

**ANGLE TECHNOLOGY LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2010**

MONDAY



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# ANGLE TECHNOLOGY LIMITED

## COMPANY INFORMATION

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**Directors**

Gary P Evans  
Ian F Griffiths  
Andrew D W Newland

**Secretary**

Ian F Griffiths

**Company number**

2916948

**Registered office**

3 Frederick Sanger Road  
The Surrey Research Park  
Guildford  
Surrey  
GU2 7YD

**Web site**

[www.ANGLEplc.com](http://www.ANGLEplc.com)

**Auditor**

Baker Tilly UK Audit LLP  
The Clock House  
140 London Road  
Guildford  
Surrey  
GU1 1UW

# **ANGLE TECHNOLOGY LIMITED**

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# **ANGLE TECHNOLOGY LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2010**

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The Directors present their Report and Financial Statements for ANGLE Technology Limited, Company registration number 2916948, for the year ended 30 April 2010.

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 Company has made good progress in winning and renewing significant cash generative management contracts including significant wins with the Carbon Trust, London Manufacturing Advisory Service and an Innovation Programme in Lincolnshire. The reduction in revenues and costs compared to 2009 reflect the completion of the five year contract to develop the highly successful Qatar Science & Technology Park. Profits from the UK Management services business were maintained during the year at £0.3 million (2009: £0.3 million) before Middle East business costs.

There is currently significant pressure on the Company's UK Government contracts due to austerity measures and this may result in a drop in UK revenues. In anticipation of this, during the year ANGLE invested substantially in developing Middle East markets.

The business development efforts undertaken to date have established a number of strong client relationships in the Middle East. These have so far delivered a number of smaller contracts and it is expected they will translate into major management contracts in the future.

### **Investments**

**Acolyte Biomedica** (medical diagnostics / MRSA detection) was sold in February 2007. The deferred consideration of up to £3.0 million due in respect of the sale of the investment in Acolyte Biomedica remains subject to dispute between the former Acolyte shareholders and the purchaser, 3M Corporation. ANGLE is awaiting the outcome of legal action by the major former Acolyte shareholder. It is understood that the Court date has now been rescheduled to June 2011. Once the outcome of this action is known, ANGLE expects to pursue its own claim against the purchaser. At present ANGLE has no exposure to legal costs.

Note 12 provides further information.

# ANGLE TECHNOLOGY LIMITED

## **DIRECTORS' REPORT (Continued)** **FOR THE YEAR ENDED 30 APRIL 2010**

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### **Investments (continued)**

**NeuroTargets** has developed therapeutic molecules based on galanin, a protein used by nerve cells to communicate with each other.

NeuroTargets has licensed its intellectual property in relation to neuropathic pain therapeutic molecules to the University of Bristol, who have used that background IP to successfully raise further funds to advance the galanin programme.

Following the success of the first phase work, during the half year, the Wellcome Trust agreed a second phase funding of a further £3.8 million for the research project at the University of Bristol bringing the total funding to £4.3 million. The second phase funding is intended to complete the pre-clinical work over the next two years to allow the small molecules to enter human trials. If this work is successful, the small molecules can then be licensed to a major pharmaceutical company for clinical trials as a therapeutic for neuropathic pain. The neuropathic pain relief drug market represents a multi billion dollar market.

In addition to the work on neuropathic pain, NeuroTargets has through Professor Wynick's research also progressed investigation of the use of its galanin-based molecules for the treatment of Multiple Sclerosis (MS) and Alzheimer's disease (AD) and has had positive pre-clinical results. Since the year end, NeuroTargets' patent submission for the use of its galanin-based molecules for the treatment of Multiple Sclerosis (MS) and Alzheimer's disease (AD) has resulted in a granted patent in Australia. Applications in the US, EU and other important territories are ongoing. The grant of this patent extends NeuroTargets' intellectual property beyond the neuropathic pain area into the major markets for unmet clinical need of Multiple Sclerosis (MS) and Alzheimer's disease (AD).

