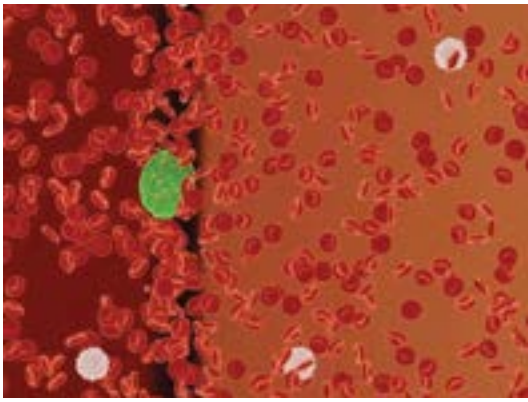
**ANGLE plc**
Annual Report & Accounts 2014

# ANGLE has developed the highly innovative Parsortix system to improve the detection and treatment of cancer



# ANGLE is a specialist medical diagnostic company with pioneering products in cancer diagnostics.

## Our vision is for widespread adoption of the Parsortix system in the diagnosis and treatment of cancer patients.

For the latest information on ANGLE, please visit www.angleplc.com

## Contents



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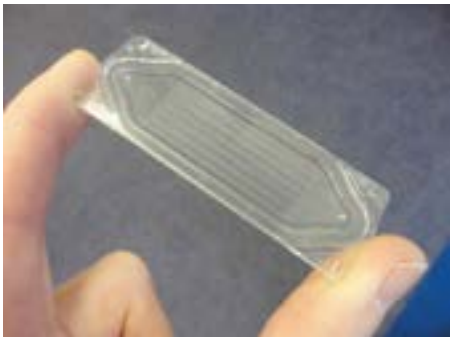
The Annual Report and Accounts may contain forward-looking statements. These statements reflect the Board's current view, are subject to a number of material risks and uncertainties and could change in the future. Factors that could cause or contribute to such changes include, but are not limited to, the general economic climate and market conditions, as well as specific factors including the success of the Group's research and development and commercialisation strategies, the uncertainties related to regulatory clearance and the acceptance of the Group's products by customers.

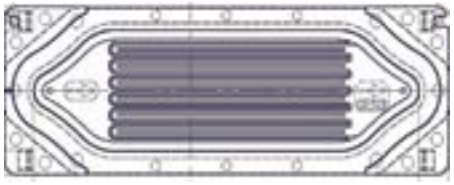
# Parsortix system

ANGLE has developed the patent-protected Parsortix cell separation system, which can capture very rare circulating tumour cells (CTCs) in cancer patient blood – even when there is less than one CTC in one billion healthy cells. The resulting liquid biopsy (simple blood test) enables the investigation of mutations in the patient's cancer for personalised cancer care.

The Parsortix GEN3 Cassette is able to capture circulating tumour cells in cancer patient blood. It works with a variety of cancers including prostate, breast, colorectal, lung and renal.

The Parsortix system does not require the use of antibodies and is capable of harvesting circulating tumour cells for molecular analysis.





## Key features of the Parsortix system

**Cell marker (epitope) independent**
Unlike other systems, the Parsortix system does not rely on the CTCs expressing specific cell surface markers for isolation for antibody binding. This means all the cancer cells can be captured.

**Applicable for all solid cancers**
Unlike other systems, the Parsortix system is applicable for all solid cancers including those with weak or no cell surface markers. The Parsortix system can be used without modification with a wide range of cancers including prostate, breast, lung, colorectal, pancreatic, renal and ovarian cancers.

**Potential to capture intact, undamaged CTCs**
Cells which are captured by the Parsortix system have not been subjected to antibody binding or other chemical reaction as part of the capture process. This offers the potential to capture intact undamaged cells for detailed analysis.

**Cells can be harvested for molecular analysis**
The Parsortix system is biomarker compatible. CTCs captured by the Parsortix system can be harvested for detailed molecular analysis. This "liquid biopsy" from a simple blood test enables the potential for personalised cancer treatment with patients receiving drugs which directly target their own cancer.

**"Plug and play"**
The Parsortix system is easy to use and can be used with whole blood samples, direct from a simple blood test, without any pre-processing of the blood such as red blood cell removal.

This makes the process easy and cost effective, whilst ensuring unnecessary loss of target cells is minimised.

**Operationally versatile**
The Parsortix system can handle blood volumes of less than 1ml and up to 50ml enabling a wide range of applications.

## 14m

The incidence of cancer is growing with 14 million new cases in 2012 up from 12.7 million cases in 2008. Effective treatment requires personalised care and selecting drugs that target the individuals cancer is key.

(Source: http://globocan.iarc.fr/Pages/fact_sheets_cancer.aspx)

See Explanation of Frequently Used Terms in connection with the Parsortix system on P20 & P21

8.2m

There are 14.1 million new cases of cancer worldwide each year.

8.2 million cancer deaths within 5 years of diagnosis worldwide.

The overall age standardised cancer incidence rate is almost 25% higher in men than in women.

43%

43% (6 million) of new cancer cases occurred in developed regions.

There are 32.6 million people living with cancer within 5 years of diagnosis.

# Research Partners

## Cancer Research UK Manchester Institute

**Cancer Research UK Manchester Institute**
Cancer Research UK Manchester Institute (CRUK MI), formerly known as the Paterson Institute for Cancer Research, is a leading cancer research institute within the University of Manchester spanning the whole spectrum of cancer research from investigating the molecular and cellular basis of cancer, to translational research and the development of diagnostics and therapeutics.

CRUK MI has approximately 300 post-doctoral scientists, clinical fellows, scientific officers, operational and technical staff, postgraduate research students and visiting fellows. It benefits from working closely with The Christie NHS Foundation Trust – the largest cancer centre in Europe, treating more than 40,000 cancer patients each year.

CRUK MI is one of the leading centres worldwide for research into circulating tumour cells (CTCs) and as such has a strong interest in technologies that will support CTC research and potentially lead to clinical applications for CTC analysis.

The Clinical and Experimental Pharmacology (CEP) group at CRUK MI has now reported on its evaluation of and development work on the Parsortix CTC capture and harvest system. CEP's initial work, as reported in July 2013, has been followed by wide ranging investigation, development and evaluation over the last year including:

- Blood sample pre-processing protocols
- Removal of plasma from blood prior to Parsortix processing to assess compatibility with cell-free DNA analysis
- Establishing the capture efficiency of Parsortix using blood samples spiked with pre-labelled cell lines
- Assessment of the capture efficiency of Parsortix compared with an existing in market product
- Establishing the harvest efficiency of Parsortix using blood samples spiked with pre-labelled cell lines
- Determining the number of residual leukocytes (white blood cells) in the Parsortix harvest
- Determining the effect of blood volume processed on the number of leukocytes in the harvest
- Developing an optimised enrichment protocol to reduce the number of leukocytes to a minimum
- Determining the effect of using different cell lines on harvest efficiency
- Fluorescent labelling of enriched samples following harvest (off-chip labelling)
- Application of off-chip labelling protocols to clinical samples
- Use of downstream technologies for molecular analysis at a single cell level
- Use of the DEPArray™ on harvested cells for single cell isolation
- Use of whole genome amplification on harvested cells in the context of clinical samples

## Pilot Study

Pilot study now underway will evaluate the feasibility and potential clinical utility of routine use of the Parsortix system to provide CTC information for patients at presentation and throughout their treatment.

The CEP group was impressed by the performance of the Parsortix system and is now planning to use the system in future clinical studies. Key findings from their work were that:

1. Standard blood preservation tubes can be used preserving the blood for up to 96 hours after blood draw before separating it with the Parsortix system

2. Plasma can be removed from the blood sample without compromising the Parsortix system. This means that the Parsortix system can be used in parallel with cell-free DNA analysis with a single patient blood sample being used for both

3. Based on spiked cell experiments, the Parsortix standard separation offers "a very high level of capture" of cells (80 – 100%)

4. Using paired spiked samples, it was shown that the capture efficiency of the Parsortix device is not significantly different from that of the existing in market product for EpCAM positive cells. EpCAM positive cells are those which the existing in market product antibody system can capture. In addition the Parsortix system can capture EpCAM negative cells, which cannot be captured by the existing in market product

5. Based on spiked cell experiments, the Parsortix standard separation offers "a high level of harvest" of cells (60 – 100%)

6. A sample enriched by the Parsortix system will contain in the range of 500 – 4500 leukocytes. The number of contaminating leukocytes appears to be independent of the volume enriched, and appears to be dependent on the donor

7. The CEP group at the CRUK MI has successfully developed an optimised Parsortix separation that results in the output containing very low levels of contaminating white blood cells. The number of leukocytes harvested following optimised protocol enrichment differs between donors and currently ranges between 69 and 178 cells in a single sample. This will allow both single CTC isolation or direct genetic analysis of the whole enriched sample representing a major step forward in CTC capture and enrichment

8. The CEP group has a working protocol for cell identification staining utilising fluorochromes compatible with various downstream technologies

9. Cells enriched by the Parsortix device can be subsequently subjected to detailed molecular analysis. Cells have been successfully processed using DEPArray™ for single cell analysis. Cells were then successfully subjected to whole genome amplification

In summary, work undertaken by the CEP group at CRUK MI has demonstrated a number of system benefits of the Parsortix system:

- The system is marker independent thus does not require the use of capture antibodies to enrich CTCs. The potential advantages include ability to capture CTCs with weak cell marker expression as well as mesenchymal cells and cell clusters that may be important in dissemination and metastasis

- The Parsortix system does not require red cell lysis, is compatible with blood preservation collection tubes, allows plasma collection from the same sample and is straight-forward to use with minimal user intervention

CRUK MI intends to pursue clinical research work with the Parsortix system in colorectal cancer and pancreatic cancer.

Pancreatic cancer is notoriously difficult to treat and challenging to biopsy, particularly serially. Identifying mutations in CTCs from pancreatic cancer patients to stratify treatment may have considerable utility in delivering personalised medicine.

The CEP group is developing methods which include using the Parsortix system aimed at genotyping CTCs from pancreatic, colorectal and lung cancer patients to facilitate an understanding of the mutations appearing in patient CTCs and how they may relate to disease progression and drug efficacy. The work is being undertaken in collaboration with consultant medical oncologists Professors Juan Valle, Mark Saunders, Fiona Blackhall (University of Manchester / The Christie NHS Foundation Trust) and Dr Claus Jorgensen who is a group leader at CRUK MI.

The pilot study now underway will evaluate the feasibility and potential clinical utility of routine use of the Parsortix system to provide CTC information for patients at presentation and throughout their treatment.

# Research Partners

Continued

## The University of Surrey Oncology Department

The oncology group at the Postgraduate Medical School, University of Surrey are a multidisciplinary team of cancer physicians and scientists who have an aim to develop, evaluate and deliver novel cancer therapies to patients. They have specialist expertise in urological and ovarian cancers, and conduct early phase trials across most cancer types.

A particular strength of the group has been the emphasis on translational science associated with the trials. This includes the collection, archiving and evaluation of patient tissue and blood for biomarkers and discovery. The group currently numbers 24, has state-of-the-art laboratory facilities and scientific expertise to undertake new research projects with potential collaborators. The group has published 110 peer reviewed scientific papers since they moved to Surrey in 2006.

### Circulate Conference

Circulate is an annual conference for scientists, medical researchers, diagnostic and pharmaceutical companies pioneering the emerging field of circulating tumour cells (CTCs) and circulating cancer biomarkers.

At the conference, Mr Hari Nageswaran, a Clinical Research Fellow from the University of Surrey, presented initial data from a study entitled 'Use of a new size based CTC capture and harvest technology for colorectal cancer studies'. Mr Nagewaran used ANGLE's Parsortix system to carry out the study.

### Metastatic Liver Cancer Patient Study

In the study, the Parsortix system was used to investigate the number of CTCs in the blood of colorectal cancer patients who, following surgery to remove the cancer from the colon and chemotherapy, had relapsed with secondary liver cancer. The study compared the CTC count in the peripheral and hepatic (liver) veins, from bloods taken during surgery to remove a section of the liver.

Even though these patients had undergone surgery to remove their primary tumour and had chemotherapy, the Parsortix system was still able to capture CTCs, from 2ml blood samples, in the peripheral blood of 65% of the patients and in the hepatic blood of 82% of the patients, a significantly higher proportion than might be expected with other systems.

The study revealed a higher concentration of CTCs found in the hepatic blood than the peripheral blood, indicating that CTC concentration in the blood is higher when in closer proximity to the location of the secondary cancer.

**82%**

The Parsortix system was able to capture CTCs, from 2ml blood samples, in the peripheral blood of 65% of the patients and in the hepatic blood of 82% of the patients, a significantly higher proportion than might be expected with other systems.

The study has now been extended to investigate the CTC concentration in the hepatic vein before and after surgery and the initial findings suggest that the concentration of CTCs is higher after surgery than before.

