

**Company Registration No. 02916948 (England and Wales)**

**ANGLE TECHNOLOGY LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2011**

TUESDAY



A59      \*A11QBN7V\*      #290  
31/01/2012  
COMPANIES HOUSE

# ANGLE TECHNOLOGY LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	Ian F Griffiths Andrew D W Newland
<b>Secretary</b>	Ian F Griffiths
<b>Company number</b>	02916948
<b>Registered office</b>	3 Frederick Sanger Road The Surrey Research Park Guildford Surrey GU2 7YD
<b>Web site</b>	<a href="http://www.ANGLEplc.com">www.ANGLEplc.com</a>
<b>Auditor</b>	Baker Tilly UK Audit LLP The Clock House 140 London Road Guildford Surrey GU1 1UW

# **ANGLE TECHNOLOGY LIMITED**

## **CONTENTS**

---

### **Page**

**1 - 3            Directors' Report**

**4 - 5            Auditor's Report**

**6                Profit and Loss Account**

**7                Balance Sheet**

**8 – 20           Notes to the Financial Statements**

# **ANGLE TECHNOLOGY LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 APRIL 2011**

---

The Directors present their Report and Financial Statements for ANGLE Technology Limited, Company registration number 02916948, for the year ended 30 April 2011.

The Directors who held office as at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company auditors are unaware; and each Director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company auditors are aware of that information.

### **Principal activity and review of the business**

The Company is a key trading Company of ANGLE plc and the former holding company of the Group. The principal activities of the Company are the provision of Management services and it also holds a number of investments in ventures.

### **Management services**

The Management services business has been constrained by Government cut backs and in the circumstances this part of the business has performed well to maintain revenues and profitability, although this is expected to reduce next year given ongoing austerity measures.

Our established Management services contracts will continue to be closely managed and are expected to remain profitable, although we expect a drop in revenues as contracts complete and some of them do not renew. Set against this, a number of new contracts are coming to the market for tender.

### **Investments**

**Acolyte Biomedica** (medical diagnostics / MRSA detection) was sold in February 2007. The deferred consideration of up to £3 million due in respect of the sale of the investment in Acolyte Biomedica is subject to dispute between the former Acolyte shareholders and the purchaser, 3M Corporation.

The legal action in the UK courts by the former major Acolyte shareholder, Porton Capital, against the purchaser, 3M, in respect of its share of the earn-out concluded after the year end on 7 November 2011 when the judge handed down his judgement.

The judge found in favour of Porton Capital and in particular that 3M was "in breach of its obligation diligently to seek regulatory approval for BacLite in the US" and "in material breach of its obligation actively to market [BacLite]".

However the damages awarded against 3M were lower than expected and limited to only US\$1,299,808, which on a comparable basis would equate to US\$158,848 for ANGLE Technology's share of the earn-out. The Company is currently awaiting any possible further developments in the case and in particular whether the judgment is appealed by Porton Capital which may lead to a change in the level of the award.

Once the situation is known, ANGLE expects to pursue its own claim against the purchaser. At present the Company has no exposure to legal costs.

The change in circumstances associated with this judgement results in an adjusting post balance sheet event. The Directors believe that it is appropriate to impair the value the asset by £860,608 to £98,413 being the fair value based on the damages awarded.

# **ANGLE TECHNOLOGY LIMITED**

## **DIRECTORS' REPORT (Continued) FOR THE YEAR ENDED 30 APRIL 2011**

---

### **Investments (continued)**

**NeuroTargets (neuropathic pain, Alzheimer's and multiple sclerosis)** has developed therapeutic molecules based on galanin, a protein used by nerve cells to communicate with each other. NeuroTargets agreed a licensing deal with the University of Bristol, and the Wellcome Trust during the year with a funding award from the Wellcome Trust to the University to progress the galanin programme. However, as is often the case, side effects were found in the first set of targets being investigated by the University and new targets are currently being sought. The University's Wellcome Trust funding programme has been terminated whilst this process is underway and the University will need to reapply for the funding if the programme is to progress. In addition to the work on neuropathic pain, NeuroTargets has through Professor Wynick's research also had positive pre-clinical results for the treatment of multiple sclerosis (MS) and Alzheimer's disease (AD). NeuroTargets has secured a granted patent in Australia for the use of galanin to treat MS and AD and applications in other territories are ongoing. NeuroTargets has long term potential that requires partnering.