**Provexis** (AIM:PXS), During the year the Company disposed of its remaining holding in Provexis plc for £0.8 million generating a profit of £0.6 million.

Additional information is provided in the ANGLE plc Annual Report and Accounts 2010 and subsequent news releases.

### **Principal risks and uncertainties**

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

- the failure to secure new management services contracts or a public sector squeeze on existing contracts such that the operating costs of the business are not covered;
- the failure of one or more investments could significantly affect the overall value of the Company;
- the early stage investment market remains challenging and there may be delays in securing investment and pressures on prices in portfolio companies and portfolio companies may require further support from the Company;
- the exit environment remains challenging and there may be pressure 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 2010**

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### **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 2009:

G P Evans  
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.

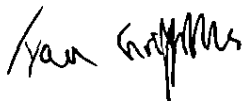
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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**  
27 January 2011

# **ANGLE TECHNOLOGY LIMITED**

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

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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 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**

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/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **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 2010 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)

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### 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 2011



# ANGLE TECHNOLOGY LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2010

	Notes	2010 £	2009 £
Turnover	2	2,369,067	4,378,146
Operating costs	3	(2,228,402)	(3,054,924)
Operating profit from management services		140,665	1,323,222
Provision to write off Group balances	1.3	(870,462)	(4,781,446)
<b>Operating profit / (loss)</b>		<b>(729,797)</b>	<b>(3,458,224)</b>
Profit / (loss) on increase / (decrease) in value of current asset investment	10	597,608	(267,162)
Profit / (loss) on disposal / (impairment) of other receivables	12	-	(257,480)
Net interest	6	(507)	23,934
<b>Profit / (loss) on ordinary activities before taxation</b>		<b>(132,696)</b>	<b>(3,958,932)</b>
Tax on profit / (loss) on ordinary activities	7	(5,921)	(137,356)
<b>Retained profit / (loss) for the year</b>	<b>17</b>	<b>(138,617)</b>	<b>(4,096,288)</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 2010

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	8	14,556	13,429
Investments	9	967	967
		<u>15,523</u>	<u>14,396</u>
<b>Current assets</b>			
Investments	10	-	243,412
Investments – ESOT	11	342,115	342,115
Debtors – due within one year	12	422,102	291,640
Debtors – due after one year	12	1,007,963	979,260
Cash at bank and in hand		831,298	289,782
		<u>2,603,478</u>	<u>2,146,209</u>
<b>Creditors:</b> amounts falling due within one year	13	(800,314)	(697,800)
		<u>1,803,164</u>	<u>1,448,409</u>
<b>Net current assets</b>			
		<u>1,818,687</u>	<u>1,462,805</u>
<b>Creditors:</b> amounts falling due after more than one year	14	(8,782,014)	(8,332,123)
		<u>(6,963,327)</u>	<u>(6,869,318)</u>
<b>Net assets</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	571,982	816,344
Profit and loss account	17	(11,475,429)	(11,625,782)
ESOT shares	17	342,115	342,115
		<u>(6,963,327)</u>	<u>(6,869,318)</u>
<b>Shareholders' funds</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 27 January 2011 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 2010**

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### **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 small company, as defined in the Companies Act 2006, 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 have reviewed the projections for the forthcoming 12 month period from the date of approval of these Financial Statements and based on the level of existing cash, projected income and expenditure and other sources of funding, together with the continued support of the ultimate parent company ANGLE plc, have reasonable expectation to believe that company will be able to continue in operational existence for the foreseeable future.

Since the year end ANGLE plc completed a placing raising £0.8 million in order to improve liquidity and provide additional financial stability for the business. The Directors therefore have a reasonable expectation that ANGLE plc has adequate resources to continue to support and develop 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 the Company and not demanding the repayment of the amounts owed to group undertakings for a period of at least 12 months from the date of approval of these Financial Statements.

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.

# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2010

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

#### **1.3 Going concern (continued)**

Given the support of the ultimate parent company the Directors believe that it is appropriate for the Financial Statements to be prepared on a going concern basis.