If further work confirms that this is the case, then it will be an important finding as it will indicate that the process of surgery itself may result in the release of CTCs into the bloodstream.

"We are delighted that use of the Parsortix system by the University of Surrey may, if the initial data points are confirmed, lead to important medical findings for the benefit of liver cancer patients in the future."

**Andrew Newland,** Chief Executive

Read further on our website

## The Medical Research Council Cancer Unit

ANGLE's agreement with the Medical Research Council's Cancer Unit will allow research teams to have improved access to the Parsortix system.

The MRC Cancer Unit at the University of Cambridge and Addenbrooke's Hospital is a state-of-the-art cancer research facility that stems from a unique collaboration between the UK Medical Research Council (MRC) and the University of Cambridge. It is now a leading site for basic and translational cancer research in Cambridge. The Unit aims to bridge the gap between basic cancer research and clinical practice through innovative, interdisciplinary research in three major areas – cancer biology, cancer diagnosis, and cancer therapy.

The Unit houses active clinicians as well as basic scientists, enabling the rapid translation of discoveries made at the research bench into clinically viable applications at the patient's bedside. It is based in the Hutchison/MRC Research Centre building at the Addenbrooke's Hospital site, a leading environment for cancer research, enabling fruitful interactions with colleagues in the NHS, the CRUK Cambridge Institute, an outstanding cohort of neighbouring MRC laboratories, and in the clinical and basic science departments of the University of Cambridge.

The MRC Cancer Unit is establishing a dedicated Parsortix laboratory facility to allow research teams in the Unit, and the wider scientific community at the University of Cambridge, to access the Parsortix system. The facility will allow researchers in Cambridge to investigate applications of the Parsortix system in the diagnosis and treatment of several forms of cancer.

# Chairman's Statement

"

ANGLE has made significant progress with commercialisation of Parsortix during the year and is now strongly focused on establishing the use of the system in clinical practice. To achieve this, the top priority is the establishment of collaborations with key opinion leaders at world class research centres. These key opinion leaders are working to identify applications with medical utility (clear benefit to patients), and to secure clinical data that demonstrates that utility in patient studies. We believe that we are on the right path to unlocking the multi-billion dollar market worldwide available to ANGLE and its potential strategic partners."

**Garth Selvey**, Chairman

## Introduction

During the year, ANGLE made significant progress on product development and the deployment of the Parsortix system with key opinion leaders for research use. ANGLE also successfully disposed of its investment in Geomerics, strengthening the balance sheet and substantially completing its refocusing as a specialist medtech company.

## Results

During the year, planned investment principally relating to Parsortix was £3.0 million (2013: £2.5 million). This comprised operating costs of £2.8 million (2013: £1.6 million) and capitalised expenditure of £0.2 million (2013: £0.9 million).

The loss for the year of £1.2 million (2013: loss £1.0 million), reflected operating costs of £2.8 million (2013: £1.6 million) offset by a fair value gain on investments of £1.3 million (2013: £0.5 million) and other income of £0.3 million (2013: £0.1 million).

The cash balance was £3.9 million at 30 April 2014 (30 April 2013: £1.8 million).

## Sale of Geomerics

During the year, ANGLE's investment in Geomerics was sold for a cash consideration of up to £6.2 million to ARM Holdings, the world's leading semiconductor intellectual property supplier. £5.5 million has been received and the balance of £0.7 million is being held as a retention, receivable on 12 December 2015.

## Product development and market introduction

During the year, ANGLE progressed the development of its Parsortix system for harvesting rare cells from patient blood for analysis. The system is designed for use both in the research market and, where authorised, the clinical market for patient treatment.

The automated harvesting capability of ANGLE's system enables the harvest of very rare circulating tumour cells (CTCs) in cancer patient blood for DNA and other analysis. The resulting "liquid biopsy" means that the Parsortix system has the potential, through a simple blood test, to address a major new market for personalised cancer treatment.

During the year, a specialist, large scale manufacturer was appointed to manufacture the Parsortix system with the necessary quality systems and capacity to support the roll out into the research and clinical markets.

The product was introduced at the 4th Annual Circulate conference in Berlin in February 2014. This generated significant awareness among key opinion leaders, potential customers and partners. There is now a growing momentum of interest in the product as key opinion leaders and potential customers appreciate the combination of key operational advantages of the Parsortix system for CTC analysis including:

- Antibody independent so works with all types of cancer cells (not just those with a particular cell surface marker)
- Easy harvesting of cancer cells out of the system for molecular analysis (unlike other systems where the cells may be trapped in the device)
- Low level of background white blood cell contamination so that the cells can be directly analysed without the need for a separate single cell extraction step
- Easy to use, plug and play automated separation system without the need for blood preparation steps

# Highlights

- Balance sheet strengthened by sale of Geomerics to ARM Holdings plc for up to £6.2 million in cash with £5.5 million received to date
- Parsortix system successfully deployed with key opinion leaders
- Specialist manufacturer appointed with the necessary quality systems and capacity to support commercialisation
- CE Mark authorisation secured for use of Parsortix system as an in vitro diagnostic device in clinical use (the treatment of patients) in the European Union and FDA 510(k) submitted in the US
- Partnership established with the Medical Research Council's Cancer Unit at the University of Cambridge to establish a Cambridge Parsortix Laboratory
- Intellectual property further strengthened, increasing the breadth and duration of patent coverage, and the range of medical applications covered
- Loss for the year of £1.2 million (2013: loss £1.0 million) and cash balance at 30 April 2014 of £3.9 million (30 April 2013: £1.8 million)
- **Continued progress post the year end**
  Cancer Research UK Manchester Institute completed full report confirming key competitive advantages of the Parsortix system including:
  - Applicability to multiple types of cancer cells including mesenchymal cells
  - Applicability to multiple types of cancer
  - Easy harvesting of cells for molecular analysis
  - Low level of background white blood cell contamination of harvested cell samples

## Intellectual Property

The intellectual property (IP) patent portfolio underpinning the Parsortix system has been further extended during the year. We have also filed new submissions which, if granted, will provide further patent coverage to late 2033. The current issued US Patent provides cover until 2026.

The new patents cover key new operational aspects as follows:

- Cell harvesting method – this covers the method by which the Parsortix system can harvest cells (recover them from the system) for mutational and other medical analysis
- Cell measurement method – this covers the technique of using the structure and markings in the Parsortix cassettes to determine the sizes of captured cells as part of their identification and analysis
- Multifold design of Parsortix cassette – this covers the use of an elongated step front (undulating ribbon) providing increased separation capacity within the cassette

## Regulatory authorisation

Regulatory authorisation is a requirement before the Parsortix system can be sold for use in the clinical market (treatment of patients), although earlier sales will be made into the research market.

During the year, ANGLE secured the CE Mark for the use of the Parsortix system as an in vitro diagnostic device in the European Union.

Achievement of this key milestone confirms that the clinical use of the Parsortix system, the Parsorter PC1, meets the Essential Requirements of the European Union In Vitro Device Directive (98/79/EC), a prerequisite for the product's use in clinical applications throughout Europe.

ANGLE also made an FDA 510(k) submission in March 2014 for clinical use of the Parsortix system in the United States. The timing of approval is dependent on the FDA's review and responses to our submission.

## System deployment and sales

ANGLE is working to develop the sales platform needed to establish the Parsortix system in the very large clinical market, which is emerging as medical research is undertaken utilising CTCs to determine improved cancer patient treatment. The Strategic Report sets out how this will be achieved.

Crucial to securing substantial sales is to ensure that key opinion leaders utilise the system and adopt it as standard. The adoption by key opinion leaders has been a priority this year and the decision was taken to focus on wider research sales only after this adoption has been established. This has had a number of key advantages as follows:

- Resources have been prioritised towards adoption by key opinion leaders
- We have received expert feedback from the first wave of users, which has enabled us to refine our product and further differentiate our competitive position
- We now have a highly influential group of world-leading cancer experts who are excited about our system and are actively looking for ways to use it

The key opinion leader programme is now going well and we have more joining our programme. Speed of access to the clinical market will remain our overwhelming priority. As applications of the Parsortix system become established in practice by key opinion leaders, we will instigate commercial sales for the research market.

Clinical sales will take longer to develop and are expected to be modest initially. However, as each clinical application becomes supported by peer reviewed clinical data from key opinion leaders, we expect sustained revenue growth for that application. We intend to amplify this growth by developing key strategic and research relationships with major international medtech and pharmaceutical companies.

# Chairman's Statement

Continued

"The evaluation phase of our work is now successfully complete and we see great promise in the application of the Parsortix technology for harvesting CTCs for molecular analysis to enable personalised cancer care. We are now undertaking pilot studies using the Parsortix system in both colorectal cancer and pancreatic cancer."

**Dr Ged Brady**, Deputy and Genomics Leader within the Clinical & Experimental Pharmacology group at Cancer Research UK Manchester Institute

### Key Opinion Leaders

As stated above, endorsement of the Parsortix system by key opinion leaders (world leading cancer research centres) is crucial in identifying and proving clinical applications, and providing credentials for other users. Key opinion leaders with whom we are working have reported encouraging results from their work and the Parsortix system has been well received.

**Cancer Research UK Manchester Institute**

During the year, the Cancer Research UK Manchester Institute, previously known as the Paterson Institute for Cancer Research, in conjunction with The Christie (Europe's largest cancer hospital), reported key clinical advantages for the Parsortix system and has included Parsortix in its ongoing efforts to deliver personalised medicine.

After the year end, Cancer Research UK Manchester Institute completed a full report confirming key competitive advantages of the Parsortix system including:

- Applicability to capture multiple types of cancer cells including mesenchymal cells
- Applicability to multiple types of cancer (for example prostate, breast, lung, colorectal, melanoma, liver etc)
- Easy harvesting of cells for molecular analysis
- Low level of background white blood cell contamination of harvested cell samples allowing direct analysis

**The University of Surrey Oncology Group**

The University of Surrey Oncology Group in conjunction with the Royal Surrey County Hospital completed their validation of Parsortix technology. Using colorectal cancer patient blood, they demonstrated that the Parsortix system had twice the sensitivity of currently accepted clinical practice for CTC capture.

The University of Surrey Oncology Group then used the Parsortix system to undertake a study of metastatic liver cancer patients and successfully demonstrated that there was a higher prevalence of CTCs in the patients' hepatic blood than in their peripheral blood. This is under further investigation and may have significant implications for liver cancer surgery in the future.

**Medical Research Council's Cancer Unit at the University of Cambridge**

During the year, ANGLE entered into an agreement with the Medical Research Council's Cancer Unit at the University of Cambridge in conjunction with Addenbrooke's hospital to establish a Cambridge Parsortix Laboratory. This cancer unit is a leading and highly influential institution which has had access to a Parsortix system since June 2013. The establishment of the Cambridge Parsortix Laboratory will allow the unit's research team, and the wider scientific community at the University of Cambridge and Addenbrooke's hospital, to have improved access to the Parsortix system. It is an important recognition of the Parsortix system that this stand-alone Parsortix laboratory is being established in Cambridge. Pilot studies being considered include colorectal and oesophageal cancer.

### Scientific Advisers

During the year, two additional Scientific Advisers were appointed to help guide the Parsortix non-invasive cancer diagnostic technology to market.

Dr Harold Swerdlow is a world-leading expert in next-generation sequencing (NGS), which is becoming the premier technique in genetic and genomic analysis. Previously Head of Research and Development for the Wellcome Trust Sanger Institute, he has recently been appointed VP of Technology Innovation at the New York Genome Center. Dr Swerdlow invented core technology relating to NGS and commercialised this at Solexa Ltd., which was acquired by Illumina for US$600 million.

Dr Clive Stanway is an expert in the drug discovery and development process, with worldwide contacts with major pharma development groups. He is Chief Scientific Officer of Cancer Research Technology (CRT), the technology development and commercialisation arm of Cancer Research UK.

ANGLE now has four Scientific Advisers with knowledge between them of key aspects of CTC investigation for personalised cancer care:

- Prof Adrian Newland, Barts Health NHS Trust – haematology, cancer diagnostics and National Institute for Clinical Excellence (NICE)
- Dr Clive Stanway, Cancer Research Technology – cancer drug development and major pharma
- Dr Harold Swerdlow, New York Genome Center – next-generation sequencing
- Prof Ashok Venkitaraman, Medical Research Council's Cancer Cell Unit – cancer cell biology and personalised cancer care

### Directors

David Quysner, non-executive director, has advised me of his intention to retire at the Annual General Meeting. David has been a member of the ANGLE board for over ten years. On behalf of the board and the whole company, I thank him for his clear views and opinion and many contributions to the development of the business during that time. We wish him much happiness in his retirement.

### Outlook

ANGLE has made significant progress with commercialisation of Parsortix during the year and is now strongly focused on establishing the use of the system in clinical practice. To achieve this, the top priority is the establishment of collaborations with key opinion leaders at world class research centres. These key opinion leaders are working to identify applications with medical utility (clear benefit to patients), and to secure clinical data that demonstrates that utility in patient studies. We believe that we are on the right path to unlocking the multi-billion dollar market worldwide available to ANGLE and its potential strategic partners.

