ANTISOMA

Annual Report and Accounts 2012

Directors, Officers and Advisers

Michael Pappas	Chairman
Dale Boden	Non-executive director
Michael Bretherton	Finance director
Ross Hollyman	Non-executive director

Registered Office
Mitre House
160 Aldersgate Street
London EC1A 4DD

Nominated Adviser
Altium Capital Limited
30 St James's Square
London SW1Y 4AL

Broker
WH Ireland Limited
24 Martins Lane
London EC4R 0DR

Independent Auditor
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
9 Greyfriars Road
Reading RG1 1JG

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

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

Contents

Chairman's Statement

Overview

On 7 December 2011, the Company's shareholders approved proposals to cancel Antisoma's listing on the Official List and to seek admission to trading of its shares on the Alternative Investment Market (AIM). The Company was subsequently admitted to AIM on 11 January 2012 as an Investing Company.

This process followed the discontinuation of key clinical trials in early 2011 and the decision to cease all of the Group's clinical development and biotechnology programmes and reduce central overheads to a minimum in order to preserve cash resources. The continuing Board then reviewed a range of alternative strategies and opportunities in order to generate value for shareholders. The outcome was an agreed strategy to identify and invest in a number of businesses with significant potential for value creation rather than commit the whole of Antisoma's cash resource to a single investment. It also became clear to the Board that the AIM market would be more appropriate for the trading of the Company's shares given its current strategy and size. In particular, the move to AIM means that corporate transactions and investments can now be executed more quickly and cost effectively.

Since the Company's admission to AIM, the Board has adopted a highly selective investment approach in these times of global economic uncertainty for which downside risks appear to loom large and the European sovereign debt crisis remains a major concern, along with the effects of austerity measures on economic growth. Consequently, whilst the Board has identified and reviewed a number of potential opportunities to date, including some introduced by the Company's largest shareholder (which is expected to be a major source of potential investment opportunities going forward), we have only made one relatively small investment of £1.0 million under the new investing strategy. That investment is in a profitable AIM listed care sector support services business with a solid dividend yield and a good growth record.

Antisoma had cash and short term deposit balances of £12.91 million at 30 June 2012 which places it in a strong position to take advantage of further investment opportunities that arise. The Board intends the Company typically to be an active investor and to assist in the strategic development and growth of any significant acquisitions and/or investments it makes and which may be either quoted or unquoted and may range from a minority position to 100 per cent. ownership. A particular consideration will be to identify businesses which, in the opinion of the Board, are under-performing and present opportunities for high value creation.

Financial highlights

The Group reported a profit after tax of £0.38 million for year to 30 June 2012 (2011: loss of £69.32 million) with administrative costs reduced to £0.17 million inclusive of the cost of moving to AIM (2011: £4.65 million). At 30 June 2012 the Group had net assets of £12.91 million (2011: £12.54 million) and cash and short term deposit balances of £12.91 million (2011: £12.31 million).

Board and management changes

Grahame Cook and Michael Lewis did not seek re-appointment at the last Annual General Meeting ("AGM") on 7 December 2011 following the agreed change of strategy to an investing company and Ross Hollyman was appointed as an additional Non-Executive Director at the AGM. Now that the Company has completed its move on to the AIM market and has prepared its first Annual Report as an investing company, Dale Boden and I have announced we will not be seeking re-appointment at the next AGM on 25 October 2012 due, in particular, to our geographical remoteness from the operations of the Company. It is proposed that Michael Bretherton will, subject to his re-appointment at the AGM, succeed me as Chairman. Michael is also a director of ORA Capital, the Company's largest shareholder. The Board would like to take this opportunity to thank all of the above retiring and retired directors for their contributions to the Company, and in particular their assistance in transitioning the Company from its legacy biotechnology operations into an investing company on AIM. In addition, it is proposed that Jonathan Morley-Kirk be appointed as an additional Independent Non-Executive Director at the AGM on 25 October 2012 and a summary of his biographical details are set out in note 18 of the Notice of AGM at the end of this document.

Outlook

Whilst European sovereign debt problems remain the major downside risk for Europe and the global economy, Antisoma benefits from a solid balance sheet and strong cash position, together with a low cost base. This places the Company in a good position to exploit opportunities as they emerge in the current volatile economic environment. We will therefore, continue to maintain a highly selective investment approach with a view to building considerable value for shareholders going forward.

Michael Pappas
Non-Executive Chairman

1 October 2012

Directors' Report

The Directors present their report and the audited consolidated financial statements for Antisoma plc ('Antisoma') and its subsidiaries (the 'Antisoma Group' or 'the Group') for the year ended 30 June 2012.

PRINCIPAL ACTIVITY

On 7 December 2011, the Company's shareholders approved proposals to cancel Antisoma's listing on the Official List and to seek admission to the Alternative Investment Market (AIM). Antisoma was subsequently admitted to AIM on 11 January 2012 as an Investing Company.

Antisoma is now an investment holding and management company whose principal activity is investment in and growth and development of businesses which present opportunities for value creation. Further information on the principal activities is given in the Chairman's statement on page 2.

BUSINESS REVIEW

A review of the Group's performance and future prospects is given in the Chairman's Statement on page 2.

KEY GROUP PERFORMANCE INDICATORS ARE SET OUT BELOW:

	30 June 2012 £'000	30 June 2011 £'000
Net assets	**12,912**	12,535
Profit/(loss) for the year	**377**	(69,317)
Cash, cash equivalents and short term deposits	**12,906**	12,312

RESULTS AND DIVIDENDS

The comprehensive income for the year ended 30 June 2012 was £377,000 (2011: loss of £69,699,000).

No interim dividend (2011: £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 2012 (2011: £nil).

DIRECTORS

The Directors who held office during the year and up to the date of signing the financial statements were as follows:

EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS
Michael Bretherton*	Grahame Cook (resigned 7 December 2011)
	Michael Lewis (resigned 7 December 2011)
	Michael Pappas (Chairman)
	Dale Boden
	Ross Hollyman (appointed 7 December 2011)

* Michael Bretherton was previously a Non-Executive Director of the Company and took on the role of Executive (Finance Director) on admission to AIM on 11 January 2012.

DIRECTORS' INDEMNITY INSURANCE

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Directors' Report (continued)

DIRECTORS' REMUNERATION

	2012 Salary and fees £'000	2012 Total £'000	2011 Total £'000
Glyn Edwards (resigned 28/2/11)*	–	–	629
Eric Dodd (resigned 28/2/11)*	–	–	413
Barry Price (resigned 1/3/11)	–	–	48
Birgit Norinder (resigned 1/3/11)	–	–	23
Grahame Cook (resigned 7/12/11)	33	33	33
Michael Lewis (resigned 7/12/11)	35	35	31
Michael Pappas	15	15	29
Dale Boden	15	15	29
Michael Bretherton	10	10	3
Ross Hollyman (appointed 7/12/11)	9	9	–
	117	117	1,238

* In addition to the emoluments disclosed above, the Company made pension contributions in the year to 30 June 2011 of £25,000 in respect of Glyn Edwards and of £17,000 in respect of Eric Dodd.

