable relates to the restatement of the dollar value of the Antisoma, Inc. statement of financial position.

During the year the whole of the deferred tax payable balance was released as a credit to income statement taxation reflecting impairment of the related intangible goodwill assets balance down to nil (see note 11).

In addition to the changes in rates of Corporation tax disclosed in note 8 a number of further changes to the UK Corporation tax system were announced in the March 2011 UK Budget Statement. Legislation to reduce the main rate of corporation tax from 26 per cent. to 25 per cent. from 1 April 2012 was included in the Finance Act 2011, enacted on 5 July 2011. Further reductions to the main rate are proposed to reduce the rate by 1 per cent. per annum to 23 per cent. by 1 April 2014. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

Notes to the Consolidated Financial Statements (continued)

The Group has not recognised deferred tax assets or liabilities and as such, the effects of the rate changes will not be material to the financial statements.

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.

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 asset is as follows:

	2011 £'000	2010 £'000
Tax effect of timing differences		
Excess of depreciation over capital allowances	(469)	(332)
Employee benefits in excess of amounts vested	–	(1,406)
Losses carried forward	(43,251)	(30,855)
	(43,720)	(32,593)

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
The Group has no deferred income.

Company
The Company has no deferred income.

19. FINANCIAL INSTRUMENTS

The financial risks faced by the Group include interest rate risk, credit risk and currency risk. The Board reviews and agrees policies for managing each of these risks.

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.

Interest rate risk
The Group have no borrowings therefore interest rate risk is limited to the reduction of interest received on cash and cash equivalents held at banks which receive floating interest rates. The Group seeks to minimise interest rate risk through depositing surplus cash between fixed and floating interest bearing accounts.

Credit risk
In order to minimise credit risk, the Group places funds on deposit only with financial institutions which have high credit ratings 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 statement of financial position (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.

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.

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 page 3.

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.

Interest rate risk profile of the Group's financial assets

	Cash and cash equivalents 2011 £'000	Short-term deposits 2011 £'000	Cash and cash equivalents 2010 £'000	Short-term deposits 2010 £'000
Sterling	5,970	–	7,782	12,500
US dollars	1,685	–	1,724	2,986
Euros	4,657	–	592	6,479
	12,312	–	10,098	21,965
Fixed rate < 1yr	10,561	–	3,318	21,965
Floating rate < 1yr	1,751	–	6,780	–
	12,312	–	10,098	21,965

The fixed rate short-term deposits in Sterling, US dollars and Euros were placed with banks for between one month and three months and earned interest of between 0.15 per cent. and 1.08 per cent. in the year ended 30 June 2011 (2010: between 0.15 per cent. and 1.5 per cent.). 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 per cent. (2010: 0.5 per cent.) higher/lower with all other variables held constant. 0.5 per cent. is deemed by the Group to be a realistic estimate of potential interest rate fluctuations in the current economic climate.

Notes to the Consolidated Financial Statements (continued)

	Cash and cash equivalents 2011 £'000	Short-term deposits 2011 £'000	Cash and cash equivalents 2010 £'000	Short-term deposits 2010 £'000
Increase/decrease on post-tax profit/(loss):				
Sterling	66	–	125	–
US dollar	7	–	70	–
Euros	29	–	44	–
Total	102	–	239	–

Interest rate movements on trade payables and other receivables do not present a material exposure to the Group's statement of financial position.

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 2011, the Group had net foreign currency assets of £1,257,000 (2010: £26,299,000) in US dollars and assets of £4,657,000 (2010: £4,080,000) in Euros and assets of £nil (2010: £42,000) in other currencies.

At 30 June 2011, if Sterling had weakened/strengthened by 5 per cent. against the US dollar with all other variables held constant, post-tax profit for the year would have been £60,000 higher and £66,000 lower respectively (2010: £1,384,000 higher and £1,252,000 lower). At 30 June 2011, if Sterling had weakened/strengthened by 5 per cent. against the Euro with all other variables held constant, post tax profit for the year would have been £127,000 higher and £140,000 lower respectively (2010: £215,000 higher and £194,000 lower). 5 per cent. 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 year end for a 5 per cent. 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.

