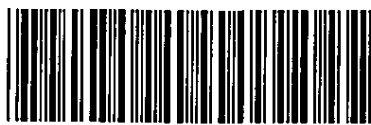


**KuDOS Pharmaceuticals Limited**  
**Annual report**  
**for the year ended 31 December 2008**

**Registered Number 3479984**

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**KuDOS Pharmaceuticals Limited**  
**Annual report**  
**for the year ended 31 December 2008**

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# KuDOS Pharmaceuticals Limited

**Directors**

Mr G Musker (resigned 31/12/08)  
Mr I Brimicombe  
Mr A C N Kemp (appointed 01/01/09)

**Registered office**

15 Stanhope Gate  
London  
W1K 1LN

**Secretary**

Mr J Hoskins

**Auditors**

KPMG Audit Plc  
37 Hills Road  
Cambridge  
CB2 1XL

**Date:** 01 October 2009

## Directors' Report for the year ended 31 December 2008

The Directors present their report and the audited Financial Statements for the year ended 31 December 2008.

### Review of business

The principal activity of the Company is research into DNA repair mechanisms and the development of compounds to inhibit such repair in cancer cells, which during the year to 31 December 2008 was carried out at sites in Horsham, West Sussex (chemistry) and Cambridge (bioscience). The Company holds a leading discovery position in DNA repair therapeutics and is recognised as an important biological effect area within the AstraZeneca Group, which views the Company as an important part of its early phase pipeline.

During the year, the Company closed its Horsham site and transferred chemistry operations to AstraZeneca UK Ltd. A provision in respect of closure costs was booked in the 2007 accounts.

During 2008 the Company continued to support its lead cancer therapy compound, olaparib, in an expanding clinical trial programme. The results of two phase II studies were presented at the American Society of Clinical Oncology annual meeting in Orlando in June 2009 and showed olaparib to be effective in women carrying the BRCA1 or BRCA2 gene mutations with advanced ovarian or breast cancer. Research on other DNA repair inhibitors for use in the oncology field also continued during 2008, with new and validated targets being progressed.

In line with the scientific objectives there will be increasing collaboration with AstraZeneca colleagues, and increasing development of our staff.

Going forward, the main objectives of the Company are to continue the late stage clinical development of olaparib, to progress further compounds into clinical trials, and to deliver one candidate drug per year. Research and development expenditure, as incurred under these programmes has increased to £41,563,085 during the year to 31 December 2008 (2007: £18,343,575).

# KuDOS Pharmaceuticals Limited

## Principal risks

The principal risks to the Company are that the approach of using compounds that inhibit DNA repair mechanisms fails to demonstrate clinical benefit to cancer patients and that the compounds taken forward in the research process prove to have toxicological effects which would prevent them being taken into clinical trials. However, comprehensive screening is set up to ensure that as far as possible such compounds are highlighted at an early stage in order that they can be excluded from the research programme, and only those with potentially greater efficacy and minimal side effects are taken forward.

## Going concern

The Company relies on the continued funding support of AstraZeneca UK Limited. The Directors have prepared the financial statements on a going concern basis due to their belief that continued funding and financial support will be received from AstraZeneca UK Limited.

## Disclosure of information to auditors

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

## Auditors

In accordance with Section 485 of the Companies Act 2006, a resolution to reappoint KPMG Audit Plc as auditors to the Company will be proposed at the annual general meeting.

## Dividends

The Directors do not recommend the payment of a dividend (2007: £nil).

## Political and Charitable donations

The Company made no political or charitable donations during the year.

## Directors

The Directors whose names appear on at the head of this report were Directors of the Company at the date of the report unless otherwise stated.

By Order of the Board

  
**Justin Hoskins**  
Secretary

# **KuDOS Pharmaceuticals Limited**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The Financial Statements are required by law to 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 these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its Financial Statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **KPMG Audit Plc**

37 Hills Road  
Cambridge  
CB1 2XL

### **Report of the independent auditors' to the members of KuDOS Pharmaceuticals Limited**

We have audited the Financial Statements of KuDOS Pharmaceuticals Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These Financial Statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 described in the Statement of Directors' Responsibilities on page 3, the Company's Directors are responsible for the preparation of the Financial Statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the Financial Statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

**Report of the independent auditors' to the members of KuDOS Pharmaceuticals Limited**  
(continued)

**Opinion**

In our opinion:

- the Financial Statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the Financial Statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the Financial Statements.