It is the Company's policy that executive Directors should have contracts with an indefinite term providing for a maximum of six months notice. In the event of early termination, the Directors' contracts provide for compensation up to a maximum of basic salary for the notice period.

Non-executive Directors are employed on letters of appointment which may be terminated on not less than six months notice.

DIRECTORS' INTERESTS

The interests of Directors in the shares as at 30 June 2012 are given below:

	Ordinary shares of 1p each 30 June 2012	30 June 2011
Grahame Cook	n/a	1,125,540
Michael Lewis	n/a	601,910
Michael Pappas(1)	1,903,592	915,220
Dale Boden(2)	794,111	794,111
Michael Bretherton(3)	200,000	200,000
Ross Hollyman	–	n/a

(1) Michael Pappas' total holdings include a beneficial interest totalling 1,740,157 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 2012.

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

(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 187,775,924 shares in the Company at 30 June 2012.

PROFILE OF THE DIRECTORS

Michael Pappas, LLB, CA Non-Executive Chairman

Michael was appointed Non-Executive Director of Antisoma Research Limited in 1993 and of Antisoma plc on formation of the Company in October 1996. He subsequently became Non-executive Chairman in December 2011. Michael has a degree in law and is a member of the Institute of Chartered Accountants of Scotland. Michael is CEO of Alpheus Capital Management Limited a private equity advisory firm and holds various non-executive director positions including Kudos Independent Financial Services Limited.

Michael Bretherton, BA, ACA, Finance Director

Mike was appointed as a Non-Executive Director of the Company in March 2011 and subsequently took on the role of Finance Director on admission to AIM in January 2012. He is also a Director of ORA Capital Partners Limited, an investment company operating principally in the technology, resources and financial services sectors. In addition, Mike is a Director of Tissue Regenix Group plc, Nanoco Group plc, Obtala Resources Limited, Oxford Advanced Surfaces Group Plc 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.

Dale Boden, BA Non-Executive Director

Dale 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 in 2005.

Ross Hollyman, Non-Executive Director

Ross was appointed Non-Executive Director in December 2011. He has been employed in the investment industry in the UK for over 17 years. He has previously been an investment director at GAM Limited and JP Morgan Fleming Asset Management and most recently was Head of Global Equities at Liontrust Asset Management plc.

SUBSTANTIAL SHAREHOLDINGS

No single person directly or indirectly, individually or collectively, exercises control over the Company. The Directors are aware of the following persons, who had an interest in 3% or more of the issued ordinary share capital of the Company as at 26 September 2012.

Shareholder	Number of ordinary shares	% Holding
ORA (Guernsey) Limited	187,775,924	29.37
BVF Partners	44,771,610	7.00
Leventis Holding SA	44,402,831	6.94
Henderson Global Investors	32,180,000	5.03
Jarvis Investment Management	20,407,204	3.19
Mrs N J Powell	19,937,051	3.12

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

CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance and observe the principles of the UK Corporate Governance Code 2010, to the extent that they consider them appropriate for the Group's size.

Directors' Report (continued)

The Board

The Board currently comprises one executive director and three non-executive directors. Following the next Annual General Meeting the composition is anticipated to be one executive director and two non-executive directors.

Audit committee

The audit committee's primary responsibilities are to monitor the integrity of the financial affairs and statements of the Company, to ensure that the financial performance of the Company and any subsidiary of the Company is properly measured and reported on, to review reports from the Company's auditors relating to the accounting and internal controls and to make recommendations relating to the appointment of the external auditors.

The audit committee comprises Michael Pappas who acts as chairman of the committee, Dale Boden and Ross Hollyman. Following the next Annual General Meeting and subject to his appointment, Jonathan Morley-Kirk is anticipated to become the chairman of the committee and will be joined by Ross Hollyman.

Remuneration committee

The remuneration committee's primary responsibilities are to review the performance of the executive directors of the Company and to determine the broad policy and framework for their remuneration and the terms and conditions of their service and that of senior management (including the remuneration of and grant of options to such person under any share scheme adopted by the Company). The remuneration committee comprises Dale Boden, who acts as chairman of the committee, Michael Pappas and Ross Hollyman. Following the next Annual General Meeting and subject to his re-election at that meeting, Ross Hollyman will become chairman of the Remuneration Committee and will be joined by Jonathan Morley-Kirk (subject to his election at the Annual General Meeting).

The remuneration of non-executive directors shall be a matter for the executive members of the board of the Company.

Internal Control

The Board is responsible for maintaining a sound system of internal control. The Board's measures are designed to manage, not eliminate risk, and such a system provides reasonable but not absolute assurance against material misstatement or loss.

Some key features of the internal control system are:

(i) Management accounts information, budgets, forecasts and business risk issues are regularly reviewed by the Board which meets at least four times per year;

(ii) The Company has operational, accounting and employment policies in place;

(iii) The Board actively identifies and evaluates the risks inherent in the business and ensures that appropriate controls and procedures are in place to manage these risks; and

(iv) There is a clearly defined organisational structure and there are well-established financial reporting and control systems.

Going Concern

At 30 June 2012, the Group had £12.9 million (2011: 12.3 million) of cash, cash equivalents and short term deposits available to it. The Directors have considered their obligation, in relation to the assessment of the going concern of the Group and each statutory entity within it and have reviewed the current budget cash forecasts and assumptions as well as the main risk factors facing the Group.

After due enquiry, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

RISK MANAGEMENT

The Group's risk management objectives and exposure to various risks are detailed in Note 13.

The main risks arising from the Group's operations are market risk, credit risk and liquidity risk. The Directors review and agree policies for managing risk at least annually.

MARKET RISK

Price risk

The Group is exposed to market price risk in respect of its portfolio investments. The Group mitigates this risk by having established investment appraisal processes and asset monitoring procedures which are subject to overall review by the Board.

Interest rate risk

The Group has no external financing facility, therefore its interest rate risk is limited to the level of interest received on its cash surpluses. Interest rate risk on cash, cash equivalents and short term deposits is partially mitigated by using an element of fixed-rate accounts and short term deposits.

CREDIT RISK

The Group's principal financial assets are its portfolio investments, its bank balances and cash with institutions in support of trading. The Group seeks to reduce the credit risk associated with cash by only holding cash with institutions that have good credit ratings. The credit risk associated with portfolio and trading investments is considered to be minimal.