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 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
Foreign exchange movement	(81)	–	–	(81)
At 30 June 2010	1,620	108	1,371	3,099
Utilised in the year	(1,189)	-	(3,371)	(4,560)
(Credited)/charged to the income statement	1,189	(108)	2,000	3,081
Foreign exchange movement	186	–	–	186
At 30 June 2011	1,806	–	–	1,806

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

	2011 £'000	2010 £'000
Current liabilities	1,806	3,071
Non-current liabilities	–	28
	1,806	3,099

Onerous Contract

The Group has a contractual obligation to make a payment in respect of a development agreement which has been discontinued and in accordance with IAS 37 "Provisions and contingencies" the Group has provided for the future contractual costs under the agreement. The associated cash outflows are short term in nature.

Employer's NI 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 utilized and has been credited to the income statement as there are no longer any option awards outstanding.

Restructuring

The restructuring provision at 30 June 2010 related to the closure of the Group's laboratories and research facility in Hertfordshire in that year and included the cost of redundancies and onerous leases. The restructuring provision at 30 June 2009 related to costs in respect of the closure of the Montreal office. These provisions were fully utilized in the year subsequent to their creation.

The restructuring in the current year relates to the restructuring of Group activities and includes redundancy costs and costs associated with onerous leases.

Company

The Company has no provisions for liabilities and charges.

21. SHARE CAPITAL

Group and Company

	2011 £'000	2010 £'000
Authorised		
835,500,000 (2010: 626,463,100) ordinary shares of 1p each	8,355	8,355
5,000,000 (2010: 5,000,000) preference shares of £1 each	5,000	5,000
	13,355	13,355
Issued, allotted, called-up and fully paid		
639,360,364 (2010: 629,614,356) Ordinary shares of 1p each	6,393	6,296
4,331,683 (2010: 4,331,683) preference shares of £1 each	4,332	4,332
	10,725	10,628

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;

Notes to the Consolidated Financial Statements (continued)

- 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 ten 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 2011 is as follows:

Date of issue	Reason for issue	Shares issued No.	Price p	Consideration £
07-Jul-08	in lieu of fees to non-executive directors	36,412	23	n/a
07-Oct-08	in lieu of fees to non-executive directors	18,987	19.75	n/a
21-Jan-09	in lieu of fees to non-executive directors	37,974	19.75	n/a
21-Jan-09	in lieu of fees to non-executive directors	47,871	23.5	n/a
08-Apr-09	in lieu of fees to non-executive directors	42,453	26.5	n/a
between 28 August 2008 and 22 May 2009	exercise of employee share schemes	96,958	14	13,574
between 16 September 2008 and 19 June 2009	exercise of employee share schemes	526,919	1	5,269
16-Sep-08	exercise of employee share schemes	30,713	12.34	3,790
16-Sep-08	exercise of employee share schemes	18,309	20.7	3,790
27-Feb-09	exercise of employee share schemes	27,750	26.34	7,309
between 20 February 2009 and 10 June 2009	exercise of employee share schemes	203,709	22.2	45,223
between 2 March 2009 and 10 June 2009	exercise of employee share schemes	202,984	22.1	44,859
13-May-09	exercise of employee share schemes	2,583	28.5	736
01-Jul-09	in lieu of fees to non-executive directors	46,875	24	n/a
07-Oct-09	in lieu of fees to non-executive directors	37,234	35.25	n/a
12-Jan-10	in lieu of fees to non-executive directors	51,089	33	n/a
06-Apr-10	in lieu of fees to non-executive directors	220,834	7.5	n/a
05-May-10	in lieu of fees to non-executive directors	80,382	6.92	n/a
01-Jun-10	in lieu of fees to non-executive directors	110,807	5.02	n/a
between 7 July 2009 and 1 June 2010	exercise of employee share schemes	4,277,493	1	42,775
between 9 October 2009 and 3 March 2010	exercise of employee share schemes	205,677	14	28,795
between 10 August 2009 and 24 August 2009	exercise of employee share schemes	66,630	22.1	14,725
Between 23 December 2009 and 3 March 2010	exercise of employee share schemes	31,497	26.34	8,296
17-Dec-09	consideration for Xanthus acquisition (holdback shares)	9,568,960	23.75	n/a
Between 6 July 2010 and 12 November 2010	exercise of employee share schemes	917,423	6.04	55,387
Between 17 August 2010 and 3 December 2010	exercise of employee share schemes	1,506,773	5.78	87,108
Between 1 March 2011 and 26 May 2011	exercise of employee share schemes	6,664,781	2.34	155,995
Between 1 July 2010 and 1 December 2010	in lieu of fees to non-executive directors	431,289	5.76	24,833
Between 1 February 2011 and 11 May 2011	exercise of employee share schemes	225,742	1.00	2,257