**Garth Selvey**
Chairman
22 July 2014

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**Garth Selvey**, Chairman

→ £3.0m

Planned investment principally relating to Parsortix was £3.0 million (2013: £2.5 million)

→ £6.2m

ANGLE's investment in Geomerics was sold for a cash consideration of up to £6.2 million to ARM Holdings, the world's leading semiconductor intellectual property supplier

# Strategic Report

“

ANGLE continues to undertake a great deal of work on the Parsortix system with the aim of ensuring that it is robust, operates reproducibly and can run patient samples efficiently.”

**Andrew Newland**, Chief Executive

## Introduction

ANGLE is a specialist medtech company commercialising a platform technology that can capture cells circulating in blood, such as cancer cells, even when they are as rare in number as one cell in one billion blood cells, and harvest the cells for analysis.

ANGLE’s cell separation technology is called Parsortix and is the subject of a granted US patent and three extensive families of patents being progressed worldwide. The system is based on a microfluidic device that captures cells based on a combination of their size and compressibility.

The analysis of the cells that can be harvested from patient blood with ANGLE’s Parsortix system has the potential to deliver profound improvements in clinical and health economic outcomes in the treatment and diagnosis of various forms of cancer.

As well as cancer, the Parsortix technology has the potential for deployment with several other important cell types in the future.

## Cancer medical applications

The treatment of cancer is highly problematic primarily because of the heterogeneity of cancer in multiple dimensions:

- Each cancer patient may have different mutations from other patients with the same type of cancer
- Each cancer patient may have several different types of cancer cell mutation within a particular tumour
- Each patient’s cancer may mutate and change its mutations over time

In order to treat patients effectively, doctors need to deploy drugs that target the individual patient’s cancer mutations at that point in time. This approach is called “personalised cancer care” and in recent years has become accepted worldwide as the most likely way to improve patient outcomes in the long run.

There is therefore a crucial need for ongoing information as to the patient’s cancer mutational status. Initially, where the cancer tumour can be accessed, this is currently achieved through a solid biopsy, for example through a breast cancer lumpectomy. The tissue excised is analysed and the oncologist makes a decision on therapy based on the analysis, for example in breast cancer if the patient is HER2 positive they may receive Herceptin or a similar drug but otherwise they will not.

The use of the solid biopsy where it can be applied is effective and the current “gold standard” in treatment. However it is invasive and relatively costly compared with a blood test. Even more importantly it cannot always be used effectively in difficult to access tumours, such as pancreatic cancer, lung cancer and brain cancer.

Crucially, whether or not a solid biopsy can be taken when the patient presents, biopsy of the primary tissue cannot be repeated at a later date when the tissue concerned has already been excised and is no longer there.

Primary cancers shed cancer cells into the patient’s bloodstream. These cells circulate in the blood and are known as circulating tumour cells or CTCs. The CTCs can then land in another part of the body and initiate a secondary cancer. If they can be harvested for analysis, the CTCs have the potential to provide, through a simple peripheral blood test as is routinely used in medical application, crucial medical information regarding the changing metastatic and mutational status of the patient’s disease.

It is widely agreed that a non-invasive liquid biopsy that could harvest CTCs for analysis would have a profound impact in understanding the patient’s current cancer status and ensuring the optimum treatment is deployed for that individual patient at that particular time.

### Economics of cancer patient treatment

Treatment of cancer patients can be very expensive. For example a single chemotherapy drug prescribed may cost in excess of £50,000 for a course. Such drugs are prescribed because they are thought to be the best option available to treat patients, whilst in reality they will be beneficial to only a proportion, perhaps one in three, of patients.

In this example, two thirds of the drug cost may be wasted on patients who have no medical benefit from the treatment. Worse still these drugs are toxic and, regardless of whether they receive any benefit from the drug, patients will often experience severe side effects.

Furthermore, it is often the case that without specific information on the individual patient's cancer a cocktail of drugs are prescribed where the doctors know that several will be ineffective for that patient but they do not know which ones.

ANGLE's aim is to demonstrate the Parsortix system's capability to harvest CTCs for an analysis that will enable a determination of which patients will benefit from which drug.

This will not only improve patient treatment and reduce unnecessary side effects but dramatically reduce overall patient treatment costs allowing more efficient and effective deployment of medical resources. This approach will support the efforts of NICE in the UK, and similar organisations elsewhere in the world, to ensure effective use of medical resources.

### Market size

ANGLE's ultimate objective is the widespread adoption of the Parsortix system in the diagnosis and treatment of cancer patients. According to the World Health Organisation, there were an estimated 14 million new cancer cases worldwide in 2012, a marked rise on the 12.7 million cases in 2008. In 2012, there were an estimated 32.6 million people living with cancer.

(Source: http://globocan.iarc.fr/Pages/fact_sheets_cancer.aspx)

The incidence of cancer continues to grow as a result of demographic, lifestyle and environmental factors and it is estimated that one in three people in the UK will get cancer during their lifetime.

There are a wide range of potential applications for harvested CTCs including diagnosis, prognosis, mutational analysis and drug selection, drug development, assessment of treatment effectiveness, and remission monitoring. We estimate that this represents a potential global market for ANGLE's Parsortix system worth in excess of £8 billion per annum.

ANGLE's major focus is on the cancer market. There is also a substantial market available in non-invasive foetal diagnostics, harvesting foetal cells from the pregnant mother and analysing for Down's Syndrome and many other chromosomal and genetic conditions through a simple blood test.

### Commercialisation

ANGLE has a clear strategy to commercialise its Parsortix technology.

The cell capture and harvesting technology has been developed together with an automated machine to run blood samples through the cell separation cassette and extensive intellectual property protection of the system is being prosecuted.

A great deal of work has been completed to ensure the system is robust, operates reproducibly and can run patient samples efficiently. Optimisation of the system is ongoing for particular applications and to ensure it operates effectively with existing medtech platforms for cell analysis.

→ 32.6m

In 2012, there were an estimated 32.6 million people living with cancer

→ £50,000

Treatment of cancer patients can be very expensive. A single chemotherapy drug perscribed may cost in excess of £50,000

# Strategic Report

Continued

> This agreement will greatly facilitate the use of ANGLE's Parsortix system in our research, and that of other colleagues in Cambridge. We foresee several exciting research avenues to test different applications of the Parsortix system in the diagnosis and personalised treatment of cancer."
>
> **Professor Ashok Venkitaraman**, Medical Research Council Cancer Unit Director

Successful evaluation of the system by major cancer research centres as key opinion leaders for the market has already been achieved and a major part of ANGLE's current efforts relate to further deployment with key opinion leaders.

Regulatory authorisation for the clinical use of the system in patient treatment in the EU has already been achieved and the process is ongoing with the FDA for the USA.

Widespread adoption of the Parsortix system in the clinical market crucially depends on ongoing work with key opinion leaders to:

- Undertake successful pilot studies demonstrating patient applications with clear medical utility (patient benefit)
- Select key medical applications with clear medical utility
- Undertake successful patient studies providing fully documented evidence of how the system should be used for particular patient applications in routine treatment
- Convert key opinion leader support and peer reviewed publications into widespread adoption of the Parsortix system in routine patient care

Major areas of work currently in progress are described below.

### Competitive differentiation

Major competitive differentiators of the system successfully achieved so far include:

- *Epitope independence with no requirement for the use of an antibody to capture cells.* The Parsortix system has key advantages over antibody based systems that rely on the expression of a cell surface protein (such as EpCAM) including:
  - the system is able to capture CTCs that have undergone the epithelial mesenchymal transition during the process of metastasis (and are no longer EpCAM positive)
  - the system is able to capture CTCs in cancer types, such as ovarian cancer, which only have weak or no EpCAM expression
  - the system is versatile and may be used for other cell types such as foetal cells
  - the harvest is clean and does not contain immuno-magnetic beads or other additives needed for the antibody based cell capture systems, which may compromise analysis of the cells
- *Easy harvest of cells from the system for molecular analysis,* unlike many other systems where cells may be captured but can get stuck in the separation system so that they cannot be harvested for analysis
- *Low level of background white blood cell contamination* thereby allowing either single cell analysis or direct analysis of the harvested cells containing both the CTCs and a low number of white blood cells. Competing systems may have far more background white blood cell contamination thereby making analysis of target cells more difficult
- *Simplicity and cost effectiveness* so that both the one-time use consumable, the Parsortix cassette, and the automated machine that runs the blood through the cassette are simple, easy to use, straightforward in training and cost competitive
- *The Parsortix system is easily deployed at customer sites* in stark contrast to many competing systems which, as a result of their size and complexity, the need for expert operators and difficulty in securing regulatory authorisation, may be forced to rely on a CLIA (certified laboratory) approach where the customer has to send the patient sample for analysis at a remote laboratory and cannot process it near the patient

> Personalized cancer care is the future of medicine."
>
> National Cancer Institute, United States Government

### Optimising the system

ANGLE continues to undertake a great deal of work on the Parsortix system with the aim of ensuring that it is robust, operates reproducibly and can run patient samples efficiently.

During the year, ANGLE successfully completed extensive work in key areas of functionality including:

- Developing protocols to ensure the blood is preserved prior to separation for up to 72 hours thereby enabling transportation, shipping and processing without losing the capability to process the sample
- Developing, testing and then automating the harvesting protocols to allow harvesting of cells from the Parsortix system for molecular analysis
- Developing and refining protocols to reduce the level of background white blood cell contamination of the harvested cells. This enables the analysis of the harvested cells directly without the need for a separate single cell separation step, although this may still be useful in some applications

The main areas of work that are currently taking place include:

- Optimising the speed of flow of blood through the separation system
- Developing interface protocols for the existing molecular analysis platforms deployed by some of the world's largest medtech companies
- Investigating how best the Parsortix system can be used by major pharma companies for cancer drug development and as a "companion diagnostic" to determine the suitability and effectiveness of drugs for individual patients

### Successful evaluation of the system by major cancer research centres

The Parsortix system is being evaluated by multiple world-leading cancer research centres as key opinion leaders and receiving positive results.

Cancer Research UK Manchester Institute, previously known as the Paterson Institute for Cancer Research, is one of the world's foremost authorities on personalised cancer care and specifically CTCs. As such they have worked extensively with CTC systems and published on the various approaches available to capture CTCs.

Leading research scientists at Cancer Research UK Manchester Institute have worked extensively with the Parsortix system over the past 18 months and are now pursuing clinical research work with the Parsortix system in colorectal and pancreatic cancer.

## → £8bn

We estimate a potential global market for ANGLE's Parsortix system worth in excess of £8 billion per annum

## → 2014

This year, ANGLE made an FDA 510(k) submission in March 2014 for clinical use of the Parsortix system in the United States

# Strategic Report

Continued

> Personalised medicine is the most exciting change in cancer treatment since the invention of chemotherapy."
>
> **Professor Peter Johnson**, Chief Clinician, Cancer Research UK

Key advantages of the Parsortix system identified by the Clinical and Experimental Pharmacology group at Cancer Research UK Manchester Institute are as follows:

- Based on spiked cell experiments, the system provides a "very high level of capture" of cells (80 – 100%) and a "high level of harvest" of cells (60 – 100%)
- The system is marker independent thus does not require the use of capture antibodies to enrich CTCs. The potential advantages include ability to capture CTCs with weak cell marker expression as well as mesenchymal cells and cell clusters that may be important in dissemination and metastasis
- The Parsortix system can maintain a good rate of harvest while also delivering a low level of background white blood cell contamination (<200 white blood cells independent of sample volumes). The harvest can be used for the extraction and analysis of single CTCs. Alternatively the exceptionally low background white blood cell contamination means that the harvest is sufficiently concentrated to allow direct genetic analysis of the Parsortix harvest without further processing. This latter point represents a major step forward and has not been possible with other CTC capture and enrichment technologies tested by the team at Manchester so far
- The Parsortix system does not require pre-separation steps such as removal of red blood cells, is compatible with blood preservation collection tubes, allows plasma collection from the same sample and is straightforward to use with minimal user intervention

## Secure regulatory authorisation

In order to be able to sell the Parsortix system for use in treating patients in the clinical market, it is necessary to secure regulatory authorisation for the clinical use of the system in patient treatment in each geographic region.

During the year, ANGLE successfully secured CE Mark authorisation for the use of Parsortix as an in vitro diagnostic device in the European Union in the treatment of patients.

ANGLE also made an FDA 510(k) submission in March 2014 for clinical use of the Parsortix system in the United States. The aim is to secure an early FDA regulatory acceptance though the timing is dependent on the FDA's review and responses to our submission.

There are no FDA authorised systems for harvesting CTCs for analysis of which we are aware and only one system authorised for the capture and counting of CTCs, which is antibody-based. Securing FDA authorisation will be another major competitive differentiation for ANGLE.