During the year ANGLE increased its holding in NeuroTargets to 65% following the conversion of a loan after the expiry of its fifth anniversary, thus changing the status of NeuroTargets from investment to a subsidiary.

Additional information is provided in the ANGLE plc Annual Report and Accounts 2011 and subsequent news releases.

The key performance indicators for the Company are those associated with Management services and the above investments. Management services – to retain existing contracts as far as possible, win new management services contracts, retain key employees and operate contracts profitably and contribute to corporate overheads. Investments: 1) for Acolyte – to secure the maximum settlement possible and get the cash paid promptly and 2) for NeuroTargets to successfully identify new targets and secure a new deal with the University of Bristol / Wellcome Trust.

### **Principal risks and uncertainties**

The Directors consider that the Company is exposed to number of risks and uncertainties:

- the failure to secure sufficient new management services contracts or a public sector squeeze on existing contracts such that the operating costs of the business are not covered;
- the nature of the activities of the investments means there is considerable technical and market risk, particularly with regard to biotech, which may result in delays, increased costs or ultimately failure of one or more of the investments, which could significantly affect the overall value of the Group;
- the early stage investment market remains challenging and there may be delays in securing investment and / or corporate partnerships together with pressures on prices in portfolio companies; portfolio companies may require further support from the Group;
- the exit environment remains challenging and there may be pressures on prices and / or delays in securing cash exits;
- in the event that new funds are required there can be no guarantee that these will be available; and
- the loss of key personnel.

# ANGLE TECHNOLOGY LIMITED

## **DIRECTORS' REPORT (Continued)** **FOR THE YEAR ENDED 30 APRIL 2011**

---

### **Results and dividends**

The results for the year are set out on page 6. The Directors do not recommend the payment of a dividend for the year.

### **Directors**

The following Directors have held office since 1 May 2010:

G P Evans (resigned 23 March 2011)  
A D W Newland  
I F Griffiths

### **Auditor**

The auditor Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

### **Directors' responsibilities**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

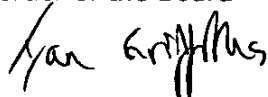
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the profit or loss of the company for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



I F Griffiths

**Director**

31 January 2012

# **ANGLE TECHNOLOGY LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLE TECHNOLOGY LIMITED**

---

We have audited the Financial Statements on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As more fully explained in the Directors' Responsibilities Statement on page 3, 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 (APB's) Ethical Standards for Auditors

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

# ANGLE TECHNOLOGY LIMITED

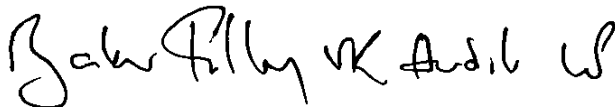
## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLE TECHNOLOGY LIMITED (Continued)

---

### 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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



Colin Roberts (Senior Statutory Auditor)  
For and on behalf of Baker Tilly UK Audit LLP, Statutory Auditor  
Chartered Accountants  
The Clock House  
140 London Road  
Guildford  
Surrey  
GU1 1UW

31 January 2012



# ANGLE TECHNOLOGY LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2011

	Notes	2011 £	2010 £
Turnover	2	2,358,273	2,369,067
Operating costs	3	(2,085,898)	(2,228,402)
Operating profit from Management services		272,375	140,665
Provision to write off Group balances	20	(1,337,723)	(870,462)
<b>Operating profit /(loss)</b>		<b>(1,065,348)</b>	<b>(729,797)</b>
Profit /(loss) on increase /(decrease) in value of current asset investment	10	-	597,608
Profit /(loss) on increase /(decrease) in value of other receivables	12	(860,608)	-
Net interest	6	753	(507)
<b>Profit /(loss) on ordinary activities before taxation</b>		<b>(1,925,203)</b>	<b>(132,696)</b>
Tax on profit /(loss) on ordinary activities	7	-	(5,921)
<b>Retained profit /(loss) for the year</b>	<b>17</b>	<b>(1,925,203)</b>	<b>(138,617)</b>
		=====	=====