#### **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 on current tax rates and law. 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 2010

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### **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 1.8 of the ANGLE plc Annual Report and Accounts 2010 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 2010

### 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 (2009: £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 2009/10 was £1.0 million and 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:

	2010 £	2009 £
United Kingdom	2,336,575	2,605,648
Middle East	32,492	1,772,498
	<u>2,369,067</u>	<u>4,378,146</u>
	=====	=====

### 3 Operating costs

	2010 £	2009 £
Staff costs (Note 5)	1,692,747	2,218,207
Staff costs recharged to group companies	(309,660)	(447,321)
Depreciation	8,804	13,708
Profit / (loss) on disposal of fixed assets	1,298	-
Auditors' remuneration – audit work	38,400	41,500
Auditors' remuneration - non-audit work	26,835	16,201
Exchange (gains) / losses	2,775	11,702
Other operating costs	767,203	1,200,927
	<u>2,228,402</u>	<u>3,054,924</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 2010

<b>4 Directors' emoluments</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Emoluments for qualifying services	267,805	508,990
	=====	=====

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

Emoluments for qualifying services	164,170	241,184
	=====	=====

Pension contributions for Directors were £152,177 (2009: £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>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,348,981	1,829,083
Social security costs	146,981	120,261
Other pension costs	152,177	152,009
	1,648,139	2,101,353
Employee share based payment charge (Note 16)	44,608	116,854
	1,692,747	2,218,207
	=====	=====

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>2010</b>	<b>2009</b>
	<b>Number</b>	<b>Number</b>
Executives	22	25
Administration	10	12
	32	37
	=====	=====

# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 APRIL 2010

<b>6</b>	<b>Net interest</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	<b>Interest receivable</b>	348	13,934
	<b>Interest payable</b>		
	Other	(855)	10,000
	<b>Net interest</b>	<u>(507)</u>	<u>23,934</u>
		=====	=====
<b>7</b>	<b>Tax on profit / (loss) on ordinary activities</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	<b>Current tax:</b>		
	UK corporation tax	-	137,356
	Adjustments in respect of previous periods	5,921	-
	<b>Tax on loss on ordinary activities</b>	<u>5,921</u>	<u>137,356</u>
		=====	=====
	<b>Deferred tax:</b>		
	Origination and reversal of timing differences	-	-
	<b>Tax on loss on ordinary activities</b>	<u>5,921</u>	<u>137,356</u>
		=====	=====
	<b>UK corporation tax</b>		
	Profit / (loss) on ordinary activities before tax	(132,696)	(3,958,932)
		=====	=====
	<b>Tax on profit / (loss) on ordinary activities</b>		
	at 28% (2009: 28%)	(37,155)	(1,108,501)
	<b>Factors affecting charge:</b>		
	Capital allowances for period in excess of depreciation	2,707	(2,393)
	Disallowable expenses	979	1,404
	Provision against group balances	243,729	1,338,805
	Group loss relief	(67,025)	(196,537)
	Capital transactions	(167,330)	146,900
	Share based payments charge	12,490	32,719
	Other tax adjustments	11,605	(75,041)
	<b>Current tax charge for year</b>	<u>-</u>	<u>137,356</u>
		=====	=====



# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 APRIL 2010

### 8 Tangible fixed assets

	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 May 2009	119,411	51,698	171,109
Additions	10,795	-	10,795
Disposals	-	(1,558)	(1,558)
At 30 April 2010	130,206	50,140	180,346
<b>Depreciation</b>			
At 1 May 2009	110,565	47,115	157,680
Charge for the year	7,884	920	8,804
Disposals	-	(694)	(694)
At 30 April 2010	118,449	47,341	165,790
<b>Net book value</b>			
At 30 April 2010	11,757	2,799	14,556
At 30 April 2009	8,846	4,583	13,429

### 9 Fixed asset investments

	Shares subsidiaries £	Shares investments £	Loans investments £	Total £
<b>Cost</b>				
At 1 May 2009 and 30 April 2010	967	50,000	189,461	240,428
<b>Net Book Value</b>				
At 1 May 2009 and 30 April 2010	967	-	-	967