## Pilot studies by key opinion leaders

A critical element in progressing commercialisation of the Parsortix system is ensuring key opinion leaders undertake successful pilot studies to demonstrate patient applications with clear medical utility. This involves working closely with key opinion leaders to encourage and support, with both human and financial resources, their investigative work using the Parsortix system.

A great deal of effort is being deployed in this area at present as described in the Chairman's report. The following key opinion leaders are already working with our system under formal agreements:

- The University of Surrey Oncology Group – immunotherapy and colorectal cancer
- The Cancer Research UK Manchester Institute – colorectal and pancreatic cancer
- The Medical Research Council's Cancer Unit at the University of Cambridge – colorectal cancer and oesophageal cancer

## Summary

ANGLE has a well differentiated patent-protected product addressing a large developing medical market with a clear strategy to secure a substantial market share.

Effective execution of the strategy has the potential to deliver significant financial returns for ANGLE's shareholders, profoundly improve the outcome for cancer patients, and reduce healthcare costs.

On behalf of the Board

**Andrew Newland**
Chief Executive
22 July 2014

## Key Performance Indicators

The Group measures its performance according to a range of key performance indicators (KPIs). The main KPIs and details of performance against them are as follows:

| KPI | Performance |
|---|---|
| Product development | The cell capture and harvesting technology has been developed together with an automated machine to run blood samples through the separation cassette.<br><br>A great deal of work has been completed to ensure the system is robust, operates reproducibly, can run patient samples efficiently, meets regulatory requirements and to allow market introduction. Optimisation of the system is ongoing for particular applications reflecting key opinion leader (KOL) feedback. |
| Intellectual property | Intellectual property has been further strengthened with new patent filings, increasing the breadth and duration of patent coverage, and the range of medical applications covered. |
| Evaluation of the system by major cancer research centres | Cancer Research UK Manchester Institute (CRUK MI) have completed a wide ranging evaluation of the Parsortix system and "see great promise in the application of the Parsortix technology for harvesting circulating tumour cells (CTCs) for molecular analysis". CRUK MI has demonstrated a number of system benefits:<br>• The system is marker independent thus does not require the use of capture antibodies to enrich CTCs. The potential advantages include the ability to capture CTCs with weak cell marker expression as well as mesenchymal cells and cell clusters that may be important in dissemination and metastasis<br>• The system does not require red cell lysis, is compatible with blood preservation collection tubes, allows plasma collection from the same sample and is straight-forward to use with minimal user intervention |
| Regulatory authorisation | During the year, ANGLE successfully secured CE Mark authorisation for clinical use (the treatment of patients) of the Parsortix system as an in vitro diagnostic device in the European Union.<br><br>ANGLE also made an FDA 510(k) submission in March 2014 for clinical use of the Parsortix system in the United States. |
| Pilot studies undertaken by KOLs | The following KOLs are already working with our system under formal agreements:<br>• The Cancer Research UK Manchester Institute – colorectal and pancreatic cancer<br>• The University of Surrey Oncology Group – immunotherapy and colorectal cancer<br>• The Medical Research Council's Cancer Unit at the University of Cambridge – colorectal cancer and oesophageal cancer<br><br>We are in discussions with a number of other KOLs. |
| Cash position | During the year the cash position was strengthened to £3.9 million at 30 April 2014 from £1.8 million at 30 April 2013. Geomerics was sold for up to £6.2 million with £5.5 million of cash received to date. The Group carefully plans expenditure with rolling cash flow forecasts and tight financial control. The Group takes a collaborative cost sharing approach with KOLs and an outsourced approach with third party experts and manufacturing, avoiding long term commitments as far as possible. |

# Strategic Report

## Principal Risks and Uncertainties

The nature of medical diagnostics development and the early stage and scale of operations means there are a number of risks and uncertainties. The Directors maintain a risk register and have summarised the principal risks and uncertainties that could have a material impact on the Group. These are set out in the table below, along with mitigation strategies.

| Risk | Description | Mitigation |
|---|---|---|
| Competitive position | There are numerous competitive groups seeking to develop alternative cancer diagnostic products in direct competition (other CTC technologies) and indirect competition (other methods). It is possible at any time that a competing technology which out-performs Parsortix may enter the market. Some competitors have greater resources which may allow them to deploy commercial tactics which restrict the Group. | The Group manages its product development, IP position, accelerates product launch and monitors customer needs and competitors internally, with its Scientific Advisory Board (SAB) and through its relationships with key opinion leaders (KOLs). The Directors believe that the Parsortix technology has the potential to be more simple, effective and affordable than competing technologies – the Group has developed a low-cost affordable solution which puts it in a strong position for pricing and it is antibody independent allowing for a range of cancers to be analysed that other systems may not be able to handle. |
| Financial | The Group is investing heavily in R&D and is moving into product launch phases and as a consequence is loss making and utilising cash for its operational activities. The commencement of material revenues is difficult to predict as it involves identifying specific clinical applications and achieving market acceptance; operating losses are anticipated to continue for some time. In the event that new funds are required there can be no guarantee that these will be available on acceptable terms, at the quantum required, or at all, which could affect the ability to commercialise the technology and may require operations to be scaled back, delayed or even affect the ability to continue as a going concern. | The Board undertakes careful planning, management of expenditure and rolling cash flow forecasting, has a strong focus on milestone and performance delivery and avoids long term supplier contracts. The Board maintains close shareholder relations, high standards of corporate governance and explores different sources of funding including potential partners. The Group is working with KOLs to identify clinical applications for initial product launch and the research market also offers the potential for earlier revenues. |
| Intellectual Property | The Group's success depends in part on its intellectual property (IP) in order that it can stop others from exploiting its inventions. There is a risk that patent pending applications will not be issued. It is possible that competitors may infringe this IP or otherwise challenge its validity, which may result in uncertainty, litigation costs and/or loss of earnings. | The Group has already secured two granted US patents protecting the Parsortix system. On an ongoing basis, the Group invests significantly in its IP, employs patent agents and protects its IP with confidentiality agreements, patents and patent applications in order to reduce the risks over their validity and enforceability. |
| Market acceptance | Success depends on acceptance of the Group's products. Studies are required to demonstrate clinical applications and there is a risk that the data may be weak, inconclusive or negative. The medical diagnostics market is conservative by nature, CTCs are an emerging technology, customers may be slow to adopt new products, vested interests may impede market penetration and products may not achieve commercial success. | The Group undertakes in-house R&D and works with partners and KOLs to act as reference customers, to obtain data relating to clinical applications and the efficacy, safety and quality of the product. It monitors industry developments and customer needs through its SAB and KOLs. Product launch and targeted customers will be based on identified clinical applications. Although smaller, the research market is a market in its own right. |

| Risk | Description | Mitigation |
|---|---|---|
| Manufacturing | As precision equipment, it is extremely important that manufacturing is of a consistent and high quality to ensure that machines and cassettes operate as specified and produce consistent results. The Group must comply with a broad range of regulations relating to the development, approval, manufacturing and marketing of its products and is subject to regulatory inspection. Product lead times need to be appropriate. Problems at outsourced manufacturers could lead to disruption in supplies, delays, product inconsistency and product failure. | The Group has outsourced manufacturing to specialist organisations that can manufacture the cassettes at the required tolerances, can assemble machines and have capacity for scale-up of production. Where possible designs use standard components and any components on long lead times are held in stock. Product manufacture is subject to good manufacturing practice and regulatory control. The Group maintains a quality assurance system and product liability insurance. |
| Research and development | The Group undertakes significant research and development activity with the aim of launching improved and new products and services, but there remain considerable technical risks, which may result in delays, increased costs or ultimately failure. | The Group uses skilled staff and third party experts in various fields from design to manufacturing. The nature of the medical devices means that although development can be challenging, there should generally be an engineering solution, provided sufficient resources and expertise are applied to the problem. |
| Regulatory | Major success with the cancer diagnostic product (and other products) will require regulatory authorisation for clinical use from various regulatory authorities which will require data from studies relating to the efficacy, safety and quality of the product. Regulatory regimes are complex and dynamic and it can be difficult to predict their exact requirements, so authorisations may be delayed and alterations to the regulations may also result in delays. If it proves difficult to achieve authorisations, major revenues may be delayed or without authorisation may not be achievable. | The Group uses external specialist resources (regulatory, design, manufacturing etc) and conducts its operations within recognised quality assurance standards.<br><br>CE Mark regulatory authorisation has been achieved in Europe.<br><br>FDA regulatory authorisation is in progess in the United States. |
| Staff and key suppliers | The Group's future success is dependent on its management team and staff and there is the risk of loss of key personnel. The Group also outsources certain aspects of product development and manufacturing and is dependent on these key suppliers and its collaborations with KOLs. | The Group manages staff requirements closely, invests in skills development and new staff and has staff incentive schemes for retention and motivation. Suppliers are carefully chosen and actively managed. |

# Strategic Report

## Financial Review

"The Group strengthened its financial position with the sale of its investment in Geomerics Limited to ARM Holdings plc for up to £6.2 million in cash, with £5.5 million received to date. The realisation of our investment in Geomerics was a key step for progressing the Parsortix system with non-dilutive funding."

**Ian Griffiths**, Finance Director

### Introduction

The cash received from the realisation of Geomerics has more than covered the investment expenditure of £3.0 million during the year, enabling significant progress in the development of the Parsortix system. Key achievements during the year included establishing collaborations with major cancer research centres and deploying the system with key opinion leaders, securing CE Mark authorisation, progressing the FDA 510(K) submission, and extending the patent portfolio.

### Statement of Comprehensive Income

Planned expenditure, principally relating to Parsortix, was £2.8 million (2013: £1.6 million) with a further £0.2 million (2013: £0.9 million) capitalised as an Intangible Asset on the Statement of Financial Position. Although shown as an operating cost and contributing to the loss for the year, this expenditure represents investment in research and development and deployment to key opinion leaders and we have been extremely pleased with the progress made by Parsortix as a consequence.

The fair value gain of £1.3 million (2013: gain £0.5 million) arose from loans to Geomerics which carried preferential conversion/repayment terms and rights and the disposal of our investment, together with a deemed disposal of a controlled investment.

Management services revenues were £0.6 million (2013: £0.9 million), and these accounted for the majority of the Group's revenues. Revenues in this business area reduced as contracts were completed and were not replaced. Operating costs for the year were £0.6 million (2013: £1.0 million) and the business broke even in the year (2013: loss £0.1 million) after a contribution to overheads.

The Group made a loss before tax of £1.2 million (2013: loss £1.0 million) resulting in a basic and diluted loss per share of 2.74p (2013: 2.54p).

### Statement of Financial Position

Following the sale of Geomerics Limited there are no non-controlled investment assets (2013: £4.0 million comprising £2.4 million equity investment held as a non-current asset and £1.6 million repayable debt investment held as a current asset); the deferred retention payment due in December 2015 of £0.7 million discounted for the time value of money is shown as Non-current assets – Other receivables.

Parsortix product development expenditure of £0.2 million (2013: £0.9 million – reflecting the development and completion of the PR1 system) was capitalised during the period in accordance with IAS 38 Intangible Assets, increasing the value of the intangible assets, but offset by £0.1 million (2013: £nil) of amortisation costs.

Trade and other payables were unchanged at £0.6 million (2013: £0.6 million).

# Highlights

## £1.3m

Fair value gain on investments of £1.3 million (2013: £0.5 million), primarily from Geomerics

## £5.5m

£5.5 million of cash received from realisation of Geomerics shareholding, loans and trade receivables, with a further £0.7 million held as a retention payable on 12 December 2015

## £3.0m

Planned investment principally relating to Parsortix of £3.0 million (2013: £2.5 million). This comprised operating costs of £2.8 million (2013: £1.6 million) and capitalised expenditure of £0.2 million (2013: £0.9 million)

## £1.2m

Loss before tax of £1.2 million (2013: loss £1.0 million)

## £3.9m

Cash balance at 30 April 2014 £3.9 million (30 April 2013: £1.8 million)

### Cash

The Group ended the year with a cash balance of £3.9 million (2013: £1.8 million).

There was a cash realisation in the year of £5.5 million in respect of the sale of Geomerics and the settlement of associated trade debtors (2013: £0.2 million).

The Group did not undertake fund raising during the year (2013: £3.3 million).

The financing strategy is to use non-dilutive sources of funding where possible including: cash generation from sales of the Parsortix research product; selective deals with pharmaceuticals and medtech companies giving them a license or other rights to the Parsortix technology for a particular application; and securing grants to cover part of the development costs for the product.

### Summary

The Group is carefully executing its business plan so that business activities are in line with the available cash resources. Good progress has been made against key milestones and the Directors believe that progress with key opinion leaders will identify clinical applications and allow sales to develop. This will be a major step forward enabling the development of significant commercial arrangements with major pharmaceuticals and medtech companies to deploy the Parsortix system.