*KPMG Audit Plc*

**KPMG Audit Plc**

*Chartered Accountants*  
*Registered Auditor*

*2 October 2009*

# KuDOS Pharmaceuticals Limited

## Profit and loss account

For the year ended 31 December 2008

	Note	Year ended 31 Dec 2008 £	Year ended 31 Dec 2007 £
Turnover	2	6,009,376	8,836,457
Research and development expenses		(41,563,085)	(18,343,575)
Administrative expenses		(2,205,048)	(3,409,061)
Other operating income		25,983	30,239
<b>Operating loss</b>	3	(37,732,774)	(12,885,940)
Interest receivable	6	2,548	7,550
Interest payable and similar charges	7	(1,415,879)	(872,799)
<b>Loss on ordinary activities before taxation</b>		(39,146,105)	(13,751,189)
Tax credit on loss on ordinary activities	8	11,379,093	5,112,685
<b>Loss for the year</b>		(27,767,012)	(8,638,504)

All activities were in respect of continuing operations.

Other than the loss for the year there are no other recognised gains or losses, and therefore a statement of total recognised gains and losses has not been presented.



# KuDOS Pharmaceuticals Limited

## Balance sheet

	Note	At 31 December 2008 £	At 31 December 2007 £
<b>Fixed assets</b>			
Intangible assets	9	-	50,000
Tangible assets	10	1,890,119	2,261,716
Investments	11	-	-
		1,890,119	2,311,716
<b>Current assets</b>			
Debtors	12	18,946,139	7,778,863
Cash at bank and in hand		164,047	180,875
		19,110,186	7,959,738
Creditors: amounts falling due within one year	13	(62,403,846)	(23,257,082)
<b>Net current liabilities</b>		(43,293,660)	(15,297,344)
<b>Total assets less current liabilities</b>		(41,403,541)	(12,985,628)
Creditors: amounts falling due after more than one year	14	-	(5,279)
Provisions for liabilities and charges	15	(522,333)	(1,167,955)
<b>Net liabilities</b>		(41,925,874)	(14,158,862)
<b>Capital and reserves</b>			
Called up share capital	17	62,777	62,777
Share premium account	18	35,982,665	35,982,665
Capital redemption reserve	18	12,495,151	12,495,151
Merger reserve	18	633,991	633,991
Profit and loss account	18	(91,100,458)	(63,333,446)
<b>Shareholders' deficit</b>	19	(41,925,874)	(14,158,862)

The Financial Statements on pages 6 to 17 were approved by the board of Directors on 01 October 2009 and were signed on its behalf by:



**Adrian C N Kemp**  
Director

# KuDOS Pharmaceuticals Limited

## Notes to the Financial Statements

### 1 Principal accounting policies

#### Basis of presentation of financial information

The Financial Statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of significant accounting policies, which have been reviewed by the Board of Directors in accordance with Financial Reporting Standard ("FRS") 18, "Accounting policies", and have been applied consistently, is set out below.

#### Basis of accounting

The Financial Statements have been prepared in accordance with the historical cost convention.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent undertaking, AstraZeneca PLC, includes the Company in its own published consolidated Financial Statements.

As the Company is a wholly owned subsidiary of AstraZeneca UK Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated Financial Statements of AstraZeneca PLC, within which this Company is included, can be obtained from the address given in note 22.

The Company relies on the continued funding support of AstraZeneca UK Limited. The Directors have prepared the financial statements on the going concern basis due to their belief that continued funding and financial support will be received from AstraZeneca UK Limited.

The Company is exempt by virtue of s228/s248 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

#### Intangible assets

Intangible fixed assets, including patents acquired, are capitalised and amortised over their estimated useful lives (generally not exceeding 20 years) in line with the benefits accruing. If related products fail, the remaining unamortised amounts are immediately written off to profit and loss. Finance costs and internally developed intangible assets are not capitalised. Intangible assets relating to products in development are subject to impairment testing at each balance sheet date. All intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. Any impairment losses are recognised in the profit and loss account.

#### Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Motor Vehicles	2-4 years
Fixtures and fittings	3-6 years
Computer and office equipment	2-5 years
Laboratory equipment	3-5 years
Leasehold improvements are depreciated over the period of the lease.	

# KuDOS Pharmaceuticals Limited

## Notes to the Financial Statements (continued)

### Investment in subsidiary

The investment in the subsidiary is recorded at the total value of consideration payable plus all identifiable expenses less any provision for impairment in value.