LIQUIDITY RISK

The Group seeks to manage liquidity by ensuring sufficient funds are available to meet foreseeable needs and to invest cash assets safely and profitably. The Group had cash, cash equivalents and short-term deposit balances of £12.9 million as at 30 June 2012 (2011: £12.3 million).

In order to minimise risk to the Company's capital, funds are invested across a number of financial institutions with strong credit ratings. Cash forecasts are updated regularly to ensure that there is sufficient cash available for foreseeable requirements. The directors are satisfied that the current cash balances and the low running cost base of the Group ensures that the going concern assumption remains valid.

EXTERNAL RISKS

The key external risks identified by the Group over the course of the financial year were centered on the impact of the continuing adverse economic conditions in some markets. The current economic uncertainty continues to impact the market in which the Group operates in terms of investment valuations and the risk for the operations and growth of investment portfolio companies. The key factors include the risk of below trend economic growth and the impact of government deficit reduction programmes.

EMPLOYMENT POLICY

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

The Group supports employment of disabled people wherever possible and through recruitment, by retention of those who become disabled and generally through training, career development and promotion.

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 12 days purchases (2011: nil).

ANNUAL GENERAL MEETING

The next Annual General Meeting will take place on 25 October 2012 at 10.30 am at the offices of CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London, EC1A 4DD.

Directors' Report (continued)

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 Notice of Annual General Meeting at the back of this document. None of the ordinary shares 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 15.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report 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 prepared 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company'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 comply with the Companies Act 2006. 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.

INDEPENDENT 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

1 October 2012

Independent Auditors' Report to the Members of Antisoma plc

We have audited the group and parent company financial statements (the "financial statements") of Antisoma plc for the year ended 30 June 2012 as shown on pages 14 to 35 and 36 to 39 respectively, which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position, the consolidated statement of cash flows, the company statement of changes in equity, the company statement of financial position, the company statement 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 10 to 11, 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 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 non-financial information in the annual report and accounts 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 2012 and of the group's profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report (continued)

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 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.

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

1 October 2012

Consolidated Income Statement

For the year ended 30 June 2012

	Notes	2012 £'000	2011 £'000
Gain on portfolio investments	2	42	–
Other income		619	1,178
Portfolio return and revenue		661	1,178
Research and development credit/(expenditure)		89	(16,241)
Administrative expenses		(174)	(4,651)
Impairment of intangible assets	6	–	(58,197)
Operating profit/(loss)	6	576	(77,911)
Finance income	5	78	118
Finance cost	5	(230)	(66)
Profit/(loss) before taxation		424	(77,859)
Taxation	7	(47)	8,542
Profit/(loss) for the year	18	377	(69,317)
Earnings/(loss) per ordinary share			
Basic	8	0.06p	(10.9)p
Diluted	8	0.06p	(10.9)p

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2012

	2012 £'000	2011 £'000
Profit/(loss) for the year	377	(69,317)
Exchange translation difference on consolidation	–	(382)
Total comprehensive income/(expense) for the year	377	(69,699)

Consolidated Statement of Changes in Equity

As at 30 June 2012

Group	Share capital £'000	Share premium £'000	Other reserve: retranslation £'000	Other reserve: merger £'000	Accumulated losses £'000	Total £'000
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	97	21	–	–	–	118
Reserve transfer	–	–	–	(39,255)	39,255	–
Share options: value of employee services	–	–	–	–	1,655	1,655
At 30 June 2011	10,725	122,091	8,282	–	(128,563)	12,535
At 1 July 2011	10,725	122,091	8,282	–	(128,563)	12,535
Total comprehensive income for the year	–	–	–	–	377	377
At 30 June 2012	10,725	122,091	8,282	–	(128,186)	12,912

Consolidated Statement of Financial Position

At 30 June 2012

	Notes	2012 £'000	2011 £'000
ASSETS			
Non-current assets			
Portfolio Investments	9	1,043	–
		1,043	–
Current assets			
Trade and other receivables	11	661	883
Current tax receivable		–	1,463
Short-term deposits		3,100	–
Cash and cash equivalents		9,806	12,312
		13,567	14,658
Total assets		14,610	14,658
LIABILITIES			
Current liabilities			
Trade and other payables	12	(87)	(316)
Current income tax liabilities		–	(1)
Provisions for liabilities and charges	14	(1,611)	(1,806)
Total liabilities		(1,698)	(2,123)
Net current assets		11,869	12,535
Net assets		12,912	12,535
Shareholders' equity			
Share capital	15	10,725	10,725
Share premium	16	122,091	122,091
Other reserves	17	8,282	8,282
Accumulated losses	18	(128,186)	(128,563)
Total equity		12,912	12,535

The financial statements on pages 11 to 30 were approved by the Board of Directors on 1 October 2012 and signed on its behalf by

Michael Pappas
Chairman

Michael Bretherton
Finance Director

Company number – 03248123

Consolidated Statement of Cash Flows

For the year ended 30 June 2012

	2012 £'000	2011 £'000
Cash flows from operating activities		
Profit/(loss) for the year	377	(69,317)
Adjustments for:		
Foreign exchange	47	494
Finance income	(78)	(52)
Tax charge/(credit)	47	(1,380)
Unrealised gain on revaluation of portfolio investments	(42)	–
Deferred tax credit	–	(7,162)
Impairment of intangible assets	–	58,197
Disposal of intangible assets	–	250
Depreciation of property, plant and equipment	–	391
Loss on disposal of property plant and equipment	–	804
Share-based payments	–	1,655
Operating cash in/(out)flows before movement in working capital	351	(16,120)
Purchase of portfolio investments	(1,001)	–
Decrease in trade and other receivables	210	1,238
Decrease in trade and other payables	(228)	(8,363)
Cash used in operations	(668)	(23,245)
Interest received	78	118
Taxation received	1,414	3,531
Net cash generated/(used) in operating activities	824	(19,596)
Cash flows from investing activities		
Purchase of property, plant and equipment	–	(121)
Disposal of property, plant and equipment	–	89
(Increase)/decrease in cash placed on deposit	(3,100)	21,965
Net cash (used)/generated from investing activities	(3,100)	21,933
Cash flows from financing activities		
Proceeds from issue of ordinary share capital	–	118
Net cash generated from financing activities	–	118
Net (decrease)/increase in cash and cash equivalents	(2,276)	2,455
Exchange losses on cash and bank overdrafts	(230)	(241)
Cash and cash equivalents at beginning of year	12,312	10,098
Cash and cash equivalents at end of year	9,806	12,312
Short-term deposits at the end of the year	3,100	–
Cash, cash equivalents and short term deposits at end of year	12,906	12,312

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 Alternative Investment Market (AIM) 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 have been prepared under the historical cost convention except for investment portfolio assets which are included at fair value.