The Directors have a reasonable expectation that the Group has adequate resources to continue in business for the foreseeable future as detailed in Note 1.4.

**Ian Griffiths**
Finance Director
22 July 2014

# Explanation of Frequently Used Terms in connection with the Parsortix system

| Term | Explanation |
|---|---|
| Biopsy | Process by which cancer cells are removed from the tumour for molecular analysis |
| Capture | Process for capturing target cells from sample |
| Capture efficiency | Proportion of target cells captured |
| CD45 | The CD45 antibody recognises the human CD45 antigen, also known as the leukocyte common antigen. WBC are CD45+ whereas CTCs are CD45-. Staining with CD45 often used as a negative confirmation that CTCs are not WBC |
| Cell-free DNA | Genomic DNA found in the plasma |
| Cell labelling | Technique involving the staining of target cells with fluorescent and/or chromogenic markers for cell identification |
| Cell lines | Cultured cells |
| CE Mark | Regulatory authorisation for the sale of products for clinical use in the European Union |
| Circulating tumour cell | Cancer cell that is circulating in the patient's blood |
| CTC | Circulating tumour cell |
| CTC labelling | CTCs are often labelled with three markers and are formally identified as CTCs if they are CK+, CD45-, DAPI+ |
| CK | Cytokeratin |
| CK+ | A cell positive for the presence of cytokeratin protein or mRNA with the presence of distinct cytokeratins often used to identify epithelial cells |
| Clinical application | Use in treating patients |
| Clinical samples | Patient samples usually blood |
| Clinical use | Use in treating patients |
| Cultured cells | Cultured cells grown in the laboratory from human-derived cells used for experimental work |
| Cytokeratin | Cytokeratins are family of intracytoplasmic cytoskeleton proteins with members showing tissue specific expression |
| DAPI | A nuclear stain that is often used to identify the nucleus in a cell |
| DEPArray™ | A commercial single cell isolation system |
| DNA | Deoxyribonucleic acid (DNA) the molecule that encodes the genetic instructions used in the development and functioning of all known living organisms and many viruses |
| Downstream technologies | Technologies used to undertake molecular analysis of harvested cells after the separation has taken place |
| EGFR | The epidermal growth factor receptor a signalling molecule which is typically present on the cell surface and can control cell activity including cell proliferation. Mutations in EGFR or deregulation have been associated with a number of cancers including ~30% of all epithelial cancers |
| Enrichment | Generic term for concentrating target cells or molecules in a starting heterogeneous mixture |
| EpCAM | The EpCAM protein is found spanning the membrane that surrounds epithelial cells, where it is involved in cell adhesion |
| EpCAM+ cells | Cells that express EpCAM. CTCs can be either EpCAM+ or EpCAM- |
| Epithelial cells | Cells that line the surfaces and cavities of the body |
| Epithelial CTCs | CTCs that are epithelial often based on EpCAM+ |
| Epithelial-mesenchymal transition | Process by which epithelial cells lose their cell polarity and cell-cell adhesion, and gain migratory and invasive properties to become mesenchymal cells. EMT is thought to occur as part of the initiation of metastasis and is often responsible for cancer progression |
| EMT | Epithelial-mesenchymal transition |
| FDA | U.S. Food and Drug Administration responsible for authorised medical products in the United States |
| FDA 510(k) | A 510(k) is a premarket submission made to FDA to demonstrate that the device to be marketed is at least as safe and effective, that is, substantially equivalent, to a legally marketed device that is not subject to Premarket Approval. Submitters must compare their device to one or more similar legally marketed devices and make and support their substantial equivalency claims |

| Term | Explanation |
|---|---|
| Genome | Genetic material of an organism. The genome includes both protein coding and non-coding sequences |
| Genotyping | Process of determining differences in the genetic make-up (genotype) by examining the DNA sequence |
| Harvest | Process for recovering captured cells from the separation system to allow molecular analysis |
| Harvest efficiency | Proportion of target cells harvested |
| Harvest purity | The number of target cells (such as CTCs) in the harvest as a proportion of the WBC. The minimum purity from which downstream analysis is possible is 0.5%. Analysis of one target cell therefore requires no more than 200 WBC be in the harvest |
| HER2 | A member of the epidermal growth factor receptor (EGFR/ERBB) family. Amplification or overexpression of HER2 has been shown to play an important role in the development and progression of certain aggressive types of breast cancer. In recent years the protein has become an important biomarker and target of therapy for ~ 30% of breast cancer patients |
| HNV | Healthy normal volunteer |
| HT29 | Cultured colorectal cancer cell line |
| In-cassette labelling or in-situ labelling | CTC labelling for cell identification undertaken inside the separation system |
| KRAS | A signalling molecule frequently mutated in the development of many cancers |
| Leukocytes | White blood cells |
| Liquid biopsy | Term used for the process of obtaining cancer cells (or cell-free DNA) from a blood sample. Unlike solid biopsy, liquid biopsy is non-invasive and repeatable |
| Lysis | The breaking down of a cell, often by viral, enzymatic, or osmotic mechanisms that compromise its integrity |
| Mesenchymal CTCs | CTCs generally lacking epithelial markers with mesenchymal features |
| Metastasis | Spread of a cancer from one site to another |
| Molecular analysis | Analysis of DNA, RNA and protein often used to determine the mutational status of a patient |
| mRNA | Messenger RNA used to direct the synthesis of proteins |
| Off-chip labelling | CTC labelling for cell identification of harvested cells undertaken outside the separation system |
| Paired samples | Two related samples often used to compare different systems |
| Personalised cancer care | Treating a patient individually based on their personal data often including mutational and disease status |
| Plasma | Pale-yellow liquid component of blood obtained following removal of cells |
| Pre-labelled cell lines | Cells which are labelled often with a fluorescent label to facilitate identification during analysis or enrichment |
| RNA | Ribonucleic acid performs multiple vital roles in the coding, decoding, regulation, and expression of genes. Together with DNA, RNA comprises the nucleic acids, which, along with proteins, constitute the three major macromolecules essential for all known forms of life |
| Separation | Term used for processing of a sample through the Parsortix system |
| Single cell analysis | Extraction of a single target cell from the harvest for analysis |
| Solid biopsy | Standard process for surgically excising (cutting out) cells from a solid tumour when that tumour is accessible |
| Spiked cell experiments | Experiments where cultured cells are added (spiked) to HNV blood to assess the capture and harvest efficiency of the system |
| WBC | White blood cells |
| WGA | Whole genome amplification |
| Whole genome amplification | Method for amplification of an entire genome necessary for the picogram amounts of genomic DNA present in a single cell |

# Board of Directors






ANGLE has an experienced and highly committed senior management team.

The team are shareholders in the business and have long term incentives to build value for shareholders.

## 1 Garth R Selvey, Chairman

Garth Selvey has a BSc in Physics and Electronics Engineering from the University of Manchester and has spent thirty six years in the computer industry with technical, product, sales and marketing roles. He became Managing Director of TIS Applications Ltd in 1984 and a main board director of TIS Ltd prior to its acquisition by Misys in 1989. He organised the management buyout of the social housing division of Misys and became Group Chief Executive of Comino Group plc when it floated on AIM in 1997. Comino moved to a full listing in 1999 where he remained until its successful public sale to Civica plc in February 2006. Garth joined ANGLE as a Non-executive Director in September 2006.

Brings to the Board – extensive experience of the listed sector and leading companies.

## 2 Andrew D W Newland, Chief Executive

Andrew Newland is the founder and Chief Executive of ANGLE plc. For over twenty five years, he has specialised in building technology-based businesses based on strong intellectual property and for the last fifteen years he has been Chairman or on the Board of several specialist medical technology companies. Andrew has an MA in Engineering Science from the University of Cambridge, and is a qualified Chartered Accountant. After working with the engineering conglomerate, TI plc, he worked for KPMG from 1982 to 1994; from 1985 to 1987 he was based in the US as a manager providing corporate finance and business advice to high technology firms in the area around Route 128, Boston, Massachusetts. During this time, he led KPMG's involvement in the IPO of the medical technology company Cardio Data Inc. From 1987 to 1994 he worked for KPMG in the UK with responsibility for establishing KPMG's UK and European High Technology Practices and High Technology Consulting Group. Andrew founded ANGLE in 1994. Together with ANGLE's senior management team, Andrew has co-founded and led eleven technology companies in partnership with world class research organisations, both in the UK and the US. Andrew has been instrumental in developing and then delivering the business proposition for these companies, building management teams, raising finance and securing revenues. In 1999, Andrew led the team that founded the medical diagnostic company, Acolyte Biomedica. Acolyte was the first ever spin-out of dstl Porton Down, which specialised in rapid diagnosis of MRSA the 'hospital super-bug'. Andrew chaired the company for several years and successfully led the company through three major rounds of venture capital investment. Andrew also founded Provexis, the first ever spin-out of Rowett Institute, Europe's leading nutrition research institute. Andrew chaired the Board of Provexis, a specialist nutraceutical company with a heart-health product, through to its successful flotation in 2005.

Brings to the Board – over 25 years experience of setting up, leading and building technology businesses and over 15 years leading specialist medtech businesses.

## 3 Ian F Griffiths, Finance Director

Ian Griffiths is the Finance Director of ANGLE plc. He has specialised in technology commercialisation for over twenty years and is an expert on the development and growth of new technology based businesses. Ian has a BSc in Mathematics with Management Applications from Brunel University and is qualified as a chartered accountant. For seven years he worked for KPMG, initially in accountancy, then in management consulting within KPMG's High Technology Consulting Group where he specialised in financial modelling, business planning, corporate finance, market development and strategy work. He joined ANGLE in 1995. As well as leading the finance function at ANGLE plc, he has been closely involved with the development and delivery of the UK, US and Middle East Consulting and Management businesses and in developing new Ventures, both third party and ANGLE's own. Ian has been heavily involved in the start-up phase and also the ongoing development of ANGLE's own ventures by working closely with management on business plans, financial and operational management, fund raising and commercial aspects, including both medical and physical sciences companies. He is currently leading the financial development of ANGLE's major medical diagnostic business Parsortix.

Brings to the Board – over 25 years of experience in finance and technology based businesses.

## 4 David W Quysner CBE, Non-executive Director

David Quysner has an MA from the University of Cambridge. His career spans more than 40 years of investing in technology companies, initially with 3i and subsequently at Abingworth, an international investment group dedicated to the life sciences and healthcare sectors. He is currently a Director of Foresight 2 VCT plc and Private Equity Investor plc. David has previously held numerous other non-executive positions. David was Chairman of the British Venture Capital Association in 1996/97 and was awarded a CBE in 2008 for services to the Venture Capital industry. David joined ANGLE as a Non-executive Director in March 2004.

Brings to the Board – extensive experience of managing investments in the life sciences and healthcare sectors.

## 5 Brian Howlett, Non-executive Director

Brian Howlett has a wealth of international experience as a medtech leader which he is currently applying in a Non-Executive / Chairman capacity for surgical graft company Vascular Flow Technologies Ltd, skin cancer imaging company Michelson Diagnostics Ltd and medical device coating and surface modification company Accentus Medical Ltd, as well as ANGLE plc. Brian was formerly CEO of Lombard Medical Technologies PLC, an AIM listed company specialising in stents for abdominal aortic aneurysms from 2005 to 2009. During his tenure significant capital was raised to fund the development of operations to commercialise the Aorfix stent graft towards regulatory approvals and growing revenues in EU, USA, Russia and Brazil. Corporate experience includes six years as UK Country Leader of Boston Scientific Ltd, between 1999 and 2005, during which time major medical devices such as the TAXUS drug eluting stent were launched driving sales and profits to the point where the UK and Ireland subsidiary became one of the leading revenue contributors to the Corporation's European operations. Between 1987 and 1999, Brian was Managing Director of the UK sales and manufacturing subsidiary of Cobe Laboratories Inc. In addition, Brian spent almost 20 years in the pharmaceutical industry, gaining strong sales and marketing experience through a number of senior management positions in UK, Scandinavia and the Benelux markets within Fisons plc. Brian joined ANGLE as a Non-executive Director in January 2013.

Brings to the Board – extensive commercial operations experience of the medtech sector.

# Scientific Advisory Board

ANGLE has appointed world-leading scientific advisors to help guide its Parsortix system to market.

## Prof. Adrian Newland

Prof Adrian Newland (who is not related to ANGLE's Chief Executive) is Professor of Haematology at Barts Health NHS Trust and Queen Mary University of London. He is Director of Pathology for the Trust and is Clinical Director of the North East London Cancer Network. He was President of the Royal College of Pathologists from 2005 to 2008. He chairs the National Blood Transfusion Committee and is pathology lead for NHS London. He is currently chair of the Diagnostic Assessment Programme for the National Institute for Health and Clinical Excellence (NICE) and is a member of the NICE Sifting Group for cancer drugs. Adrian has been a member of the Scientific Advisory Panel of the Institute of Cancer Research from 1995 until 2003 and Chair of the London Cancer New Drugs Group since 2002. He has been a member of the National Chemotherapy Implementation Group since 2010 and a member of the Expert Reference Group on Cancer Care in London since 2009 and is a current member of the national Cancer Outcomes Advisory Group and the Human Genome Strategy Group.