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 issued CSOP options, Performance Awards, Deferred Share Bonus Plan and Matching Awards to eligible employees as part of the Group's long-term incentive and Executive Incentive Plan (EIP). A summary of the scheme rules is given in the Report on remuneration and longer-term incentives on pages 8 to 14.

The total number of shares granted under the various Group incentive plans, excluding those granted on or before 18 November 1998 and lapsed and surrendered options, may not exceed 10 per cent. of the issued share capital of Antisoma Plc in any ten-year period, being 639,360,364 1p ordinary shares as at 30 June 2011, 629,614,356 1p ordinary shares as at 30 June 2010.

A summary of the CSOP option awards is set out below:

CSOP Option Awards

Date of grant	Exercise price pence	Period when exercisable	Average remaining contractual life (yrs)	Number of options 2011	2010
19.09.00	142.50	2003 – 2010	–	–	87,719
13.02.01	211.90	2004 – 2011	–	–	68,417
17.09.01	37.50	2004 – 2011	–	–	549,727
16.04.02	20.70	2005 – 2012	–	–	1,587,044
23.09.02	12.34	2005 – 2012	–	–	2,111,896
20.02.03	26.34	2006 – 2013	–	–	851,353
21.09.04	14.00	2007 – 2014	–	–	1,000,895
21.02.05	22.20	2008 – 2015	–	–	1,400,199
20.09.05	22.10	2008 – 2015	–	–	154,846
20.02.07	45.50	2010 – 2017	–	–	52,400
15.09.07	31.75	2010 – 2017	–	–	630,417
26.02.08	28.50	2011 – 2018	–	–	599,237
26.02.08	28.75	2011 – 2018	–	–	153,918
23.09.08	20.75	2011 – 2018	–	–	908,988
23.09.08	20.25	2011 – 2018	–	–	452,557
17.06.10	6.00	2013 – 2020	–	–	23,416,000
				–	34,025,613

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.

There are no options outstanding at 30 June 2011 because all options expired after 30 days of the employee concerned being made redundant. The Group had no employees at 31 May 2011.

Executive Incentive Plans

The Group adopted a long-term incentive and deferred bonus scheme following approval by shareholders in November 2003; this is known as the Executive Incentive Plan (the 'Plan' or 'EIP'). Three types of award can be made, Performance Awards, Deferred Share Bonus Plan and Matching Awards, under the Plan. A summary of the Performance Awards, Deferred Share Bonus Plan and Matching Awards is set out below.