The financial statements are prepared on the going concern basis.

ADOPTION OF NEW ACCOUNTING STANDARDS

Standards, amendments and interpretations effective up to 30 June 2012

(a) Standards and interpretations effective in 2012 and adopted by the group

Annual improvements to 2010. This set of amendments includes changes to a number of standards based on the exposure draft issued in August 2009, with 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 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 IAS 12, 'Income taxes' on deferred tax. Effective for annual periods beginning on or after 1 January 2012.

The amendments due to 2010 annual improvements and amendment to IAS 24 have not had any significant impact on the financial statements. The amendment to IFRS 7 relating to the transfer of financial assets is not relevant to the group. The amendment to IFRS 1 is not relevant to the group as it is not a first time adopter. The amendment to IAS 12 will be adopted once endorsed by the European Union but is not expected to have a significant impact on future financial statements.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group.

The following new standards, amendments to existing standards and new interpretations have been published and are mandatory for the Group's future accounting periods. They are, with the exception of the amendments to IAS 1 and IAS 19, subject to endorsement by the European Union. They have not been early adopted in the Group's financial statements and are not expected to have a significant impact on future financial statements when they are adopted:

Effective for annual periods beginning on or after 1 July 2012:

- IAS 1 (Amended), "Presentation of Financial Statements".

Effective for annual periods beginning on or after 1 January 2013:

- IFRS 10, "Consolidated financial statements";
- IFRS 11, "Joint arrangements";
- IFRS 12, "Disclosures of interests in other entities";
- IFRS 13, "Fair value measurement"'
- IAS 19 (revised 2011), "Employee benefits";
- IAS 27 (revised 2011), "Separate financial statements";
- IAS 28 (revised 2011), "Associated and joint ventures";
- IFRIC 20, "Stripping costs in the production phase of a surface mine";

Notes to the Consolidated Financial Statements (continued)

Effective for annual periods beginning on or after 1 January 2015:

- IFRS 9, "Financial instruments".

USE OF ESTIMATES AND JUDGEMENTS

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

The estimate and assumption that has the most significant effect on the carrying amounts of assets and liabilities in the financial statements is the valuation of quoted investments. These are valued at closing bid market price and in accordance with IFRS, no discount is applied for liquidity of the stock or any dealing restrictions. However, it may not always be possible to trade at the quoted bid market price. Quoted portfolio investments are carried in the financial statements as at 30 June 2012 at a valuation of £1,043,000 (2011: £nil). For further detail see note 13.

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 Limited was a business combination involving entities under common control. The financial statements of Antisoma Research Limited 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.

SUBSIDIARIES

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than half of the voting rights. The existence and effects of potential voting rights are considered when assessing whether the Group controls the entity. Subsidiaries are fully consolidated from the date control passes.

All intra-group transactions, balances, and unrealised gains on transactions between group companies are eliminated on consolidation. Subsidiaries' accounting policies are amended where necessary to ensure consistency with the policies adopted by the Group. All financial statements are made up to 30 June 2012.

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 6 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

Notes to the Consolidated Financial Statements (continued)

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 6 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 note 6.

INVESTMENT PORTFOLIO ASSETS

Investment assets that are held by the Group with a long-term view to the ultimate realisation of capital gains are classified as investment portfolio assets and are stated at the Directors' estimate of their fair value determined in accordance with International Private Equity and Venture Capital Valuation Guidelines ("IPEVCVG") on the basis set out below. Investment assets are designated at fair value through profit or loss on initial recognition and any gains or losses arising from subsequent changes in fair value are presented in profit or loss as they arise.

(i) Quoted investments for which an active market exists are valued at closing bid-market price at the reporting date.

(ii) Unquoted investments are measured at fair value by the Directors as follows:

- Investments in companies that are still in a development phase continue to be valued based on cost unless there have been more recent benchmark subscriptions and investments which give a guide to fair value ("Price of Recent Investment") or where there are factors that indicate a change in fair value has occurred.
- Once the business becomes established, investments are valued based on an estimate of the fair value for the investee company derived using methodologies which include applying an average sector earnings multiple to operating profits, valuation by reference to net asset base and discounted cash flows.

CASH, CASH EQUIVALENTS AND SHORT-TERM DEPOSITS

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 receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'selling and marketing costs'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

TRADE AND OTHER PAYABLES

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

SEGMENTAL 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.

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 made claims each year for research and development tax credits and, when losses were made, elected to take the cash equivalent amount. The Group accrued for the expected cash equivalent amount for each year into that year's financial statements.

REVENUE

Revenue is measured at the fair value of the consideration received or receivable in the normal course of business, net of discounts, VAT and other sales related taxes. The Group recognises revenue when the amount of revenue can be reliably measured and when it is probable that the future economic benefits will flow into the Group.

(i) Business portfolio return

Business portfolio return represents the sum of realised gains and losses on the disposal of investment portfolio assets and the unrealised gains and losses on the revaluation of investments and any related investment income received and receivable.

Realised gains and losses on the disposal of investments is the difference between the fair value of the consideration received less any directly attributable costs on the sale and the fair value of the investments at the start of the accounting period or acquisition date if later.

Unrealised gains and losses on the revaluation of investments is the movement in carrying value of investments between the start of the accounting period or acquisition date if later and the end of the accounting period.

Dividends from investments are recognised when the shareholders' rights to receive payment have been established.

(ii) Interest income

Interest income is recognised as interest accrues using the effective interest rate method.

OTHER INCOME

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 as other income, 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.

Notes to the Consolidated Financial Statements (continued)

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.

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.

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.

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

PENSION COSTS

Retirement benefits to employees and Directors were 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.

There are no pension costs in the current year.

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.

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 were no share options outstanding during or at the year end date and there are no share based payment costs in the year.

2. SEGMENTAL INFORMATION

Antisoma's operating segments are reported based on the financial information provided to the Board, 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. Following the re-organisation and classification as an Investing Company, the Group has only one reportable segment, being Portfolio Investment return.

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

All Portfolio investment return is derived from the United Kingdom and the other income from the United States of America. The principal sources of revenue for the Group in the two years ended 30 June 2012 were:

	2012 £'000	2011 £'000
Portfolio investment return – United Kingdom	42	–
Other income – United States of America*	619	1,178
Total	661	1,178

* Other income for 2012 comprises revenue from the divestment of oral fludarabine (see note below) and is derived from one customer (2011: £624,000). This is anticipated to be the main stream of revenue over the next two years relating to historic pharmaceutical operations.