Brings to the SAB expertise in – haematology, cancer diagnostics and NICE.

## Dr Harold Swerdlow

Dr Harold Swerdlow is VP of Technology Innovation at the New York Genome Centre and is a leading expert in next-generation sequencing (NGS). In his role at the New York Genome Centre, Dr Swerdlow directs the Technology Innovation group, which is focused on novel sample-preparation methodologies for NGS including single-cell methods. Previously he was Head of Research and Development for the Wellcome Trust Sanger Institute ("the Sanger Institute") in Cambridgeshire. In his role at the Sanger Institute, Dr Swerdlow directed the R&D department. Dr Swerdlow also helped build the Sanger Institute's next-generation DNA-sequencing production facility into one of the world's largest. Previously, he was the Chief Technology Officer of Dolomite Ltd., a leader in microfluidics and microfabrication. Prior to Dolomite, Dr Swerdlow was an inventor of core technology relating to NGS at Solexa Ltd., a company which he joined when it had only three employees. Dr Swerdlow helped launch Solexa's first product, the Genome Analyzer DNA sequencing platform. At Solexa, Dr Swerdlow was responsible for instrument engineering, integration of the next-generation DNA sequencing system and early applications work, along with assisting in the development of many of the biochemical components. He was a key member of the Senior Management team that delivered Solexa's first genome sequence, an end-to-end proof-of-principle. Following its NASDAQ listing, Solexa was acquired by Illumina Inc. for US$600 million and Solexa's technology became the core of Illumina's world-leading NGS products.

Brings to the SAB expertise in – next generation sequencing.

## Dr Clive Stanway

Dr Clive Stanway is Chief Scientific Officer of Cancer Research Technology ("CRT"), the technology development and commercialisation arm of Cancer Research UK. He is an expert in cancer drug discovery and a key part of his current role is working closely with major pharmaceutical partners. Dr Stanway has extensive knowledge and experience of cancer research, detailed understanding of the drug discovery and development process, and worldwide contacts with major pharma development groups. Recently Dr Stanway has been engaged in raising the scientific profile of CRT with the pharmaceutical industry; his efforts have led to many projects being in late stage confidential discussion with potential major pharma partners and several partnerships. He has also driven an internal CRT project addressing cancer immunomodulation bringing together different technologies and expertise leading to a compound now being prepared for a Phase 1 trial. The annual research spend of Cancer Research UK is in the region of £375 million and CRT has annual revenues of approximately £50 million. Prior to becoming Chief Scientific Officer of CRT, Dr Stanway established and led the drug discovery and biotherapeutic discovery activity of CRT, which is now partnered with AstraZeneca, FORMA Therapeutics and Teva Pharmaceuticals.

Brings to the SAB expertise in – cancer drug development and major pharma.

## Prof. Ashok Venkitaraman

Prof Ashok Venkitaraman holds the Ursula Zoellner Professorship of Cancer Research at the University of Cambridge, and is Director of the Medical Research Council's Cancer Cell Unit and Joint Director of the Medical Research Council Hutchison Cancer Research Centre. Ashok's research has helped to elucidate the connections between chromosome instability and the genesis of epithelial cancers. He has been instrumental in establishing the Cambridge Molecular Therapeutics Programme, an initiative that links chemists, physicists, structural biologists, cancer biologists and clinicians at the University of Cambridge. Ashok has been a member of the Scientific Advisory Boards of Astex Therapeutics Ltd, Cambridge Antibody Technology (AstraZeneca affiliate), Massachusetts General Hospital Cancer Center and currently chairs the Scientific Advisory Board of Sentinel Oncology Ltd. He has also been a John H Blaffer Lecturer at M D Anderson Cancer Center. Ashok was elected a Fellow of the Academy of Medical Sciences, London, in 2001, and a member of the European Molecular Biology Organization (EMBO) European Academy, Heidelberg, in 2004.

Brings to the SAB expertise in – cancer cell biology and personalised cancer care.

# Directors' Report

For the year ended 30 April 2014

The Directors present their Annual Report and Financial Statements for the year ended 30 April 2014 for ANGLE plc (the "Company") and its subsidiaries (the "Group" or "ANGLE"). ANGLE plc, Company registration number 04985171, is a public listed company, incorporated and domiciled in England and quoted on the Alternative Investment Market (AIM). The Annual Report includes two voluntarily prepared statements: the Corporate Governance Report and the Remuneration Report.

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's 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's auditors are aware of that information.

**Principal activities**
The principal activity of the Company is that of a holding company. The Group's principal trading activity is undertaken in relation to Parsortix, a specialist medical diagnostics company with pioneering products in cancer diagnostics and foetal health.

**Review of the business and future developments**
The Chairman's Statement, Strategic Report, and Financial Review on pages 6 to 19 report on the Group's performance during the past financial year and its prospects.

The information that fulfils the requirements of the Business Review is contained within the Chairman's Statement, Strategic Report and Financial Review on pages 6 to 19 and is incorporated into this report by reference.

**Key Performance Indicators (KPIs)**
The Group's main KPIs and details of performance against them are set out on page 15.

**Results and dividends**
The Consolidated Statement of Comprehensive Income for the year is set out on page 35.

The Group made a loss for the year of £1.2 million (2013: loss £1.0 million).

The Directors do not recommend the payment of a dividend for the year (2013: £nil). The Board periodically reviews the Company's dividend policy in the context of its financial condition.

**Research and development**
Total expenditure on research and development in the year amounted to £1.1 million (2013: £1.2 million). Expenditure on research and development expensed through the Statement of Comprehensive Income Statement amounted to £0.9 million in the year (2013: £0.3 million), including both third party research and development costs and own staff costs. Additional expenditure on research and development capitalised on the Statement of Financial Position amounted to £0.2 million in the year (2013: £0.9 million).

**Property, plant and equipment**
The changes in property, plant and equipment during the year are explained in Note 12 to the Financial Statements.

**Directors and their interests**
The following Directors have held office since 1 May 2013:

I F Griffiths
B Howlett
A D W Newland
D W Quysner
G R Selvey

The Directors' interests, including beneficial interests, in the ordinary shares and share options of the Company are shown in the Remuneration Report on pages 32 to 33.

# Directors' Report

Continued

**Significant shareholdings**
The Directors' interests are shown on pages 32 to 33. The following shareholder had an interest in 3% or more of the Company's ordinary share capital at 17 July 2014:

| Name | Number of shares | Holding % |
|---|---|---|
| A D W Newland | 7,054,686 | 15.59% |

**Risk management**
Details of the Group's financial risk management objectives and policies are disclosed in Note 14 to these Financial Statements, along with further information on the Group's use of financial instruments.

**Principal risks and uncertainties**
The Directors consider that the Group is exposed to a number of risks and uncertainties which it seeks to mitigate and the principal ones are set out on pages 16 to 17.

**Political donations**
The Group made no political donations during the year (2013: £nil).

**Directors' responsibilities**
The Directors are responsible for preparing the Strategic Report, Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company Financial Statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group Financial Statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and have elected under company law to prepare the Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The Group Financial Statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the Group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing each of the Group and Company 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;
- for the Group Financial Statements state whether they have been prepared in accordance with IFRS adopted by the EU;
- for the Company Financial Statements state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Company Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the ANGLE plc website. The Group's website is intended to meet the legal requirements for the UK and not to meet the different legal requirements relating to the preparation and dissemination of financial information in other countries.

**Going concern**
The Directors have prepared and reviewed the financial projections for the 12 month period from the date of signing of these Financial Statements. Based on the level of existing cash and projected income and expenditure (the timing of some of which is at the Group's discretion), the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in business for the foreseeable future. Accordingly the going concern basis has been used in preparing the Financial Statements. Note 1.4 provides additional information.

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

**Annual General Meeting**
The Annual General Meeting of the Company will be held at 2:00 pm on Tuesday 30 September 2014 at The Surrey Technology Centre, 40 Occam Road, The Surrey Research Park, Guildford, GU2 7YG. The notice of meeting is enclosed within this report on pages 68 to 71.

On behalf of the Board

**A D W Newland**
Chief Executive
22 July 2014

# Corporate Governance Report

**Corporate Governance**
The Company's shares were admitted to trading on the Alternative Investment Market (AIM) of the London Stock Exchange on 17 March 2004. AIM listed companies are not required to comply with the disclosures of the UK Corporate Governance Code June 2010 (the "Code"). However, the Board supports and is committed to maintaining high standards of corporate governance and has therefore sought to comply with the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies 2013 (the "QCA Code 2013"). The QCA Code 2013 adopts key elements of the Code, policy initiatives and other relevant guidance and then applies these to the needs and circumstances of small and mid-size quoted companies. In respect of the year ended 30 April 2014 the Board has sought to apply and comply with the provisions of the QCA Code 2013 in so far as it considers them to be appropriate to a company of this size, nature and structure, and has explained any areas of non-compliance with those provisions.

**Chairman's Governance Report**
As Chairman I am committed to high standards of corporate governance appropriate to the Group's current form and as it grows. I believe that applying sound principles in running the Group will establish and maintain trust with our shareholders and other stakeholders, will ensure the Group is well run and provide a solid basis for growth, for managing the risks we face and for achieving long term success.

**Garth Selvey**
Chairman

Below is a brief description of the Board, its role and its committees followed by details of the Group's systems of internal control and shareholder relations.

**Board of Directors**
The Board of Directors is led by the Chairman and has overall responsibility for the strategy and is responsible to shareholders for the governance of ANGLE plc and for the effective operation and management of the Group. Its aim is to provide leadership and control in order to ensure the growth and development of a successful business, while representing the interests of the Company's shareholders.

**Composition**
The Board comprises the Non-executive Chairman, two Non-executive and two Executive Directors. The QCA Code 2013 recommends there are at least two Non-executive directors and the Company is compliant with this.

Different Directors hold the roles of Chairman and Chief Executive and there is a clear division of responsibilities between them. The Chairman is responsible for corporate governance, for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision making and ensuring that the Non-executive Directors are properly briefed on matters. The Chief Executive has responsibility for implementing the strategy of the Board and managing the day-to-day business activities of the Group through his management of the Executive Directors and senior managers. The Finance Director acts as the Company Secretary as the size and nature of the business activities does not justify a dedicated person or a need to outsource the activity; in this role he supports the Chairman directly on governance matters as well as dealing with legal and regulatory compliance.

The Board's current composition is geared toward its current stage of development and priorities and will be refreshed as appropriate. The skill set of the Board therefore includes experience in non-executive director/chairman roles, listed companies, investor relations, fundraising, medical diagnostics and technology development. Individual Directors possess a wide variety of skills and experience and biographical details of the Directors are set out on page 23.

David Quysner has given notice of his intention to retire and he will step down from the Board at the forthcoming AGM.

**Independence**
The Chairman and Non-executive Directors are considered by the Board to be independent of management and free of any relationship which could materially interfere with the exercise of their independent judgement. They do not have a significant shareholding or represent a major shareholder, they receive no remuneration from the Company other than directors' and consultancy fees, they have no day-to-day involvement in running the business and have never been employees of the Company, they have no personal financial and/or material interest in any other matters to be decided, such as contracts, and they have no conflicts of interests arising from cross-directorships or advisory roles. Each Board meeting starts with a declaration of directors' interest to identify potential or actual conflicts of interest. The Board considers that the Non-executive Directors are of sufficient calibre and numbers to bring the strength of independence to the Board. The Board has not nominated one of them as a Senior Independent Director as it believes issues can be raised through the normal channels of the Chairman, Chief Executive and Finance Director and where necessary either of the Non-executive Directors can be approached directly.

**Training and advice**
There is an induction process for new directors. All Directors are able to take training and/or independent professional advice in the furtherance of their duties if necessary. All Directors also have access, at the Company's expense, to experienced legal advice through the Company's legal advisors and other independent professional advisors as required. The Company maintains appropriate insurance in the event of legal action being taken against a director. No individual director or committee of the Board received external advice in relation to their board duties in the year.

**Information**
Management supply the Board and/or committees with appropriate and timely information, including a business update and management accounts so that trading performance can be regularly reviewed.

**Matters reserved for the Board**
The Board has a schedule of matters specifically reserved to it for decision, including the review and approval of:

- Group policy and long term plans and strategy for the profitable development of the business;
- interim and annual Financial Statements;
- major investments and divestments;
- other significant financing matters such as fundraising, material contracts, acquisitions and capital item purchases;
- cash flow forecasts, annual budgets and amendments; and
- senior executive remuneration and appointments.

In addition certain other responsibilities have been delegated to the Committees of the Board, each of which has clearly defined terms of reference (see Company website).