Notes to the Consolidated Financial Statements (continued)

EIP Performance Awards

Date of grant	Exercise price pence	Period when exercisable	Average remaining contractual life (yrs)	Number of options 2011	2010
20.09.05	1.00	2008 – 2011	–	–	933,654
24.02.06	1.00	2008 – 2011	–	–	1,372,759
19.10.06	1.00	2009 – 2012	–	–	1,717,796
20.02.07	1.00	2010 – 2013	–	–	1,196,912
15.09.07	1.00	2010 – 2013	–	–	2,635,068
26.02.08	1.00	2011 – 2014	–	–	1,950,796
23.09.08	1.00	2011 – 2014	–	–	2,943,717
11.11.08	1.00	2011 – 2014	–	–	1,078,740
19.02.09	1.00	2012 – 2015	–	–	2,910,704
16.09.09	0.00	2012 – 2017	–	–	2,516,332
18.02.10	0.00	2013 – 2018	–	–	1,941,342
			–	–	21,197,820

There are no options outstanding at 30 June 2011 because all options expired after 30 days of the employee concerned being made redundant. The Group had no employees at 31 May 2011.

EIP Deferred Share Bonus Plan Awards

Date of grant	Exercise price pence	Period when exercisable	Average remaining contractual life (yrs)	Number of options 2011	2010
16.09.09	0.00	2010 – 2016	–	–	1,269,007
03.08.10	0.00	2011 – 2017	–	–	–

EIP Matching Awards

Date of grant	Exercise price pence	Period when exercisable	Average remaining contractual life (yrs)	Number of options 2011	2010
08.07.05	1.00	2008 – 2011	–	–	946,945
23.10.09	0.00	2012 – 2014	–	–	508,383
				–	1,455,328

There are no options outstanding at 30 June 2011 because all options expired after 30 days of the employee concerned being made redundant. The Group had no employees at 31 May 2011.

In total, awards over 9,463,820 shares were granted in the year at an exercise price of £nil (2010: 32,734,557 shares at an average exercise price of 2.8p). Awards over 9,746,008 (2010: 4,472,587) shares were exercised during the year. The weighted average exercise price was 0.00p (2010: 2.05p) and the weighted average share price at the time of exercise was 3.29p (2010: 23.26p). In addition, awards over 15,000,000 (2010: 10,244,139) shares were cancelled and awards over 33,427,376 (2010: 1,044,700) shares expired during the year. The actual tax benefit realised for the tax deductions from option exercise of the share-based payment arrangements totalled £297,245 for the year ended 30 June 2011 (2010: £269,000).

A summary of the movements on awards in the year is given below:

CSOP Awards	2011 Number	2011 Weighted average exercise price (p)	2010 Number	2010 Weighted average exercise price (p)
Number of options outstanding at 1 July	34,025,613	11.46	15,129,754	26.36
– granted	–	–	23,416,000	6.00
– cancelled	(15,000,000)	6.00	(3,171,637)	24.13
– exercised	–	–	(303,804)	17.06
– expired	(19,025,613)	15.76	(1,044,700)	64.84
Outstanding at 30 June	–	–	34,025,613	11.46
Exercisable at 30 June	–	–	6,547,637	19.29

EIP Awards	2011 Number	2011 Weighted average exercise price (p)	2010 Number	2010 Weighted average exercise price (p)
Number of awards outstanding at 1 July	23,922,155	0.74	25,877,883	1.00
– granted	9,463,820	–	9,318,557	1.00
– cancelled or forfeited	–	–	(7,072,502)	0.58
– exercised	(9,746,008)	0.74	(4,201,783)	0.98
– expired	(14,401,763)	0.74		
Outstanding at 30 June	–	–	23,922,155	0.74
Exercisable at 30 June	–	–	6,092,035	0.99

The above EIP Awards table includes performance and matching awards.