Disposal of oral fludarabine – During the year ended 30 June 2009, the Group sold the US rights to oral fludarabine to Sanofi-Aventis LLC for an up-front payment net of the costs of disposal of £39,380,000. The Group is also entitled to receive contingent payments of $1,000,000 per annum for the following five years subject to certain conditions being met in each of those years to June 2014. 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 £619,000 ($1,000,000) has been recognized in respect of this income (2011: £624,000 ($1,000,000)).

Geographic Information

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

	2012 £'000	2011 £'000
Total assets		
Currency zone		
UK	14,610	14,361
US	–	297
Total	14,610	14,658

3. DIRECTORS' EMOLUMENTS

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

	2012 £'000	2011 £'000
Directors' remuneration		
Gross emoluments and benefits	80	571
Termination payments	37	667
Pension contributions	–	42
Highest-paid Director		
Emoluments and benefits	18	213
Termination payments	17	416
Pension contributions	–	25

Notes to the Consolidated Financial Statements (continued)

4. EMPLOYEE INFORMATION

The monthly average number of persons (including Executive and Non-Executive Directors) employed by the Group during the year was:

	2012	2011
By activity		
Administration	5	31
Research and development	–	12
	5	43

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

	2012 £'000	2011 £'000
Staff costs		
Wages and salaries	80	3,695
Social security costs	2	551
Other pension costs	–	270
Termination payments	37	1,988
Share based payments	–	1,655
	119	8,159

5. FINANCE (COST)/INCOME

	2012 £'000	2011 £'000
On short-term deposits	38	74
On cash and cash equivalents	40	44
Total finance income	78	118
Net foreign exchange losses on financing activities	(230)	(66)
Net finance (cost)/income	(152)	52

6. OPERATING PROFIT/(LOSS)

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

	2012 £'000	2011 £'000
Depreciation on tangible property, plant and equipment	–	391
Impairment of intangible assets and goodwill	–	58,197
Loss on disposal of property, plant and equipment	–	804
Operating lease charges – Other	–	727
Net foreign exchange differences	35	407
Restructuring costs	–	3,119
Employee share based payment charge	–	1,655
Auditors' remuneration (see below)	35	112

	2012 £'000	2011 £'000
Auditors' remuneration		
Audit services		
Fees payable to Company auditor for the audit of the Company and consolidated accounts	25	35
Other services		
Fees payable to the Company's auditor and its associates for other services:		
The audit of Company's subsidiaries pursuant to legislation	5	35
Other Services pursuant to legislation	–	12
Tax services	5	30
	35	112

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND GOODWILL

During the year ended 30 June 2011 the Group announced it was ceasing further development of all products, programmes and pre-clinical research in respect of its pharmaceutical activities and impairment reviews were performed on the property, plant and equipment assets, goodwill and capitalised intangible assets associated with these. The outcome resulted in impairment charges of £1.2 million for property, plant and equipment, £51.0 million for intangible assets and £7.2 million for goodwill being made to reduce the carrying value of the assets to £nil.

There were no property, plant and equipment assets, intangible assets or goodwill at 30 June 2011 or 30 June 2012.

EMPLOYEE SHARE-BASED PAYMENT PLANS

The total charge for the year relating to employee share-based payment plans was £nil (2011: £1.65 million, of which £0.92 million was charged to research and development and £0.73 million was charged to administrative expenses). The company had previously awarded options to employees under a Company Share Option Plan, an Executive Incentive Plan and a Deferred Share Bonus Plan. There were no movements or awards in 2012 (2011: awards granted 9,463,820, cancelled 15,000,000, exercised 9,746,008, expired 33,427,376) and there were no awards outstanding at either 30 June 2012 or 30 June 2011. At 1 July 2010 there were 57,947,768 options outstanding. In calculating the share based payments charge, the Monte Carlo valuation method was used incorporating performance conditions where appropriate, an expected volatility based on historic volatility at the time of the award, an expected dividend yield of nil and a risk free rate equal to the UK Gilts rate at the award date.

RESTRUCTURING COSTS

During the year ended 30 June 2011 the Group engaged in a significant internal restructuring resulting in reductions in operational 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: £1.2 million).

7. TAXATION

(a) Tax charges and credits in the Income Statement

	2012 £'000	2011 £'000
Current tax on profit and loss for the year	–	1,380
Adjustment in respect of prior period	(47)	–
Deferred tax credit	–	7,162
Total tax (charge)/credit for the year	(47)	8,542

Notes to the Consolidated Financial Statements (continued)

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:

	2012 £'000	2011 £'000
Profit/(loss) before taxation	424	(77,859)
Profit/(loss) before taxation multiplied by the standard rate of UK corporation tax at 25.5% (2011: 27.5%)	108	(21,411)
Effects of:		
Depreciation in excess of capital allowances	–	149
Expenses not deductible for tax purposes	–	2,755
Losses (utilised)/carried forward or surrendered for research and development tax credits	(108)	18,512
Current year Research and Development tax credit	–	(1,424)
Adjustment in respect of prior period	47	39
Tax charge/(credit) for the year	47	(1,380)

During 2011 the whole of the deferred tax payable balance of £7.2 million was released as a credit to income statement taxation reflecting impairment of intangible goodwill assets down to £nil – see note 6.

(b) Deferred tax

Unrecognised deferred tax assets at 24% tax rate:

	2012 £'000	2011 £'000
Tax effect of timing differences		
Excess of depreciation over capital allowances	–	469
Losses carried forward	37,440	43,251
	37,440	43,720

At 30 June 2012, the Group had tax losses available for carry forward in excess of £156 million (2011: £166 million) subject to agreement with the relevant tax authority.

(c) Change in Corporation Tax rate

A reduction in the main rate of corporation tax to 26% from 1 April 2011 was announced in the March 2011 UK Budget on 23 March 2011. This change was substantively enacted by the balance sheet date and, therefore, is included in these financial statements. Further changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement.

A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012, therefore the effect of this change is included in these financial statements. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 is expected to be included in the Finance Act 2012.

Further reductions to the main rate are proposed to reduce the rate to 22% from 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.

8. EARNINGS/(LOSS) PER SHARE

Basic earnings/(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.

Earnings/(loss) per ordinary share

	2012	2011
Profit/(loss) for the year (£'000)	377	(69,317)
Weighted average number of shares ('000)	639,360	633,328
Basic earnings/(loss) per ordinary share	0.06p	(10.9)p
Diluted earnings/(loss) per ordinary share	0.06p	(10.9)p

The Group had no dilutive potential ordinary shares in issue during the year ended 30 June 2012 and there was also no dilutive impact for the year ended 30 June 2011 consequent to the loss reported in that year.