**Board effectiveness and evaluation**
The Company supports the concept of an effective Board leading and controlling the Company. The Board therefore undertakes a periodic evaluation of its performance, its Directors and its Committees, the most recent of which was undertaken in June 2014. The review, led by the Chairman, involves each Board member providing feedback and comments on the others and where necessary specific actions are identified to improve certain areas.

**Service contracts and letters of appointment**
The two Executive Directors Andrew Newland and Ian Griffiths have service contracts with the Company dated 9 March 2004 and effective from 17 March 2004. The contracts are not set for a specific term, but include a rolling 12-month notice period by the Company or the individual.

The Non-executive Chairman Garth Selvey has a letter of appointment dated and effective from 7 September 2006. The Non-executive Director David Quysner has a letter of appointment dated 9 March 2004 and effective from 17 March 2004. The Non-executive Director Brian Howlett has a letter of appointment dated and effective from 7 January 2013. These letters are issued in place of service contracts. These appointments are not set for a specific term and are terminable at will without notice by either party.

**Election**
Under the Company's Articles of Association, newly appointed Directors are required to resign and seek re-election at the first Annual General Meeting following their appointment, and all Directors are required to seek re-election at intervals of no more than three years. All Directors were re-elected by the shareholders at the Annual General Meeting held on 31 October 2013. Accordingly no Directors are seeking re-election this year.

**Committees of the Board**
The Board maintains Audit, Remuneration and Nomination Committees. All committees operate with written terms of reference. Their minutes are circulated for review and consideration by the full Board of Directors, supplemented by oral reports on matters of particular significance from the Committee Chairmen at Board Meetings.

The QCA Code 2013 recommends there are at least two Non-executive Directors on the Audit and Remuneration committees and the Company is compliant with this. The Chairman has maintained a role on all of the committees so that the committees gain the benefit of his experience and the Company believes this is the most effective way to ensure the committees fulfil their roles; he was independent at the time of his appointment and under the QCA Code 2013 he also may count as an independent director.

The following committees assist the full Board in the exercise of its responsibilities by dealing with specific aspects of the Group's affairs:

**Audit Committee**
The members of the Committee are the Non-executive Directors David Quysner (Chairman of the Audit Committee), Brian Howlett and the Chairman Garth Selvey. The Audit Committee meets at least twice a year to review the interim and annual accounts before they are submitted to the Board. The external auditors, Finance Director and Chief Executive may attend by invitation. Provision is made to meet with the auditors at least once a year without any Executive Director present.

The Committee has adopted formal terms of reference and considers financial reporting, corporate governance and internal controls. Its review of financial reporting includes discussion of major accounting issues, policies and compliance with International Financial Reporting Standards (IFRS), United Kingdom generally accepted accounting standards (UK GAAP) and the law (Companies Act 2006), review of key management judgements and estimates, review and update of the risk register, risk assessment and risk management activities and going concern assumptions. It also reviews the scope and results of the external audit and the independence and objectivity of the auditors and makes recommendations to the Board on issues surrounding their remuneration, rotation of partners/staff, appointment, resignation or removal. The Audit Committee also considers and determines relevant action in respect of any control issues raised by the auditors. The Audit Committee is also responsible for monitoring the provision of non-audit services provided by the Group's auditors and assesses the likely impact on the auditor's independence and objectivity when considering an award of any material contract for additional services. The fees in respect of audit and non-audit services are disclosed in Note 4; the fees for non-audit services are not deemed to be significant enough to impair their independence and objectivity.

# Corporate Governance Report

Continued

**Remuneration Committee**
The members of the Committee are the Chairman Garth Selvey (Chairman of the Remuneration Committee) and the Non-executive Directors David Quysner and Brian Howlett. The Remuneration Committee meets as required. The Chief Executive and Finance Director may attend by invitation but are not present when matters affecting their own remuneration arrangements are considered.

The Committee has adopted formal terms of reference and the Committee reviews and sets the remuneration and terms and conditions of employment of the Executive Directors and senior management. It also agrees a policy for the salaries of all staff and is responsible for the development of the Company's remuneration scheme. The decisions of the Committee are formally ratified by the Board.

Details of Directors' remuneration and service contracts together with Directors' interests are shown in the Remuneration Report on pages 32 to 33.

**Nominations Committee**
The members of the Committee are the Chairman Garth Selvey (Chairman of the Nominations Committee) and the Non-executive Directors David Quysner and Brian Howlett. The Nominations Committee meets as required. The Chief Executive and Finance Director may attend by invitation.

The Committee has adopted formal terms of reference and is responsible for reviewing the structure, size and composition of the Board, planning for succession and for identifying and recommending to the Board suitable candidates for both executive and non-executive Board appointments.

**Directors' attendance**
The Board has at least eight meetings per year with additional special meetings as required. Directors' attendance at Board and Committee meetings during the year ended 30 April 2014 is set out below:

| | Garth Selvey | David Quysner | Brian Howlett | Andrew Newland | Ian Griffiths |
|---|---|---|---|---|---|
| Board | 8/8 | 8/8 | 8/8 | 8/8 | 8/8 |
| Audit | 2/2 | 2/2 | 2/2 | N/A | N/A |
| Remuneration | 3/3 | 3/3 | 3/3 | N/A | N/A |
| Nominations | 2/2 | 2/2 | 2/2 | N/A | N/A |

Scoring represents individual Directors' attendance for those meetings when they were members of the Board or Committee.

**Risk management**
The Board is responsible for identifying the major business risks faced by the Group and for determining the appropriate course of action and systems to manage and mitigate those risks. These are reported on pages 16 and 17.

**Internal controls**
Internal control systems are designed to meet the particular needs of the Group and the risks to which it is exposed. The system of internal control is designed to manage the risk of failure to achieve business objectives, rather than to eliminate it, and by its nature can only provide reasonable but not absolute assurance against material misstatement or loss.

An internal audit function is not considered necessary or practical due to the size of the Group and the close day to day control exercised by the Executive Directors and senior management. The Board will continue to monitor the requirement to have an internal audit function.

The key procedures that the Directors have established with a view to providing an effective system of internal control are as follows:

**Management structure**
The Board has overall responsibility for the Group and focuses on the overall Group strategy and the interests of shareholders. There is a schedule of matters specifically reserved for decision by the Board. The Board has an organisational structure with clearly-defined responsibilities and lines of accountability and each Executive Director has been given responsibility for specific aspects of the Group's affairs. Internal financial risks are controlled through authorisation procedures/ levels and segregation of accounting duties.

**Quality and integrity of personnel**
The integrity and competence of personnel are ensured through high recruitment standards and subsequent training. High quality personnel are seen as an essential part of the control environment.

**Budgets and reporting**
Each year the Board approves the annual budget which includes an assessment of key risk areas. Performance is monitored and relevant action taken throughout the year through regular reporting to the Board of variances from the budget and preparation of updated forecasts for the year together with information on the key risk areas.

**Investment and divestment appraisal**
All material investment and divestment decisions require appraisal, review and approval by the Board.

The Board reviews the effectiveness of the Group's systems of internal controls and has a process for the continuous identification, evaluation and management of the significant risks the Group faces. Assessment considers the external environment, the industry in which the Group operates, the internal environment and non-financial risks such as operational and legal risks. The risks identified are ranked based on significance and likelihood of occurrence. The Board reviews the controls in place to mitigate those risks and improvements are made where required. A number of improvements have been made in the year and others have been identified and are being progressed. Day-to-day responsibility for effective internal control and risk monitoring rests with senior management.

**Shareholder relations**
The Company seeks to maintain and enhance good relations with its shareholders and analysts. The Group's Interim and Annual Reports are supplemented by regular published updates to investors on commercial progress. All investors have access to up-to-date information on the Group via its website, www.ANGLEplc.com, which also provides contact details for investor relations queries, details on the Company's share price, share price graphs and share trading activity. The Company also distributes Group announcements electronically. Shareholders and other interested parties wishing to receive announcements via email are invited to sign up to the "Email Alert" facility in the Investor Centre section on the Company's website.

The Directors seek to build on a mutual understanding of objectives between the Company and its shareholders, especially considering the specialist and medium term nature of the business. Institutional shareholders, private client brokers and analysts are in contact with the Directors through a regular programme of briefing presentations and meetings to discuss issues and give feedback, primarily following the announcement of the interim and preliminary results, but throughout the year as required. The Board also uses and receives formal feedback through the Company's stockbroker and financial public relations advisor. Investor forums provide another channel of communication to shareholders, analysts and potential investors. Individual shareholders are welcome to and regularly make contact with the Company via email or telephone.

All shareholders are encouraged to make use of the Company's Annual General Meeting (AGM) to vote on resolutions and to raise any questions regarding the strategy, management and operations of the Group. The Chairmen of the Audit, Remuneration and Nominations Committees are available to answer any questions from shareholders at the AGM.

# Remuneration Report

The Company is not required by either the AIM Listing Rules or the Companies Act to produce a remuneration report, but has provided the information below because of its commitment to maintaining high standards of corporate governance. The Company's remuneration policy is the responsibility of the Remuneration Committee.

**Remuneration policy**
The Company's policy on remuneration is to attract, retain and incentivise the Directors and staff in a manner consistent with the goals of good corporate governance. In setting the Company's remuneration policy, the Remuneration Committee considers a number of factors including the basic salary, incentives and benefits available to Executive Directors, and senior management, and staff of comparable companies. Consistent with this policy, the Company's remuneration packages awarded to Executive Directors and senior management are intended to be competitive, comprise a significant proportion of performance related remuneration and align employees with shareholders' interests.

**Basic salary and benefits**
Salary levels are reviewed annually. The Committee believes that basic pay should be competitive in the relevant employment market and reflect individual responsibilities and performance. Medical health insurance and life cover benefits are also provided to employees.

**Trading Performance Annual Bonus Plan**
The Company has a Trading Performance Annual Bonus Plan. This Plan seeks to focus efforts on increasing profitability by allocating a proportion of the increase in Profits after tax from Trading Performance compared to the prior year to a bonus pool for the Executive Directors and staff. The Trading Performance Annual Bonus Plan is replaced, as of 1 May 2014, by the Parsortix Annual Bonus Plan. This plan allows a bonus payment of up to 50% of annual salary upon the achievement of defined targets relating to Parsortix progress and a further 50% in the case of exceptional achievement.

**Proceeds of Realised Investments Bonus Plan**
The Company has a Proceeds of Realised Investments Bonus Plan. This Plan seeks to focus efforts on the achievement of investment realisations by allocating 10% of all cash realisations to a bonus pool for the Executive Directors and staff. Funds raised from investment realisations will be allocated to the development of the Group's specialist medtech business. Surplus funds, if any, will be returned to shareholders as a distribution. Distributions will be subject to the availability of distributable reserves and when appropriate the Company will seek the necessary approvals to allow this. The Remuneration Committee believes the Proceeds of Realised Investments Bonus Plan is no longer appropriate now that the Company is a focused medtech business and is finalising an alternative long term share based incentive plan to take its place.

**Share options**
The Company has Enterprise Management Incentive (EMI) and Unapproved Share Option Schemes as a means of encouraging ownership and aligning interests of staff and external shareholders. Reflecting the need to incentivise high calibre staff to deliver the business strategy, the Remuneration Committee has established a limit for the Company's share option schemes of up to 16% of the issued and to be issued share capital from time to time.

**Discretionary incentives**
The Group may operate with discretionary incentives either in addition to or instead of the incentives described above in any particular year, dependent on the needs of the business.

**Non-pensionable**
None of the awards under the Trading Performance Annual Bonus Plan, Proceeds of Realised Investments Bonus Plan, Share Option Schemes or discretionary incentives are pensionable.

**Non-executive Directors**
Non-executive Directors receive a fixed fee for their services and the reimbursement of reasonable expenses incurred in attending meetings. The remuneration of the Non-executive Directors, which is determined by the Board as a whole within the overall limits stipulated in the Articles of Association, was unchanged during the year. Non-executive Directors are not eligible to participate in any of the Company's incentive schemes.

**Directors' interests – shares**
The Directors' interests, including beneficial interests, in the ordinary shares of the Company were as stated below:

| Ordinary shares of 10p each | **30 April 2014** | 1 May 2013 |
|---|---|---|
| I F Griffiths | **559,546** | 559,546 |
| B Howlett | **10,000** | 10,000 |
| A D W Newland | **7,054,686** | 7,054,686 |
| D W Quysner | **20,000** | 20,000 |
| G R Selvey | **20,000** | 20,000 |

**Directors' emoluments**
The aggregate remuneration received by Directors who served during the year was as follows:

| Year ended 30 April | 2014 Salary/Fees £'000 | 2014 Benefits £'000 | 2014 Bonus £'000 | 2014 Pension £'000 | **2014 Total £'000** | 2013 Total £'000 |
|---|---|---|---|---|---|---|
| **Chairman** | | | | | | |
| G R Selvey | 15 | – | – | – | **15** | 15 |
| **Executive** | | | | | | |
| I F Griffiths | 100 | 1 | 53 | 90 | **244** | 108 |
| A D W Newland | 184 | 4 | 274 | – | **462** | 198 |
| **Non-executive** | | | | | | |
| B Howlett | 15 | – | – | – | **15** | 5 |
| D W Quysner | 15 | – | – | – | **15** | 15 |
| **Total** | **329** | **5** | **327** | **90** | **751** | **341** |

G R Selvey and D W Quysner have voluntarily waived part of their emoluments with effect from December 2008. B Howlett's prior year fees cover the period from his appointment as a Director on 7 January 2013.