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

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

# ANGLE TECHNOLOGY LIMITED

## BALANCE SHEET AS AT 30 APRIL 2011

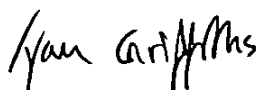
Company no: 02916948

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Tangible assets	8	9,876	14,556
Investments	9	967	967
		<u>10,843</u>	<u>15,523</u>
<b>Current assets</b>			
Investments	10	-	-
Investments – ESOT	11	102,172	342,115
Debtors – due within one year	12	251,239	422,102
Debtors – due after one year	12	98,413	1,007,963
Cash at bank and in hand		180,225	831,298
		<u>632,049</u>	<u>2,603,478</u>
<b>Creditors:</b> amounts falling due within one year	13	(233,700)	(800,314)
		<u>398,349</u>	<u>1,803,164</u>
<b>Net current assets /(liabilities)</b>			
		<u>409,192</u>	<u>1,818,687</u>
<b>Creditors:</b> amounts falling due after more than one year	14	(9,248,664)	(8,782,014)
		<u>(8,839,472)</u>	<u>(6,963,327)</u>
<b>Net assets /(liabilities)</b>		<u>=====</u>	<u>=====</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,044,649	1,044,649
Share premium account	17	2,553,356	2,553,356
Capital contribution reserve	17	379,395	571,982
Profit and loss account	17	(13,186,872)	(11,475,429)
ESOT shares	17	370,000	342,115
		<u>(8,839,472)</u>	<u>(6,963,327)</u>
<b>Shareholders' funds /(deficit)</b>	18	<u>=====</u>	<u>=====</u>

The Financial Statements on pages 6 to 20 were approved by the Board of Directors and authorised for issue on 31 January 2012 and are signed on its behalf by:



A D W Newland  
Director



I F Griffiths  
Director

# **ANGLE TECHNOLOGY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011**

---

### **1 Accounting policies**

#### **1.1 Accounting convention**

The Financial Statements are prepared under the historical cost convention and on the going concern basis and in accordance with applicable United Kingdom accounting standards.

The Directors have, in accordance with the Companies Act 2006, departed from the standard format of the profit and loss account in presenting the Financial Statements. Profits and losses on disposals or impairments of fixed asset investments are included within operating profit as these represent a return from a principal class of business activity. Where the disposal is not entirely in cash, for example, it includes shares or an earn-out, then any subsequent change in value is outside of the Company's control and is shown below operating profit. Other material disposals of fixed assets, such as property, that are not part of the main business activities are shown below operating profit in accordance with the Companies Act 2006 and Financial Reporting Standard 3 – Reporting Financial Performance.

On the grounds the Company is a subsidiary where 90% or more of the voting rights are controlled within the Group and the results are contained in the consolidated accounts, the Company has taken advantage of the exemption conferred by Financial Reporting Standard 1 and has therefore not prepared a cash flow statement.

#### **1.2 Group accounts**

The Financial Statements present information about the Company as an individual undertaking and not about it as a group. The Company has not prepared group accounts as it is exempt from the requirement to do so by the Companies Act 2006 as it is a subsidiary undertaking of ANGLE plc, a company incorporated in Great Britain, and is included in the consolidated accounts of that company.

#### **1.3 Going concern**

The Directors of the ultimate parent company, ANGLE plc have confirmed their intention to continue to provide financial support to the Company.

The Financial Statements have been prepared on a going concern basis which assumes that the Company will be able to continue in operational existence for the foreseeable future. The validity of this assumption depends on the ultimate parent company continuing to provide the funds necessary to support and develop the Company.

If the Company were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

The Directors have prepared and reviewed the financial projections for the 12 month period from the date of signing of these Financial Statements and based on the projected income and expenditure and financial support of the ultimate parent company, the Directors have a reasonable expectation that the Company has adequate resources to continue in business for the foreseeable future. Accordingly the going concern basis has been used in preparing the Financial Statements.

# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

---

### **1 Accounting policies (continued)**

#### **1.4 Turnover**

Turnover represents amounts receivable for goods and services net of value added tax. Management services revenues are recognised in proportion to the stage of completion of each project. The stage of completion takes into account the milestones achieved in relation to the project deliverables.

#### **1.5 Pensions**

Pension costs are charged against profits as they fall due and represent the amount of contributions payable to employee personal pension schemes on an individual basis, which is in line with Financial Reporting Standard 17. The company has no further payment obligations once the contributions have been paid.

#### **1.6 Deferred taxation**

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based upon tax rates that have been enacted or substantially enacted at the reporting date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **1.7 Foreign currency translation**

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

#### **1.8 Tangible fixed assets and depreciation**

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

Computer equipment	33.33% Straight line
Fixtures, fittings & equipment	33.33% Straight line

#### **1.9 Leases**

Assets obtained under hire purchase contracts and finance leases, and any other leases that entail taking substantially all the risks and rewards of ownership of an asset, are capitalised on the balance sheet and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period. Leases that do not meet the definition of finance leases are accounted for as operating leases. The rentals payable are charged to the profit and loss account as incurred.

# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

---

### **1 Accounting policies (continued)**

#### **1.10 Fixed asset investments**

Fixed asset investments are carried at the lower of pre-transaction carrying amount or cost, less provision for permanent diminution in value. Carrying values are reviewed on a regular basis by the Directors. Provisions for permanent diminution in value are based upon an assessment of events or changes in circumstances that indicate an impairment has occurred.

In furtherance of its core activity of commercialising technology, the Company invests sums towards the establishment and development of new Technology Ventures. These expenditures are capitalised as the Company's cost of investment and take the form of seed funding to cover management costs and expenses, external market research, professional fees, technology research and development and IP acquisition costs. Each project is entered into in the expectation of establishing highly valuable technology ventures in which the Company retains a significant equity stake that has the potential for disposal at a high commercial return.

The Company holds all equity investments exclusively as part of its investment portfolio, with a view to their disposal and the ultimate realisation of capital gains.

The Directors consider that treating all investments consistently as a single asset class allows a better understanding of the Company's activities by removing the accounting variability of associate accounting methods.

All of the Company's participating interests are in companies and are referred to as "investments" throughout these Financial Statements.

#### **1.11 Current asset investments**

Short term investments are classified as current assets and are valued at the bid price at the balance sheet date.

#### **1.12 Other receivables**

Other receivables comprise the potential return from earn-outs or legal actions and are classified as current assets and shown as a debtor. Earn outs are a deferred payment conditional on the future performance of the acquired asset and are shown on the balance sheet at an estimated value. The Directors consider a number of valuation methodologies including a "balance of probabilities" and discounted cash flow in order to determine value. The earn-out is revalued based on any new information received relating to progress against plans, levels of sales and any other relevant factors. Legal actions may arise where the acquirer has not performed in accordance with the Share Purchase Agreement and, where the Directors believe there is a strong case, this is shown on the balance sheet at an estimated value of the payout. The value may be revised as future information becomes available.

#### **1.13 Share based payments**

The Company's ultimate parent company ANGLE plc operates share based payment schemes for employees of the ANGLE Group which allow employees to acquire or receive shares in ANGLE plc. The fair value of options granted by ANGLE plc is recognised as an employee expense by the Company with a corresponding increase in equity. Note 1.10 of the ANGLE plc Annual Report and Accounts 2011 provides additional details on the basis for determining the valuation and charge.

# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 APRIL 2011

### 1.14 Employee Share Ownership Trust

The Company has an Employee Share Ownership Trust (ESOT) to assist with the obligations under share option and other employee remuneration schemes. The Company, as sponsoring entity, is deemed to have de facto control of the ESOT in accordance with UITF 38: Accounting for ESOP Trusts, and therefore accounts for this as an extension of its own business including it in the assets and liabilities of the Company to the extent that shares have not yet vested unconditionally in beneficiaries.

Shares in ANGLE plc held by the ESOT are stated at cost and presented in the Balance Sheet as an investment under the heading of ESOT shares. Finance and administrative costs relating to the ESOT are charged to operating costs as incurred.