### Finance and operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Assets acquired under finance leases are capitalised in the balance sheet and depreciated over their expected useful lives. The capital element of the leasing commitment is shown as an obligation under finance leases. The interest element of the leases is charged to the profit and loss account over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding.

### Revenue recognition

Turnover excludes value added taxes and represents net invoice value less estimated rebates, refunds and settlement discounts. Amounts received or receivable for goods sold or services provided are recognised as revenue when the goods are delivered or the services are provided. Amounts received or receivable in respect of licence and royalty fees are recognised as revenue when the specific conditions stipulated in the relevant contracts or agreements have been satisfied or in the absence of any specific conditions, over an estimate of the period that the company expects to benefit from the licence or royalty.

### Research and development

Internally generated research and development expenditure is written off in the year in which it is incurred.

### Government grants

Government grants are credited to the profit and loss account (as other operating income) on a case-by-case basis, assessed by the level of expenditure incurred on the specific grant project, when receipt of the grant is reasonably certain, and it is reasonably certain that the amounts will not need to be repaid.

### Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the actual rates of exchange on the date of the transaction. Monetary assets and liabilities expressed in foreign currencies are translated into sterling at the rates of exchange at the end of the financial year. All foreign exchange differences are taken to the profit and loss account in the year in which they arise.

### Deferred taxation

Provision is made for deferred tax in accordance with FRS 19 – Deferred tax on all material timing differences. Deferred tax assets and liabilities are not discounted and deferred tax assets are recognised to the extent that they are regarded as recoverable.

### Post-retirement benefits

The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. The difference between contributions payable and contributions actually paid is shown as an accrual in the balance sheet. The Company provides no other post-retirement benefits to its employees.

# KuDOS Pharmaceuticals Limited

## Notes to the Financial Statements (continued)

### 2 Segmental analysis

The Company has carried on one class of business during the period. This is research and development.

All turnover originates, and net assets are located, in the United Kingdom.

### 3 Operating loss

	Year ended 31 Dec 2008 £	Year ended 31 Dec 2007 £
<b>Operating loss is stated after charging:</b>		
Depreciation charge for tangible fixed assets		
- owned assets	402,360	419,936
- assets held under finance leases	5,735	123,154
Amortisation of intangible assets	50,000	-
Impairment of leasehold improvements	-	212,717
Operating lease charges - land and buildings	906,564	718,754
Onerous lease – land & buildings	-	95,333
Audit fee – audit of these financial statements	-	20,000

The audit fee for the year ended 31 December 2008 amounted to £20,000 and has been borne by the parent company AstraZeneca UK Limited.

### 4 Directors' emoluments

None of the Directors received any remuneration in respect of their services to the Company during the year under review as they were remunerated by other group companies.

# KuDOS Pharmaceuticals Limited

## Notes to the Financial Statements (continued)

### 5 Employee information

The average monthly number of persons (including executive Directors) employed by the Company during the period was:

	Year ended 31 Dec 2008	Year ended 31 Dec 2007
<b>By activity</b>		
Research and development	47	68
Administration	8	15
	55	83

	Year ended 31 Dec 2008 £	Year ended 31 Dec 2007 £
<b>Staff costs</b>		
Wages and salaries	2,104,584	3,412,227
Social security costs	226,405	312,531
Pension costs (note 21)	155,974	210,736
	2,486,963	3,935,494

### 6 Interest receivable

	Year ended 31 Dec 2008 £	Year ended 31 Dec 2007 £
Interest receivable on bank balances and deposits	2,548	7,550

### 7 Interest payable and similar charges

	Year ended 31 Dec 2008 £	Year ended 31 Dec 2007 £
Interest payable on bank overdraft	23	322
Interest payable on finance leases	2,743	12,120
Interest paid to group undertakings	1,413,113	860,357
	1,415,879	872,799

# KuDOS Pharmaceuticals Limited

## Notes to the Financial Statements (continued)

### 8 Tax credit on loss on ordinary activities

	Year ended 31 Dec 2008 £	Year ended 31 Dec 2007 £
Current tax credit on loss for the period	(11,541,982)	(4,924,973)
Adjustments in respect of prior periods	162,889	(187,712)
Tax credit on loss on ordinary activities	(11,379,093)	(5,112,685)

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK of 28.5% (2007: 30%). The differences are explained below:

	Year ended 31 Dec 2008 £	Year ended 31 Dec 2007 £
Loss on ordinary activities before taxation	(39,146,105)	(13,751,189)
Current tax @ 28.5% (2007: 30%)	(11,156,640)	(4,125,357)
Expenses adjusted for tax purposes	(381,381)	(343,942)
Capital allowances for the period in excess of depreciation	50,049	(455,886)
Other timing differences	(54,010)	212
Adjustments in respect of prior periods	162,889	(187,712)
Current tax credit for the year	(11,379,093)	(5,112,685)

#### Deferred taxation

No provision is made for deferred tax due to the availability of tax losses. The analysis of un-provided deferred tax assets for the Company is as follows:

	Amount provided		Amount un-provided	
	31 Dec 2008 £	31 Dec 2007 £	31 Dec 2008 £	31 Dec 2007 £
Tax effect of timing differences because of:				
Depreciation in excess of capital allowances	-	-	359,003	408,174
Short term timing differences	-	-	(150,597)	(7,659)
Losses	-	-	(11,906,685)	(11,877,438)
Net deferred tax asset	-	-	(11,698,279)	(11,476,923)

With effect from 1 April 2008 the statutory rate of corporation tax in the UK has been reduced to 28%. Deferred tax has therefore been measured at the new statutory rate of 28%.

No deferred tax asset has been recognised in these Financial Statements, as there is no immediate expectation of sufficient future taxable profits against which the losses and timing differences can be utilised.

# KuDOS Pharmaceuticals Limited

## Notes to the Financial Statements (continued)

### 9 Intangible fixed assets

	Licence fees £
<b>Cost</b>	
At 1 January 2008	3,012,404
Additions	-
<b>At 31 December 2008</b>	<b>3,012,404</b>
<b>Aggregate amortisation</b>	
At 1 January 2008	2,962,404
Charge for the year	50,000
<b>At 31 December 2008</b>	<b>3,012,404</b>
<b>Net book value at 31 December 2008</b>	<b>-</b>
Net book value at 31 December 2007	50,000

### 10 Tangible fixed assets

	Laboratory equipment £	Leasehold improvements £	Office and Computer equipment £	Fixtures and fittings £	Motor Vehicles £	Total £
<b>Cost</b>						
At 1 January 2008	3,663,789	2,025,724	997,911	62,969	-	6,750,393
Additions	204,290	5,685	118,423	1,484	4,300	334,182
Disposals	(1,439,225)	-	(494,036)	-	-	(1,933,261)
<b>At 31 December 2008</b>	<b>2,428,854</b>	<b>2,031,409</b>	<b>622,298</b>	<b>64,453</b>	<b>4,300</b>	<b>5,151,314</b>
<b>Depreciation</b>						
At 1 January 2008	2,879,886	722,312	854,468	32,011	-	4,488,677
Charge for the year	197,277	114,576	81,067	13,204	1,971	408,095
Disposals	(1,141,541)	-	(494,036)	-	-	(1,635,577)
<b>At 31 December 2008</b>	<b>1,935,622</b>	<b>836,888</b>	<b>441,499</b>	<b>45,215</b>	<b>1,971</b>	<b>3,261,195</b>
<b>Net book value At 31 December 2008</b>	<b>493,232</b>	<b>1,194,521</b>	<b>180,799</b>	<b>19,238</b>	<b>2,329</b>	<b>1,890,119</b>
<b>Net book value At 31 December 2007</b>	<b>783,903</b>	<b>1,303,412</b>	<b>143,443</b>	<b>30,958</b>	<b>-</b>	<b>2,261,716</b>

Included above are tangible fixed assets recorded at a cost of £18,116 and net book value of £4,529 (2007: cost £81,466 and net book value £49,330) in respect of assets held under finance leases.

# KuDOS Pharmaceuticals Limited

## Notes to the Financial Statements (continued)

### 11 Fixed asset investments

	Cost £	Provision £	Net book value £
At 31 December 2008 and 31 December 2007	4,230,264	(4,230,264)	-

Following a review by the Directors in earlier years, it has been determined that there is sufficient uncertainty as to the carrying value of the investment such that the whole investment has been provided against.