Investments at the end of the year comprise the following:

Fixed asset investments	Principal activity	Class of Share	Effective holding Direct %	Indirect %
NeuroTargets Limited <sup>(1)(2)</sup>	New drug targets	Ordinary	1.79	22.48

(1) Incorporated in England & Wales

(2) 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

# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 APRIL 2010

### 9 Fixed asset investments (Continued)

The aggregate amount of capital and reserves and the results of these investments for the last relevant financial year were as follows:

	Date of financial statements	Net assets / liabilities £	Profit/(loss) for the year £
NeuroTargets Limited	30/04/2010	(371,185)	(21,493)
		=====	=====

Recent financial statements are not always publicly available and management information is deemed commercially sensitive. Net assets and profit / (loss) figures are therefore based on publicly available information – results statements or the most recently filed Accounts with Companies House.

#### 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
ANGLE Technology LLC	USA	Membership Units	100

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
ANGLE Technology LLC	US subsidiary covering all of Group's business

10 Current asset investments	2010 £	2009 £
<b>Net book value</b>		
At 1 May	243,412	530,823
Disposal proceeds	(841,020)	(20,249)
Profit / (loss) on disposal	597,608	(267,162)
	=====	=====
At 30 April	-	243,412
	=====	=====
<b>Market value</b>		
Listed investments at 30 April	-	243,412
	=====	=====

Current asset investments are valued at the bid price at the balance sheet date. They comprise 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 2010

<b>11 Employee Share Ownership Trust</b>	<b>2010 £</b>	<b>2009 £</b>
<b>Cost</b>		
At 1 May	342,115	355,453
Disposals	-	(13,338)
At 30 April	<u>342,115</u>	<u>342,115</u>
	=====	=====
<b>Market value</b>		
At 30 April	99,838	28,525
	=====	=====

The Employee Share Ownership Trust (ESOT) held 300,264 (2009: 300,264) ANGLE plc shares at the year end. 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>2010 £</b>	<b>2009 £</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	264,389	162,149
Amounts owed by Investments	-	2,750
Other debtors	1,408	9,008
Prepayments and accrued income	156,305	117,733
	<u>422,102</u>	<u>291,640</u>
	=====	=====
<b>Amounts falling due after more than one year:</b>		
Other receivables	959,021	959,021
Amounts owed by Investments	48,942	20,239
	<u>1,007,963</u>	<u>979,260</u>
	=====	=====

Other receivables relates to the fair value ascribed to the eventual return expected from the sale of Acolyte Biomedica.

The deferred consideration of up to £3.0 million due in respect of the sale of the investment in Acolyte Biomedica in February 2007 remains subject to dispute between the former Acolyte shareholders and the purchaser. ANGLE is awaiting the outcome of legal action by the former major Acolyte shareholder. It is understood that the Court date has now been rescheduled to June 2011. Once the outcome of this action is known, ANGLE expects to pursue its own claim against the purchaser. At present ANGLE has no exposure to legal costs.

# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 APRIL 2010

### 12 Debtors (continued)

The company has received legal advice that there is a strong case and that it is highly probable that an action will succeed. Based on the currently available information and legal advice, the Directors believe there will eventually be a significant return from this investment. In present circumstances, the Directors believe that it is appropriate to hold the asset as its most recent fair value, but note that the value may be revised in the future as further information becomes available.