### 2 Turnover

The total turnover of the Company for the year has been primarily derived from its Management services activities. Some £0.1million (2010: £0.2 million) of the fees relate to reimbursable operating expenditure incurred on management contracts. In addition the Company manages a grant voucher scheme on behalf of the London Development Agency. The gross value of the vouchers paid during the year ended 30 April 2011, of £0.8 million (2010: £1.0 million) was passed through the Company's books as both income and expenditure, however, due to revenue recognition rules this is classified as "agency" revenues and is not shown in our total revenues below.

The geographical analysis, as defined by the country or area in which the client is based, is as follows:

	2011 £	2010 £
United Kingdom	2,358,273	2,336,575
Middle East	-	32,492
	<u>2,358,273</u>	<u>2,369,067</u>
	=====	=====

### 3 Operating costs

	2011 £	2010 £
Staff costs (Note 5)	1,819,066	1,692,747
Staff costs recharged to group companies	(326,608)	(309,660)
Depreciation	8,731	8,804
Loss on disposal of fixed assets	661	1,298
Auditor's remuneration – audit work	56,350	38,400
Auditor's remuneration - non-audit work	17,348	26,835
Bad debt expense	4,000	-
Exchange (gains) / losses	(3,384)	2,775
Other operating costs	509,734	767,203
	<u>2,085,898</u>	<u>2,228,402</u>
	=====	=====

ANGLE plc and ANGLE Technology Limited employ all UK Directors and staff who provide resources to other group companies as required. Non ANGLE plc and ANGLE Technology Limited costs are recharged to other group companies.

# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 APRIL 2011

<b>4 Directors' emoluments</b>	<b>2011 £</b>	<b>2010 £</b>
Emoluments for qualifying services	294,788 =====	267,805 =====

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

Emoluments for qualifying services	163,495 =====	164,170 =====
------------------------------------	------------------	------------------

Pension contributions for Directors were £148,967 (2010: £152,009). Retirement benefits are accruing to one Director into an employee personal pension scheme.

## 5 Employment

### Employment costs

The aggregate employment costs of staff (including Directors) for the year was:

	<b>2011 £</b>	<b>2010 £</b>
Wages and salaries	1,486,049	1,348,981
Social security costs	162,877	146,981
Other pension costs	148,967	152,177
	<u>1,797,893</u>	<u>1,648,139</u>
Employee share based payment charge (Note 16)	21,173	44,608
	<u>1,819,066</u> =====	<u>1,692,747</u> =====

The pension costs payments are made directly to individuals' personal pension plans.

### Number of employees

The average monthly number of employees (including Directors) during the year was:

	<b>2011 Number</b>	<b>2010 Number</b>
Executives	31	22
Administration	10	10
	<u>41</u> =====	<u>32</u> =====

# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 APRIL 2011

<b>6</b>	<b>Net interest</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	<b>Interest receivable</b>	753	348
	<b>Interest payable</b>		
	Other	-	(855)
	<b>Net interest</b>	<u>753</u>	<u>(507)</u>
		=====	=====
<b>7</b>	<b>Tax on profit / (loss) on ordinary activities</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	<b>Current tax:</b>		
	UK corporation tax	-	-
	Adjustments in respect of previous periods	-	5,921
	<b>Tax on loss on ordinary activities</b>	<u>-</u>	<u>5,921</u>
	<b>Deferred tax:</b>		
	Origination and reversal of timing differences	-	-
	<b>Tax on loss on ordinary activities</b>	<u>-</u>	<u>5,921</u>
		=====	=====
	<b>UK corporation tax</b>		
	Profit / (loss) on ordinary activities before tax	(1,925,203)	(132,696)
		=====	=====
	<b>Tax on profit / (loss) on ordinary activities</b> <b>at 28% (2010: 28%)</b>	<b>(539,057)</b>	<b>(37,155)</b>
	<b>Factors affecting charge:</b>		
	Capital allowances for period in excess of depreciation	(2,995)	2,707
	Disallowable expenses	198	979
	Provision against group balances	374,563	243,729
	Group loss relief	(70,135)	(67,025)
	Capital transactions	240,970	(167,330)
	Share based payments charge	5,929	12,490
	Other tax adjustments	(9,473)	11,605
	<b>Current tax charge for year</b>	<u>-</u>	<u>-</u>
		=====	=====



# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 APRIL 2011

### 8 Tangible fixed assets

	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 May 2010	130,206	50,140	180,346
Additions	3,524	1,188	4,712
Disposals	(36,639)	-	(36,639)
At 30 April 2011	97,091	51,328	148,419
<b>Depreciation</b>			
At 1 May 2010	118,449	47,341	165,790
Charge for the year	8,632	99	8,731
Disposals	(35,978)	-	(35,978)
At 30 April 2011	91,103	47,440	138,543
<b>Net book value</b>			
At 30 April 2011	5,988	3,888	9,876
At 30 April 2010	11,757	2,799	14,556

### 9 Fixed asset investments

	Shares subsidiaries £	Loans subsidiaries £	Shares Investments £	Loans Investments £	Total £
<b>Cost</b>					
At 1 May 2010	967	-	50,000	189,461	240,428
Transfer to subsidiary status	50,000	189,461	(50,000)	(189,461)	-
At 30 April 2011	50,967	189,461	-	-	240,428
<b>Net Book Value</b>					
At 1 May 2010 & 30 April 2011	967	-	-	-	967

At the start of the year the Company had the potential right to convert certain loans into shares in NeuroTargets Limited, however, at that time there was no economic case for conversion. NeuroTargets made commercial progress and its licensing partner announced on 16 July 2010 further funding from Wellcome Trust to progress its IP and technology development. One of the loans was repayable in September 2010 following the expiry of the fifth anniversary of the Loan Agreement. The loan was converted resulting in a transfer from investment to subsidiary status.

# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 APRIL 2011

### 9 Fixed asset investments (continued)

#### Holdings of more than 20%

The Company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiaries</b>			
ANGLE Technology Licensing Limited	England & Wales	Ordinary	100
ANGLE Technology Ventures Limited	England & Wales	Ordinary	100
Progeny bioVentures Limited	England & Wales	Ordinary	96.5
NeuroTargets Limited <sup>(1)</sup>	England & Wales	Ordinary	55
ANGLE Technology LLC	USA	Membership Units	100

(1) The effective holdings shown are before a) the effects of any dilutive share options or warrants or convertible loans and b) additional ANGLE holdings from convertible loans or warrants within the individual investments

The principal activity of these undertakings for the last relevant financial year was as follows:

Subsidiaries	Principal activity
ANGLE Technology Licensing Limited	Dormant
ANGLE Technology Ventures Limited	Establishment and growth of technology companies
Progeny bioVentures Limited	Establishment and growth of biotech companies
NeuroTargets Limited	New drug targets
ANGLE Technology LLC	US subsidiary covering all of Group's business

10 Current asset investments	2011 £	2010 £
<b>Net book value</b>		
At 1 May	-	243,412
Disposal proceeds	-	(841,020)
Profit / (loss) on disposal	-	597,608
At 30 April	-	-
	=====	=====
<b>Market value</b>		
Listed investments at 30 April	-	-
	=====	=====

Current asset investments are valued at the bid price at the balance sheet date. They comprised shares in Provexis plc which is listed on the Alternative Investment Market.

# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 APRIL 2011

<b>11 Employee Share Ownership Trust</b>	<b>2011 £</b>	<b>2010 £</b>
<b>Cost</b>		
At 1 May	342,115	342,115
Disposals	(239,943)	-
	<u>102,172</u>	<u>342,115</u>
	=====	=====
<b>Market value</b>		
At 30 April	28,032	99,838
	=====	=====

The Employee Share Ownership Trust (ESOT) held 113,259 (2010: 300,264) ANGLE plc shares at the year end. During the year the basis for determining the remaining cost has been changed from using the market value at date of disposal to a market value based on the weighted average purchase cost. Shares purchased by the ANGLE ESOT are used (disposed) to assist in meeting the obligations under employee remuneration schemes.