Notes to the Consolidated Financial Statements (continued)

The fair value per award and the assumptions used in the calculations are as follows:

Date of grant	Type of award (see note for terms)	Number of awards	Exercise price (p)	Share price at grant date (p)	Fair value per award (p)	Expected volatility	Award life	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	CSOP	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	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	3,294,791	1.000	28.50	21.00	46%	3.00	1.8%
16.09.09	EIP Performance	3,152,684	0.000	30.00	19.11	40%	3.00	2.1%
16.09.09	EIP DSBP	1,304,690	0.000	30.00	30.00	47%	2.00	2.1%
23.10.09	EIP Matching	665,269	0.000	36.75	28.69	47%	3.00	2.1%
18.02.10	EIP Performance	2,444,734	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%
03.08.10	EIP DSBP	9,463,820	0.000	6.00	6.00	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 forfeitures at the year ended 30 June 2005 for the CSOPs and EIP Performance Awards a figure of 15 per cent. *pro rata* for the unexpired period after 1 January 2005 was used. In the year ended 30 June 2008 CSOPs and EIP Performance Awards that had completed the three-year vesting period, or were within 3 months of their three-year vesting period, were charged based on the number of awards that could still vest. Given the higher number of forfeitures than anticipated, the remaining CSOPs and EIP Performance Awards were adjusted to a figure of 20 per cent. pro-rated for the unexpired period after 1 January 2005. For the EIP Matching Awards granted in July 2005 the estimated forfeiture rate was assumed at 30 per cent. 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 3 years ended 30 June 2010 the forfeiture rate remained at 20 per cent. for all CSOP's and Performance Awards and 30 per cent. for Matching Awards. There are no options outstanding at 30 June 2011 because all options expired after 30 days of the employee concerned being made redundant. The Group had no employees at 31 May 2011.

The total charge for the year relating to employee share-based payment plans was £1,655,000 (£928,000 was charged to research and development and £727,000 was charged to administration) (2010: £1,736,000 (£997,000 was charged to research and development and £739,000 was charged to administration), all of which related to the above equity-based transactions.

23. SHARE PREMIUM

Group and Company	2011 £'000	2010 £'000
At 1 July	122,070	119,783
Issue of shares	21	2,287
At 30 June	122,091	122,070

24. OTHER RESERVES

Group	Other reserve: retranslation £'000	Merger reserve £'000	Total £'000
At 1 July 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
At 1 July 2010	8,664	39,255	47,919
Foreign exchange adjustments on consolidation	(382)	–	(382)
Transfer to Accumulated losses	–	(39,255)	(39,255)
At 30 June 2011	8,282	–	8,282

Company	Merger reserve £'000
At 30 June 2009 and 30 June 2010	49,599
Transfer to Accumulated losses	(49,599)
At 30 June 2011	–

The retranslation reserve relates to foreign exchange movements on consolidation in respect of certain assets and liabilities held in Antisoma Inc.

The merger reserves represent the reserves arising on the historic acquisition of Antisoma Research Ltd and the acquisition of Antisoma, Inc for which the purchase considerations were settled in shares.

A decision was taken in the year to cease funding further development of all products, programmes and preclinical research at the above acquired companies. Following the impairment of the related assets as set out in notes 11, 12, 13 and 14, the acquired companies no longer have any operational businesses or assets and accordingly the balances on merger reserve have been transferred to Accumulated loss reserves (see note 25).

Notes to the Consolidated Financial Statements (continued)

25. ACCUMULATED LOSSES

Group	2011 £'000	2010 £'000
At 1 July	(100,156)	(83,240)
Loss for the year	(69,317)	(18,652)
Share options: value of employee services	1,655	1,736
Transfer from merger and other reserve (see note 24)	39,255	–
At 30 June	(128,563)	(100,156)

Company	2011 £'000	2010 £'000
At 1 July	(101,854)	21,217
Loss for the year	(69,373)	(124,807)
Transfer from merger reserve (see note 24)	49,599	–
Share options: value of employee services	1,655	1,736
At 30 June	(119,973)	(101,854)

26. CAPITAL COMMITMENTS

The Group and Company had no capital expenditure contracted for but not provided in the financial statements at 30 June 2011 (2010: £nil).