13 Creditors: amounts falling due within one year	2010 £	2009 £
Trade creditors	497,732	207,987
Corporation tax	-	243,018
Other taxes and social security costs	59,045	99,291
Other creditors	43,437	8,169
Accruals and deferred income	200,100	139,335
	<u>800,314</u>	<u>697,800</u>
	=====	=====

14 Creditors: amounts falling due after more than one year	2010 £	2009 £
Amounts owed to group undertakings	8,782,014	8,332,123
	<u>8,782,014</u>	<u>8,332,123</u>
	=====	=====

15 Share capital	2010 £	2009 £
<b>Allotted, called up and fully paid</b>		
10,446,484 (2009: 10,446,484) Ordinary shares of 10p each	1,044,649	1,044,649
	<u>1,044,649</u>	<u>1,044,649</u>
	=====	=====

### 16 Share based payments

#### Share option scheme

All shares referred to are those of ANGLE plc. Note 20 of the ANGLE plc Annual Report and Accounts 2010 provides additional details on the terms and conditions of the share based arrangements and the basis for determining the valuation and charge.

# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 APRIL 2010

### 16 Share based payments (continued)

#### Share option scheme (continued)

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

	2010 Number of share options #	2010 Weighted average exercise price (p)	2009 Number of share options #	2009 Weighted average exercise price (p)
Outstanding at 1 May	2,421,280	100.6	2,843,411	104.4
During the year				
Granted	-	-	-	-
Exercised	-	-	-	-
Lapsed	(700,461)	104.3	(422,131)	126.4
Forfeited	(794)	126.0	-	-
Outstanding at 30 April	1,720,025	99.1	2,421,280	100.6
Capable of being exercised at 30 April	1,720,025	99.1	2,211,280	104.0

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 2010 had a weighted average remaining contractual life of two years and two months (2009: two years and eleven 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.

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

	2010 Number of DAB shares #	2010 Weighted average award price(p)	2009 Number of DAB shares #	2009 Weighted average award price(p)
Interests under DAB Scheme at 1 May	415,256	25.0	190,853	28.0
During the year				
Awarded	-	-	224,403	22.5
Forfeited	(3,848)	28.0	-	-
Interests under DAB Scheme at 30 April	411,408	25.0	415,256	25.0
Capable of being exercised at 30 April	-	-	-	-

# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 APRIL 2010

### 16 Share based payments (continued)

Awards are made at market price. The awards outstanding at 30 April 2010 had a weighted average remaining contractual life of ten months (2009: one year and ten months).

The share based payment charge for the share option scheme and DAB scheme was £44,608 (2009: £116,854).

### 17 Statement of movements on reserves

	ESOT shares £	Capital contribution reserve £	Share premium account £	Profit and loss account £
At 1 May 2009	342,115	816,344	2,553,356	(11,625,782)
Retained profit / (loss) for the year				(138,617)
Share based payments charge		44,608		
Share based payments release		(288,970)		288,970
At 30 April 2010	342,115	571,982	2,553,356	(11,475,429)

### 18 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit / (loss) for the financial year	(138,617)	(4,096,288)
Share based payments	44,608	116,854
ESOT shares acquired / (disposed)	-	(13,338)
Opening shareholders' funds	(6,869,318)	(2,876,546)
Closing shareholders' funds	(6,963,327)	(6,869,318)

### 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.

# ANGLE TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 APRIL 2010

### 20 Related party transactions

During the year the Company provided Progeny bioVentures Limited, with investment, working capital funding of £nil (2009: £11,417) and executive management and support services of £13,258 (2009: £11,312). There is an outstanding liability at the end of the year in respect of these services as follows:

	2010 £	2009 £
Amounts owed by Progeny bioVentures	1,601,488	2,089,478
Less Provision	(1,056,982)	(1,295,476)
	<u>544,506</u>	<u>794,002</u>
	=====	=====

There is an balance due from NeuroTargets at the end of the year in respect of working capital funding and executive management and support services of £48,942 (2009: £27,621)

The Company has taken advantage of the exemption provided by FRS8 and has not disclosed transactions with other group companies as 100% of the Company's voting rights are controlled within the group.

### Directors' interests

The Directors that are Directors of ANGLE plc, had all voluntarily waived part of their emoluments with effect from December 2008. At the balance sheet date £19,030 (2009: £42,635) of salary and £35,268 (2009: £nil) of pension was due to Ian Griffiths and Andrew Newland respectively.

### 21 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, Maindy, Cardiff, CF14 3UZ.