9. PORTFOLIO INVESTMENTS

	Quoted Equity Shares £'000
Fair value at 30 June 2010 and 2011	–
Additions in the year	1,001
Unrealised gain on the revaluation of investments	42
Fair value at 30 June 2012	1,043

All portfolio investments are held by Antisoma plc.

10. SUBSIDIARY COMPANIES

At 30 June 2012 the Group has investments in subsidiaries where it holds 50 per cent. or more of the issued ordinary share capital of the following companies:

Name of Undertaking	Country of incorporation	Description of shares held	% of nominal value of issued shares held	Principal business activity
Antisoma Research Limited	Great Britain	1p 'A' ordinary and £1 redeemable preference	100	Commercialisation of divested product rights, patents and IP relating to existing assets from prior pharmaceutical activities
Antisoma Development Limited	Great Britain	£1 Ordinary shares	100	Dormant
Antisoma, Inc.	United States of America	US$0.001	100	Dormant
Xanthus Securities, Inc.	United States of America	US$0.01	100	Dormant

11. TRADE AND OTHER RECEIVABLES

	2012 £'000	2011 £'000
Trade receivables	640	652
Other receivables	6	221
Prepayments and accrued income	15	10
	661	883

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

Notes to the Consolidated Financial Statements (continued)

12. TRADE AND OTHER PAYABLES

	2012 £'000	2011 £'000
Trade payables	5	–
Other payables	–	20
Other tax and social security	3	(27)
Accruals	79	323
	87	316

The Group has no non-current payables.

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

13. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk and foreign currency risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The management of these risks is vested in the Board of Directors. The policies for managing each of these risks are summarised below:

Management of market risk

(i) Price risk

The Group is exposed to market price risk in respect of its portfolio investments. The Group mitigates this risk by having established investment appraisal processes and asset monitoring procedures which are subject to overall review by the Board.

The Group has in place procedures and levels of authority designed to control the level of commitments, either in single investments or in aggregate.

Details of the Group's investment portfolio are given in note 9 to the financial statements.

Price risk sensitivity

The table below summarises the impact on the Group's profit before taxation for the year and on equity of a 10 per cent. increase/decrease in the price of the investment portfolio. The price sensitivity of 10 per cent. represents Management's estimate of the premium/discount that may be achieved on sale of investment portfolio assets relative to the closing bid market price.

Impact of 10% price change

	2012 £'000	2011 £'000
Portfolio investments	104	–

(ii) Interest rate risk

As the Group has no significant borrowings, the risk is limited to the reduction of interest received on cash surpluses held. Interest rate risk is managed in accordance with the liquidity requirements of the Group, with a minimum appropriate level of its cash surpluses held within an instant access account, which has a variable interest rate attributable to it, to ensure that sufficient funds are available to cover the Group's liquidity needs.

Interest rate sensitivity

The principal impact to the Group is the result of interest-bearing cash and short term deposit (cash equivalent) balances held as set out below. The sensitivity is based on the maximum expected market volatility in the current climate and the previous 12 months.

	2012			2011		
	Fixed rate £'000	Floating rate £'000	Total £'000	Fixed rate £'000	Floating rate £'000	Total £'000
Cash, cash equivalents and short term deposits	9,727	3,179	12,906	10,561	1,751	12,312

At 30 June 2012, the impact of a 5 per cent. increase or decrease in interest rates would have increased/decreased the profit for the year and equity by £2,000 (2011: £3,000) as a result of higher/lower interest received on floating rate cash deposits.

(iii) Currency risk profile

In prior periods, the Group had a limited level of exposure to foreign exchange rate risk through its foreign currency denominated cash balances, as shown below. The Group manages its foreign exchange risk at Board level.

	Cash and cash equivalents 2012 £'000	Short-term deposits 2012 £'000	Cash and cash equivalents 2011 £'000	Short-term deposits 2011 £'000
Sterling	9,746	3,100	5,970	–
US dollars	60	–	1,685	–
Euros	–	–	4,657	–
	9,806	3,100	12,312	–

Foreign exchange risk sensitivity

The table below summarises the impact of a 10 per cent. increase/decrease in the relevant foreign exchange rates versus the pound sterling rate on the Group's pre-tax profit for the year and on equity. The sensitivity is based on the effect of the market volatility in the current climate and the previous 12 months:

	Cash and cash equivalents 2012 £'000	Cash and cash equivalents 2011 £'000
Increase/decrease on post-tax profit/(loss):		
US dollar	6	169
Euros	–	466
Total	6	635

Management of credit risk

The Group's principal financial assets are bank balances and short term deposits. Credit risk associated with trade receivables is considered to be minimal as the balance is due from one customer with no history of default.

The Group seeks to limit the level of credit risk on the cash balances by only depositing surplus liquid funds with counterparty banks with high credit ratings.

The credit risk associated with portfolio investments is considered minimal.

Notes to the Consolidated Financial Statements (continued)

Credit risk sensitivity

Cash, cash equivalents and short term deposits	2012 £'000	2011 £'000
A	10,384	12,312
BBB	2,522	–
	12,906	12,312

The maximum exposure to credit risk on the Group's financial assets is represented by their carrying amount, as outlined in the categorisation of financial instruments table below.

FINANCIAL ASSETS/(LIABILITIES)

	Loans and receivables £'000	Financial liabilities at amortised cost £'000	Financial assets at fair value through profit and loss £'000	Total £'000
At 30 June 2012				
Portfolio investments	–	–	1,043	1,043
Trade and other receivables	661	–	–	661
Cash and cash equivalents	–	–	12,906	12,906
Trade and other payables	–	(87)	–	(87)
Provisions	–	(1,611)	–	(1,611)
NET TOTAL	661	(1,698)	13,949	12,912
At 30 June 2011				
Trade and other receivables	883	–	–	883
Cash and cash equivalents	–	–	12,312	12,312
Trade and other payables	–	(316)	–	(316)
Provisions	–	(1,806)	–	(1,806)
NET TOTAL	883	(2,122)	12,312	11,073

The Group does not consider that any changes in fair value of financial assets in the year are attributable to credit risk.

No aged analysis of financial assets is presented as no financial assets are past due at the reporting date.

Management of liquidity risk
The Group seeks to manage liquidity risk to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group deems there is sufficient liquidity for the foreseeable future.

No maturity analysis for financial liabilities is presented, as the Directors consider that liquidity risk is not material.

The Group had cash, cash equivalents and short term deposits at 30 June 2012 as set out below:

Cash, cash equivalents and short term deposits

	2012 £'000	2011 £'000
Instant access	3,278	7,539
Maturing in 1 – 3 months	6,528	4,773
Maturing in 3 – 6 months	2,000	–
Maturing within 1 year	1,100	–
	12,906	12,312

As at 30 June 2012 and 30 June 2011, with the exception of investment portfolio assets, all financial assets and liabilities mature for payment within one year.