27. FINANCIAL COMMITMENTS

At 30 June 2011 the Group and Company had total commitments under non-cancellable operating leases as follows:

Group	Land and buildings 2011 £'000	Other 2011 £'000	Land and buildings 2010 £'000	Other 2010 £'000
Commitments under non-cancellable operating leases expiring:				
Within one year	–	–	996	8
Between one and two years	–	–	868	6
Between two and five years	–	–	407	–
After five years	–	–	–	–
	–	–	2,271	14

28. RELATED PARTY DISCLOSURES

During the two years ended 30 June 2011 the Directors of the Company subscribed for new ordinary shares of 1p each as follows:

Director	Number of shares subscribed	Price (p)	Date
Michael Pappas	15,625	24.00	01-Jul-09
Michael Lewis	31,250	24.00	01-Jul-09
Michael Pappas	12,411	35.25	07-Oct-09
Michael Lewis	24,283	32.25	07-Oct-09
Barry Price	17,945	33.00	12-Jan-10
Michael Lewis	28,302	33.00	12-Jan-10
Birgit Stattin-Norinder	6,629	33.00	12-Jan-10
Barry Price	75,000	7.50	06-Apr-10
Michael Lewis	116,667	7.50	06-Apr-10
Birgit Stattin-Norinder	29,167	7.50	06-Apr-10
Barry Price	27,095	6.92	05-May-10
Michael Lewis	42,148	6.92	05-May-10
Birgit Stattin-Norinder	11,139	6.92	05-May-10
Barry Price	37,351	5.02	01-Jun-10
Michael Lewis	58,101	5.02	01-Jun-10
Birgit Stattin-Norinder	15,355	5.02	01-Jun-10
Michael Lewis	50,287	5.80	01-Jul-10
Barry Price	32,328	5.80	01-Jul-10
Birgit Stattin-Norinder	13,290	5.80	01-Jul-10
Michael Lewis	55,031	5.30	02-Aug-10
Barry Price	35,377	5.30	02-Aug-10
Birgit Stattin-Norinder	14,544	5.30	02-Aug-10
Michael Lewis	50,287	5.80	01-Sep-10
Barry Price	32,328	5.80	01-Sep-10
Birgit Stattin-Norinder	13,290	5.80	01-Sep-10
Michael Lewis	48,611	6.00	01-Oct-10
Barry Price	31,250	6.00	01-Oct-10
Birgit Stattin-Norinder	12,847	6.00	01-Oct-10
Barry Price	19,841	6.30	01-Nov-10
Birgit Stattin-Norinder	10,582	6.30	01-Nov-10
Birgit Stattin-Norinder	11,396	5.85	01-Dec-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.

Notes to the Consolidated Financial Statements (continued)

Company

Under IFRS transactions between the Company and the rest of the Group must be disclosed.

The Company provides financing to its operating subsidiaries as set out below:

Company	2011 £000	2010 £000
Inter-company receivable		
At 1 July	**9,030**	128,688
Impairment	**(7,860)**	(117,341)
Additional amounts repaid	**(1,170)**	(2,317)
At 30 June	**–**	9,030

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 and made an impairment of £7,860,000 (2010: £117,341,000).

The Company has awarded share options to employees of subsidiary undertakings and in accordance with IFRS 2 has made a charge in the year of £1,655,000 (2010: £1,736,000).

Key Management compensation is disclosed in note 4. The Company's transactions with Directors are described on page 55.

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

29. POST-EMPLOYMENT BENEFITS

The Group operated a defined contribution Group personal pension scheme for employees and Executive Directors in the UK and contributed to the 401k plans of its employees in North America. The total pension cost for the Group was £270,000 (2010: £456,000).

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Mitre House
160 Aldersgate Street
London EC1A 4DD

Registered in England and Wales
No. 3248123