The Trustee has waived its right to receive dividends on the shares held by the Trust. The purchase of the shares is funded by an interest free loan from ANGLE Technology Limited.

<b>12 Debtors</b>	<b>2011 £</b>	<b>2010 £</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	177,423	264,389
Other debtors	-	1,408
Prepayments and accrued income	73,816	156,305
	<u>251,239</u>	<u>422,102</u>
	=====	=====
<b>Amounts falling due after more than one year:</b>		
Other receivables	98,413	959,021
Amounts owed by Investments	-	48,942
	<u>98,413</u>	<u>1,007,963</u>
	=====	=====

Other receivables relates to the fair value ascribed to the eventual return expected from the sale of Acolyte Biomedica. Acolyte Biomedica (medical diagnostics / MRSA detection) was sold in February 2007. ANGLE was due an earn-out of up to £3 million receivable early in 2010. This is subject to dispute between the former Acolyte shareholders and the purchaser.

The legal action by the former major Acolyte shareholder, Porton Capital, in the UK courts against the purchaser, 3M, in respect of its share of the earn-out concluded after year end on 7 November 2011 when the judge handed down his judgement.

The judge found in favour of Porton Capital and in particular that 3M was "in breach of its obligation diligently to seek regulatory approval for BacLite in the US" and "in material breach of its obligation actively to market [BacLite]".

# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 APRIL 2011

### 12 Debtors (continued)

However the damages awarded against 3M were limited to only US\$1,299,808, which on a comparable basis would equate to US\$89,605 for ANGLE Technology's earn-out.

These circumstances result in an adjusting post balance sheet event. The Directors believe that it is appropriate to impair the value the asset by £860,608 to £98,413 being the fair value based on the Court judgement.

ANGLE is currently awaiting any possible further developments in the case and in particular whether the judgment is appealed by Porton Capital which may lead to a change in the level of the award.

Once the situation is known, ANGLE expects to pursue its own claim against the purchaser. At present the Company has no exposure to legal costs.

13 Creditors: amounts falling due within one year	2011 £	2010 £
Trade creditors	43,979	497,732
Other taxes and social security costs	73,948	59,045
Other creditors	8,428	43,437
Accruals and deferred income	107,345	200,100
	<u>233,700</u>	<u>800,314</u>
	=====	=====

14 Creditors: amounts falling due after more than one year	2011 £	2010 £
Amounts owed to group undertakings	9,248,664	8,782,014
	<u>9,248,664</u>	<u>8,782,014</u>
	=====	=====

15 Share capital	2011 £	2010 £
<b>Allotted, called up and fully paid</b>		
10,446,484 (2010: 10,446,484) Ordinary shares of 10p each	1,044,649	1,044,649
	<u>1,044,649</u>	<u>1,044,649</u>
	=====	=====

# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 APRIL 2011

### 16 Share based payments

#### Share option scheme

All shares referred to are those of ANGLE plc. Note 23 of the ANGLE plc Annual Report and Accounts 2011 provides additional details on the terms and conditions of the share based arrangements and the basis for determining the valuation and charge.

The movement in the number of employee share options is set out below:

	2011 Number of share options #	2011 Weighted average exercise price (p)	2010 Number of share options #	2010 Weighted average exercise price (p)
Outstanding at 1 May	1,720,025	99.1	2,421,280	100.6
During the year				
Granted	-	-	-	-
Exercised	-	-	-	-
Lapsed	(625,000)	116.5	(700,461)	104.3
Forfeited	(85,397)	128.3	(794)	126.0
Outstanding at 30 April	<u>1,009,628</u>	<u>85.8</u>	<u>1,720,025</u>	<u>99.1</u>
Capable of being exercised at 30 April	<u>1,009,628</u>	<u>85.8</u>	<u>1,720,025</u>	<u>99.1</u>

Options are issued at market price, with the exception of one tranche which were issued at the placing price. The options outstanding at 30 April 2011 had a weighted average remaining contractual life of one year and eleven months (2010: two years and two months).