14. PROVISIONS FOR LIABILITIES AND CHARGES

	Onerous contract £'000
At 30 June 2010	1,620
Foreign exchange movement	186
At 30 June 2011	1,806
Foreign exchange movement	(195)
At 30 June 2012	1,611

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.

15. SHARE CAPITAL

Group

	2012 £'000	2011 £'000
Issued and fully paid		
639,360,364 Ordinary shares of 1p each	6,393	6,393
4,331,683 preference shares of £1 each	4,332	4,332
	10,725	10,725

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

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

No conversion or redemption has occurred.

16. SHARE PREMIUM

Group and Company

	2012 £'000	2011 £'000
At 1 July	122,091	122,070
Issue of shares	–	21
At 30 June	122,091	122,091

Notes to the Consolidated Financial Statements (continued)

17. OTHER RESERVES

	Other reserve: retranslation	Merger reserve	Total
	£'000	£'000	£'000
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 and 30 June 2012	8,282	–	8,282

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

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

A decision was taken in the prior 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 note 6, 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 18).

18. ACCUMULATED LOSSES

	2012 £'000	2011 £'000
Group		
At 1 July	(128,563)	(100,156)
Profit/(loss) for the year	377	(69,317)
Share options: value of employee services	–	1,655
Transfer from merger and other reserve (see note 17)	–	39,255
At 30 June	(128,186)	(128,563)

19. RELATED PARTY DISCLOSURES

Terms and conditions of transactions with related parties:

The Group:

There are no sales to related parties. Purchases from related parties are made at normal market prices. When balances are outstanding at the year-end, these are unsecured, interest free and settlement occurs in cash.

During the period ended 30 June 2012, consultancy fees of £12,000 (2011: £nil) have been charged through the income statement in respect of ORA Capital Partners Limited which is a substantial shareholder in Antisoma plc. Outstanding balance owed at 30 June 2012 was £nil (2011: £nil).

Directors' remuneration

The remuneration of the individual Directors is provided in the Directors' Report on page 4.

20. POST-EMPLOYMENT BENEFITS

In prior years, the Group operated a defined contribution Group personal pension scheme for employees and Executive Directors in the UK and in North America.

There were no pension payments in the current year (2011: £270,000).

Company Information
Company Statement of Changes in Equity
As at 30 June 2012

	Share capital £'000	Share premium £'000	Other reserve: merger £'000	Accumulated losses £'000	Total £'000
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	97	21	–	–	118
Reserve transfer	–	–	(49,599)	49,599	–
Share options: value of employee services	–	–	–	1,655	1,655
At 30 June 2011	10,725	122,091	–	(119,973)	12,843
At 1 July 2011	10,725	122,091	–	(119,973)	12,843
Total comprehensive income for the year	–	–	–	717	717
At 30 June 2012	10,725	122,091	–	(119,256)	13,560

Company Statement of Financial Position
As at 30 June 2012

	Notes	2012 £'000	2011 £'000
ASSETS			
Non-current assets			
Investments in subsidiaries	C3	7	12,838
Portfolio investments	9	1,043	–
		1,050	12,838
Current assets			
Trade and other receivables	C4	15	–
Cash and cash equivalents		9,444	25
Short-term deposits		3,100	–
		12,559	25
Total assets		13,609	12,863
LIABILITIES			
Current liabilities			
Trade and other payables	C5	(49)	(20)
Net current assets		12,510	5
Net assets		13,560	12,843
Shareholders' equity			
Share capital	15	10,725	10,725
Share premium	16	122,091	122,091
Accumulated losses		(119,256)	(119,973)
Total shareholders' equity		13,560	12,843

The financial statements shown on pages 31 to 33 were approved by the Board of Directors on 1 October 2012 and signed on its behalf by:

Michael Pappas
Chairman

Michael Bretherton
Finance Director

Company Information
Company Statement of Cash Flows
As at 30 June 2012

	2012 £'000	2011 £'000
Cash flows from operating activities		
Profit/(loss) for the year	717	(69,373)
Finance income	(12)	(109)
Unrealised gain on revaluation of portfolio investments	(42)	–
(Write back)/impairment of investments	(1,041)	60,249
Operating cash outflows before movement in working capital	(378)	(9,233)
Purchase of portfolio investments	(1,001)	–
Receipt of intercompany receivables	13,872	1,162
(Increase)/decrease in trade and other receivables	(15)	7,875
Increase/(decrease) in trade and other payables	29	(32)
Cash generated/(used) in operations	12,507	(228)
Finance income	12	110
Net cash generated/(used) in operating activities	12,519	(118)
Cash flows from financing activities		
Proceeds from issue of ordinary share capital	–	118
Net cash generated from financing activities	–	118
Net movement in cash, cash equivalents and short term deposits	12,519	–
Cash, cash equivalents and short term deposits at beginning of year	25	25
Cash, cash equivalents and short term deposits at end of year	12,544	25

Company Information
Notes to the Company Information

C1 Principal accounting policies

The separate financial statements of the Company are presented as required by the Companies Act 2006 and in accordance with IFRS.

The principal accounting policies adopted are the same as for those set out in the Group's financial statements.

C2 Company profit/(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 profit of £717,000 (2011: loss of £69,373,000).

C3. Investment in subsidiary companies

	2012 £'000	2011 £'000
Company		
Cost and valuation of interests in Group undertakings		
As at 1 July	12,838	71,432
Impairment	(12,831)	(60,249)
Capital contributions in respect of share-based payments	–	1,655
As at 30 June	7	12,838

During the year impairments of £12,831,000 were made to investments in subsidiary undertakings in order to write down the valuation of the investments to the recoverable value of assets in those subsidiaries. This impairment charge was more than off-set by repayments of intercompany receivables of £13,872,000 to give an impairment net credit of £1,041,000 in the year.

During the prior 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 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.

In the prior year, the share-based payment charges related to the share options granted in the Company on behalf of employees of Antisoma Research Limited and Antisoma Inc.