The Company's investment comprises interests in a group undertaking, details of which are as shown below:

Name of undertaking	Country of incorporation	Description of shares held	Proportion of nominal values of shares held by the Company %
KuDOS Horsham Limited	England and Wales	Ordinary £1 shares	100

### 12 Debtors

	31 Dec 2008 £	31 Dec 2007 £
Trade debtors	-	60,124
Other debtors	21,782	3,379
VAT	127,286	-
Prepayments and accrued income	497,455	553,724
Amounts owed by group undertakings (Group Tax relief)	18,299,616	6,920,636
R&D tax credit	-	241,000
	18,946,139	7,778,863



# KuDOS Pharmaceuticals Limited

## Notes to the Financial Statements (continued)

### 13 Creditors: amounts falling due within one year

	31 Dec 2008 £	31 Dec 2007 £
Finance lease obligations (note 16)	5,279	22,626
Trade creditors	495,875	303,233
Amounts owed to group undertakings	55,656,305	17,954,203
Other taxation and social security	48,062	83,807
Other creditors	15,513	96,642
Accruals and deferred income	6,182,812	4,796,571
	62,403,846	23,257,082

### 14 Creditors: amounts falling due after one year

	31 Dec 2008 £	31 Dec 2007 £
Finance lease obligations (note 16)	-	5,279

### 15 Provisions for liabilities and charges

	Severance £	Other £	Total £
At 1 January 2008	472,622	695,333	1,167,955
Release provision	-	(84,654)	(84,654)
Cash paid	(472,622)	(88,346)	(560,968)
At 31 December 2008	-	522,333	522,333

### 16 Finance lease obligations

Finance lease obligations are repayable as follows:

	31 Dec 2008 £	31 Dec 2007 £
Within one year	5,279	22,626
Between one and five years	-	5,279
	5,279	27,905

# KuDOS Pharmaceuticals Limited

## Notes to the Financial Statements (continued)

### 17 Called up share capital

	31 Dec 2008 £	31 Dec 2007 £
<b>Authorised</b>		
42,000,000 Ordinary shares (31 December 2007: 42,000,000) of 1p each	420,000	420,000
1,500,000 'A' Ordinary shares (31 December 2007: 1,500,000) of 1p each	15,000	15,000
6,500,000 'B' Ordinary shares (31 December 2007: 6,500,000) of 1p each	65,000	65,000
	500,000	500,000
<b>Issued, allotted, called up and fully paid</b>		
6,277,737 Ordinary shares (31 December 2007: 6,277,737 ) of 1p each	62,777	62,777
	62,777	62,777

### 18 Reserves

	Share premium account £	Capital redemption reserve £	Merger reserve £	Profit and loss account £
At 1 January 2008	35,982,665	12,495,151	633,991	(63,333,446)
Loss for the year	-	-	-	(27,767,012)
<b>At 31 December 2008</b>	<b>35,982,665</b>	<b>12,495,151</b>	<b>633,991</b>	<b>(91,100,458)</b>

### 19 Reconciliation of movements in shareholders' deficit

	31 Dec 2008 £	31 Dec 2007 £
Opening shareholders' deficit	(14,158,862)	(5,520,358)
Loss for the financial year	(27,767,012)	(8,638,504)
<b>Closing shareholders' deficit</b>	<b>(41,925,874)</b>	<b>(14,158,862)</b>

# KuDOS Pharmaceuticals Limited

## Notes to the Financial Statements (continued)

### 20 Financial commitments

At 31 December 2008, the Company had annual commitments under non-cancellable operating leases as follows:

	31 Dec 2008 Land and buildings £	31 Dec 2007 Land and buildings £
Expiring within one year	17,333	-
Expiring within two to five years	-	104,000
Expiring after more than five years	906,565	906,565
	923,898	1,010,565

Capital expenditure authorised and contracted for but not provided in the accounts at 31 December 2008 is £nil (2007: £nil.)

### 21 Pensions

The Company contributes to the KuDOS Group Personal Pension Scheme and the KuDOS Horsham Pension Plan. The nature of the schemes is defined contribution. The pension charge for the year was £155,974 (2007: £210,736). At 31 December 2008, an amount of £15,513 (2007: £27,354) was included in creditors in respect of pension costs.

### 22 Ultimate controlling party

The immediate controlling party of the Company at 31 December 2008 is AstraZeneca UK Limited by virtue of its 100% shareholding in the Company. The Directors consider AstraZeneca PLC, a company incorporated in England and Wales, to be the ultimate controlling party.

Copies of the ultimate controlling Company's consolidated Financial Statements may be obtained from The Company Secretary, AstraZeneca PLC, 15 Stanhope Gate, London, W1K 1LN.