#### Deferred Annual Bonus Scheme

Bonuses under the Deferred Annual Bonus (DAB) scheme are paid partly in cash and partly in deferred shares. The cash element is accrued in the year it relates to and is included in wages and salaries. The deferred shares, comprising Mandatory and Matching shares, are deferred for three years at which point they vest. Awards are forfeited if the employee leaves the Group before the awards vest, unless the conditions under which they leave are such that they are considered to be a "good leaver"; in which case their award is released.

# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 APRIL 2011

### 16 Share based payments (continued)

#### Deferred Annual Bonus Scheme (continued)

The movement in the number of DAB scheme shares is set out below:

	2011 Number of DAB shares #	2011 Weighted average award price(p)	2010 Number of DAB shares #	2010 Weighted average award price(p)
Interests under DAB Scheme at 1 May	411,408	25.0	415,256	25.0
During the year				
Exercised	(187,005)	28.0	-	-
Forfeited	-	-	(3,848)	28.0
Interests under DAB Scheme at 30 April	224,403	22.5	411,408	25.0
Capable of being exercised at 30 April	-	-	-	-

Awards were made at market price. The awards exercised in the year had a weighted average exercise price of 18.25p. The awards outstanding at 30 April 2011 had a weighted average remaining contractual life of three months (2010: ten months).

The share based payment charge for the share option scheme and DAB scheme was £21,173 (2010: £44,608).

### 17 Statement of movements on reserves

	ESOT shares £	Capital contribution reserve £	Share premium account £	Profit and loss account £
At 1 May 2010	342,115	571,982	2,553,356	(11,475,429)
Retained profit / (loss) for the year	-	-	-	(1,925,203)
Share based payments charge	-	21,173	-	-
Share based payments release	-	(213,760)	-	213,760
ESOT shares	27,885	-	-	-
At 30 April 2011	370,000	379,395	2,553,356	(13,186,872)

### 18 Reconciliation of movements in Shareholders' funds /(deficit)

	2011 £	2010 £
Profit / (loss) for the financial year	(1,925,203)	(138,617)
Share based payments	21,173	44,608
ESOT shares	27,885	-
Opening Shareholders' funds /(deficit)	(6,963,327)	(6,869,318)
Closing Shareholders' funds /(deficit)	(8,839,472)	(6,963,327)

# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 APRIL 2011

### 19 Guarantees and other financial commitments

The Company leases office accommodation on leases of generally less than one year with monthly rental payments and short notice periods. The Company also has a number of retainers with professional advisors which can be terminated on short notice periods.

The Company provides ongoing financial support to its controlled investments, typically on a rolling basis. The Company has no contractual commitment to continue to provide funding.

### 20 Related party transactions

During the year the Company provided Progeny bioVentures Limited with executive management and support services of £5,566 (2010: £13,258). There is an outstanding liability at the end of the year in respect of these services as follows:

	2011 £	2010 £
Amounts owed by Progeny bioVentures	1,607,365	1,601,488
Less provision	(1,551,850)	(1,056,982)
	<u>55,515</u>	<u>544,506</u>
	=====	=====

#### Provision to write off Group balances

The provision reflects the Directors' view of existing valuation circumstances for investments and the potential impact of current adverse economic conditions on the long term value of the amounts owed by subsidiary undertakings and their ability to repay them and an investment value adjustment on the ESOT.

The Company has taken advantage of the exemption provided by FRS8 and has not disclosed transactions entered into between two or more subsidiaries of the Group where these subsidiaries are wholly owned within the group.

#### Directors' interests

The Directors that are Directors of ANGLE plc, have voluntarily waived part of their emoluments with effect from December 2008. At the balance sheet date £nil (2010: £19,030) of salary and £8,762 (2010: £35,268) of pension was due to Ian Griffiths and Andrew Newland respectively.

### 21 Post Balance Sheet

Following the year end, the Company has agreed to invest in Novocellus up to £0.5 million to contribute to the costs of the clinical trials with Novocellus' partner ORIGIO.

### 22 Control

The parent undertaking of the largest group for which group accounts are prepared and of which the company is a member is ANGLE Plc, the company's ultimate holding company, which is registered in England. Copies of these group accounts are available from Companies House, Crown Way, Maundy, Cardiff, CF14 3UZ.