C4. Trade and other receivables

	2012 £'000	2011 £'000
Current		
Prepayments and accrued income	15	–

C5. Trade and other payables

	2012 £'000	2011 £'000
Company		
Trade payables	3	–
Accruals	46	20
	49	20

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2012 Annual General Meeting of Antisoma plc (the "Company") will be held at 10.30 a.m. on 25 October 2012 at the offices of CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London EC1A 4DD for the following purposes:

Ordinary resolutions
To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. To receive the audited financial statements of the Company for the year ended 30 June 2012 together with the Directors' report and the independent auditors' report on those financial statements.
2. To re-appoint Michael Bretherton as a Director of the Company.
3. To appoint Jonathan Morley-Kirk as a Director of the Company (see note 18 for biographical details).
4. To re-appoint PricewaterhouseCoopers LLP as the auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which audited financial statements are laid.
5. To authorise the directors to determine PricewaterhouseCoopers LLP's remuneration as auditors of the Company.
6. To authorise the Directors generally and unconditionally pursuant to section 551 of the Companies Act 2006 (the "2006 Act") to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (together "relevant securities") up to an aggregate nominal amount of £4,262,402, comprising:

   (a) an aggregate nominal amount of £2,131,201 (whether in connection with the same offer or issue as under (b) below or otherwise); and

   (b) an aggregate nominal amount of £2,131,201, in the form of equity securities (within the meaning of section 560(1) of the 2006 Act) in connection with an offer or issue by way of rights, open for acceptance for a period fixed by the Directors, to holders of ordinary shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever,

   such authority to expire (unless renewed, varied or revoked by the Company in general meeting) on the earlier of 15 months from the date this resolution is passed and the conclusion of the Annual General Meeting of the Company in 2013, save that the Company may before such expiry make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement as if such authority had not expired.

Special resolution
To consider and, if thought fit, pass the following resolution as a special resolution:

7. To empower the Directors pursuant to section 570 of the 2006 Act to allot equity securities (as defined in section 560(1) of that Act) for cash pursuant to the general authority conferred on them by resolution 7 above and/or to sell equity securities held as treasury shares for cash pursuant to section 727 of that Act, in each case as if section 561(1) of that Act did not apply to any such allotment or sale, provided that this power shall be limited to:

   (a) any such allotment and/or sale of equity securities in connection with an offer or issue by way of rights or other pre-emptive offer or issue, open for acceptance for a period fixed by the Directors, to holders of ordinary shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

(b) any such allotment and/or sale, otherwise than pursuant to sub-paragraph (a) above, of equity securities having an aggregate nominal value or, in the case of other equity securities, giving the right to subscribe for or convert into relevant shares having an aggregate nominal amount, not exceeding the sum of £1,278,721.

This authority shall expire, unless previously revoked or renewed by the Company in general meeting, at such time as the general authority conferred on the Directors by resolution 7 above expires, except that the Company may at any time before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the Directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

1 October 2012

By order of the Board

Registered office:
Mitre House
160 Aldersgate Street
London EC1A 4DD

Christopher Hill
Company Secretary

Notes:

1. A member who is an individual is entitled to attend, speak and vote at the meeting or to appoint one or more other persons as his proxy to exercise all or any of his rights on his behalf. Further details of how to appoint a proxy, and the rights of proxies are given in the Notes below. A member that is a company can appoint one or more "corporate representatives" (such as a director or employee of the company) whose attendance at the meeting is treated as if the Company were attending in person, or it can appoint one or more persons as its proxy to exercise all or any of its rights on its behalf. In each case, a person attending the meeting will need to provide the Company or its registrars, Capita Registrars Limited, with evidence of their identity and, if applicable, their appointment as a proxy or corporate representative with authority to vote on behalf of a member.

2. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. To appoint a proxy or proxies shareholders must: (a) complete a WHITE form of proxy, sign and return it, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such authority, to the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; or (b) go to www.capitashareportal.com and follow the instructions provided; or (c) complete a CREST Proxy Instruction (as set out in paragraph 11 below), in each case to arrive no later than 10.30 a.m. on 23 October 2012. To appoint more than one proxy, you will need to complete a separate WHITE form of proxy in relation to each appointment. A WHITE form of proxy for use in connection with the Annual General Meeting is enclosed with this document. If you do not have a WHITE form of proxy and believe that you should, or if you require additional forms, please contact the Company's registrars, Capita Registrars Limited on +44 (0) 0871 664 0300 (calls cost 10p per minute plus network extras from the UK; lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday).

3. You will need to state clearly on each WHITE form of proxy the number of shares in relation to which the proxy is appointed. A failure to specify the number of shares each proxy appointment relates to or specifying a number of shares in excess of those held by the member will result in the proxy appointment being invalid.

4. The return of a completed WHITE form of proxy, other such instrument or any CREST Proxy Instruction (as described in paragraph 11 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.

Notice of Annual General Meeting (continued)

5. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

6. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

7. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1, 2 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders included in the register of members of the Company at 6.00 p.m. on 23 October 2012 or, if the meeting is adjourned, in the register of members at 6.00 p.m. on the day which is two days before the day of any adjourned meeting, will be entitled to attend and to vote at the Annual General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the share register after 6.00 p.m. on 23 October 2012, or, if the meeting is adjourned, in the register of members at 6.00 p.m. on the day which is two days before the day of any adjourned meeting, will be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.

9. As at 1 October 2012 (being the last business day prior to the publication of the Notice) the Company's issued ordinary share capital consists of 639,360,364 ordinary shares of one penny each, carrying one vote each. Therefore, the total voting rights in the Company as at 1 October 2012 are 639,360,364.

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent, Capita Registrars (ID RA10), by 10.30 a.m. on 23 October 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

14. Under section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the

Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

15. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

16. Copies of the letters of appointment of the Directors are available for inspection during normal business hours at the registered office of the Company and will be available for inspection for 15 minutes prior to and during the Annual General Meeting.

17. Any electronic address, within the meaning of section 334(4) of the Companies Act 2006, provided in the Notice, or any related documents including the WHITE form of proxy, may not be used to communicate with the Company for any purpose other than those expressly stated.

18. It is proposed that Jonathan Morley-Kirk be appointed as a Director at the Annual General Meeting. Mr Morley-Kirk will hold office as an Independent Non-Executive Director. Mr Morley-Kirk is a Fellow of the Chartered Securities and Investment Institute and a Fellow of the Institute of Chartered Accountants in England and Wales. He has extensive experience of capital markets and structuring investments and has served as a Director on a range of public and private companies, including as Chairman of Fox-Davies Capital from 2003 to 2008 and previously he also served as a Director of S G Warburg Securities and Samuel Montagu & Co. He is currently a Non-Executive Director of East Siberian PLC (formerly PetroKamchatka) and is also a Director and CFO of Longreach Oil & Gas, both of which are oil and gas exploration companies listed on the Toronto Stock Exchange.

19. A copy of the Notice, and other information required by section 311A of the Companies Act 2006, can be found at www.antisoma.com.

Antisoma plc
Mitre House
160 Aldersgate Street
London
EC1A 4DD

Registered in England and Wales
No. 3248123