Benefits include amounts in respect of private medical insurance and taxation advice.

Performance bonuses were awarded during the current year under the terms of the Proceeds of Realised Investment Bonus Plan in relation to the disposal of Geomerics Limited.

I F Griffiths sacrificed bonuses during the year and salary in the prior year. The Company elected to make contributions to a personal pension.

**Directors' interests – share options**
The Directors' interests in options over the ordinary shares of the Company were as stated below:

| Name | Date of grant | At 1 May 2013 | Granted | Lapsed | Cancelled | Exercised | **At 30 April 2014** | Vested – capable of exercise | Exercise price (£) | Earliest exercise date | Expiry date |
|---|---|---|---|---|---|---|---|---|---|---|---|
| I F Griffiths | 30/08/2011 | 466,019 | – | – | – | – | **466,019** | 416,666 | 0.2575 | Note (1) | 29/08/2021 |
| | 18/11/2011 | 187,315 | – | – | – | – | **187,315** | – | 0.7550 | Note (2) | 17/11/2021 |
| | 05/11/2012 | 33,981 | – | – | – | – | **33,981** | – | 0.2575 | Note (1) | 29/08/2021 |
| | 05/11/2012 | 312,685 | – | – | – | – | **312,685** | – | 0.7550 | Note (2) | 17/11/2021 |
| | | 1,000,000 | – | – | – | – | **1,000,000** | 416,666 | | | |
| A D W Newland | 30/08/2011 | 603,334 | – | – | – | – | **603,334** | 466,019 | 0.2575 | Note (1) | 29/08/2021 |
| | 18/11/2011 | 1,000,000 | – | – | – | – | **1,000,000** | – | 0.7550 | Note (2) | 17/11/2021 |
| | 05/11/2012 | 346,666 | – | – | – | – | **346,666** | 325,648 | 0.2575 | Note (1) | 29/08/2021 |
| | | 1,950,000 | – | – | – | – | **1,950,000** | 791,667 | | | |

(1) Vesting is subject to a) a performance condition that the share price together with any dividend payments has risen by at least 50% from the market price on 30 August 2011, and b) a service condition with options vesting over a three year period.
(2) Vesting is subject to a) the performance conditions that (i) the Company's share price must have increased to £2 and (ii) the Parsortix separation device must have been demonstrated to successfully capture circulating tumour cells (CTCs) from cancer patient blood, and b) a service condition with options vesting over a three year period.

No Directors' options were granted, lapsed/forfeited, cancelled or exercised during the year.

Note 20 provides additional information on share options.

**Shareholder return**
The market price of the Company's shares on 30 April 2014 was 87.00p and the range of market price during the period from 1 May 2013 until 30 April 2014 was between 45.00p (low) and 98.50p (high).

By order of the Board

**Garth Selvey**
Remuneration Committee Chairman
22 July 2014

# Independent Auditor's Report

## To the members of ANGLE plc

We have audited the Group and parent company Financial Statements ("the Financial Statements") on pages 35 to 67. The financial reporting framework that has been applied in the preparation of the Group Financial Statements is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company Financial Statements 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 auditor**
As more fully explained in the Directors' Responsibilities Statement set out on page 26, 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 Financial Reporting Council's website at http://www.frc.org.uk/auditscopeukprivate.

**Opinion on financial statements**
In our opinion:

- the Financial Statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2014 and of the Group's loss for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the parent company Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

**Matters on which we are required to report by exception**
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Geoff Wightwick (Senior Statutory Auditor)**
For and on behalf of Baker Tilly UK Audit LLP, Statutory Auditor
Chartered Accountants
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

22 July 2014

# Consolidated Statement of Comprehensive Income

For the year ended 30 April 2014

| | Note | **2014 £'000** | 2013 £'000 |
|---|---|---|---|
| **Revenue** | 2 | **801** | 969 |
| **Change in fair value** | 3 | **1,334** | 514 |
| **Operating costs** | 4 | **(3,485)** | (2,555) |
| **Operating profit/(loss)** | | **(1,350)** | (1,072) |
| Net finance income/(costs) | 8 | **112** | 41 |
| **Profit/(loss) before tax** | | **(1,238)** | (1,031) |
| Tax | 9 | **–** | – |
| **Profit/(loss) for the year** | | **(1,238)** | (1,031) |
| **Other comprehensive income** | | | |
| Items that may be subsequently reclassified to profit or loss | | | |
| Exchange differences on translating foreign operations | | **(96)** | 14 |
| **Other comprehensive income/(loss)** | | **(96)** | 14 |
| **Total comprehensive income/(loss) for the year** | | **(1,334)** | (1,017) |
| **Profit/(loss) for the year attributable to:** | | | |
| Owners of the parent | | **(1,064)** | (866) |
| Non-controlling interests | | **(174)** | (165) |
| **Profit/(loss) for the year** | | **(1,238)** | (1,031) |
| **Total comprehensive income/(loss) for the year attributable to:** | | | |
| Owners of the parent | | **(1,198)** | (841) |
| Non-controlling interests | | **(136)** | (176) |
| **Total comprehensive income/(loss) for the year** | | **(1,334)** | (1,017) |
| **Earnings/(loss) per share** | | | |
| Basic and Diluted (pence per share) | 10 | **(2.74)** | (2.54) |

All activity arose from continuing operations.

# Consolidated Statement of Financial Position

As at 30 April 2014

| | Note | 2014 £'000 | 2013 £'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Non-controlled investments | 11 | **–** | 2,361 |
| Other receivables | 11 | **601** | – |
| Property, plant and equipment | 12 | **139** | 138 |
| Intangible assets | 13 | **1,142** | 1,080 |
| Total non-current assets | | **1,882** | 3,579 |
| **Current assets** | | | |
| Non-controlled investments | 11 | **–** | 1,600 |
| Inventories | 15 | **52** | 62 |
| Trade and other receivables | 16 | **328** | 454 |
| Cash and cash equivalents | | **3,898** | 1,828 |
| Total current assets | | **4,278** | 3,944 |
| **Total assets** | | **6,160** | 7,523 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Issued capital | 19 | **4,524** | 4,524 |
| Share premium | | **18,414** | 18,414 |
| Share based payments reserve | | **432** | 370 |
| Other reserve | | **2,553** | 2,553 |
| Translation reserve | | **(122)** | 12 |
| Retained earnings | | **(19,777)** | (18,673) |
| ESOT shares | 21 | **(102)** | (102) |
| **Equity attributable to owners of the parent** | | **5,922** | 7,098 |
| Non-controlling interests | | **(407)** | (311) |
| **Total equity** | | **5,515** | 6,787 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Controlled investments – loans | 17 | **–** | 132 |
| Total non-current liabilities | | **–** | 132 |
| **Current liabilities** | | | |
| Trade and other payables | 18 | **645** | 604 |
| Total current liabilities | | **645** | 604 |
| **Total liabilities** | | **645** | 736 |
| **Total equity and liabilities** | | **6,160** | 7,523 |

The Financial Statements were approved by the Board and authorised for issue on 22 July 2014 and signed on its behalf by:

**I F Griffiths**
Director

**A D W Newland**
Director

# Consolidated Statement of Cash Flows

For the year ended 30 April 2014

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| **Operating activities** | | |
| Profit/(loss) before tax from continuing operations | **(1,238)** | (1,031) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | **57** | 19 |
| (Profit)/loss on disposal of property, plant and equipment | **13** | – |
| Amortisation and impairment of intangible assets | **99** | 308 |
| Exchange differences | **9** | 13 |
| Net finance (income)/costs | **(112)** | (41) |
| Change in fair value | **(1,334)** | (514) |
| Share based payments | **62** | 71 |
| Operating cash flows before movements in working capital: | **(2,444)** | (1,175) |
| (Increase)/decrease in inventories | **22** | (62) |
| (Increase)/decrease in trade and other receivables | **131** | (88) |
| Increase/(decrease) in trade and other payables | **56** | (67) |
| Net cash from/(used in) operating activities | **(2,235)** | (1,392) |
| **Investing activities** | | |
| Purchase of property, plant and equipment | **(83)** | (140) |
| Purchase of intangible assets | **(270)** | (941) |
| Purchase of convertible loans | **–** | (257) |
| Provision of short term loans | **(511)** | (63) |
| Proceeds on disposal of investment | **5,160** | – |
| Proceeds from settlement of Other receivables | **–** | 154 |
| Interest received | **11** | 19 |
| Net cash from/(used in) investing activities | **4,307** | (1,228) |
| **Financing activities** | | |
| Net proceeds from issue of share capital | **–** | 3,326 |
| Net cash from/(used in) financing activities | **–** | 3,326 |
| **Net increase/(decrease) in cash and cash equivalents** | **2,072** | 706 |
| Cash and cash equivalents at start of year | **1,828** | 1,121 |
| Effect of exchange rate fluctuations | **(2)** | 1 |
| **Cash and cash equivalents at end of year** | **3,898** | 1,828 |

# Consolidated Statement of Changes in Equity

For the year ended 30 April 2014

| | Equity attributable to owners of the parent | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Issued capital £'000 | Share premium £'000 | Share based payments reserve £'000 | Other reserve £'000 | Translation reserve £'000 | Retained earnings £'000 | ESOT shares £'000 | Total Share-holders' equity £'000 | Non-controlling interests £'000 | Total equity £'000 |
| **At 1 May 2012** | **3,782** | **15,830** | **300** | **2,553** | **(13)** | **(17,768)** | **(102)** | **4,582** | **(175)** | **4,407** |
| For the year to 30 April 2013 | | | | | | | | | | |
| Consolidated profit/(loss) | | | | | | (866) | | (866) | (165) | (1,031) |
| Other comprehensive income | | | | | | | | | | |
| Exchange differences on translating foreign operations | | | | | 25 | | | 25 | (11) | 14 |
| **Total comprehensive income** | | | | | **25** | **(866)** | | **(841)** | **(176)** | **(1,017)** |
| Issue of shares | 742 | 2,584 | | | | | | 3,326 | | 3,326 |
| Share based payments | | | 71 | | | | | 71 | | 71 |
| Released on forfeiture/lapse | | | (1) | | | 1 | | – | | – |
| Deemed disposal of non-controlling interest | | | | | | (40) | | (40) | 40 | – |
| **At 30 April 2013** | **4,524** | **18,414** | **370** | **2,553** | **12** | **(18,673)** | **(102)** | **7,098** | **(311)** | **6,787** |
| For the year to 30 April 2014 | | | | | | | | | | |
| Consolidated profit/(loss) | | | | | | (1,064) | | (1,064) | (174) | (1,238) |
| Other comprehensive income | | | | | | | | | | |
| Exchange differences on translating foreign operations | | | | | (134) | | | (134) | 38 | (96) |
| **Total comprehensive income** | | | | | **(134)** | **(1,064)** | | **(1,198)** | **(136)** | **(1,334)** |
| Share based payments | | | 62 | | | | | 62 | | 62 |
| Disposal of controlling interest | | | | | | (40) | | (40) | 40 | – |
| **At 30 April 2014** | **4,524** | **18,414** | **432** | **2,553** | **(122)** | **(19,777)** | **(102)** | **5,922** | **(407)** | **5,515** |

**Share premium**
Represents amounts subscribed for share capital in excess of nominal value, net of directly attributable share issue costs.

**Other reserve**
The other reserve is a "merger" reserve arising from the acquisition of the former holding company.

**Translation reserve**
The translation reserve account comprises cumulative exchange differences arising on consolidation from the translation of the financial statements of international operations. Under IFRS this is separated from retained earnings.

**ESOT shares**
This reserve relates to shares held by the ANGLE Employee Share Ownership Trust (ESOT) and may be used to assist in meeting the obligations under employee remuneration schemes.

**Non-controlling interests**
Represents amounts attributed to non-controlling (minority) interests for profits or losses in the Statement of Comprehensive Income and assets or liabilities in the Statement of Financial Position.

**Share based payments reserve**
The share based payments reserve account is used for the corresponding entry to the share based payments charged through a) the Statement of Comprehensive Income for staff incentive arrangements relating to ANGLE plc equity b) the Statement of Comprehensive Income for staff incentive arrangements relating to the controlled investments equity, and c) the Statement of Financial Position for acquired intangible assets in the controlled investments comprising intellectual property (IP). These components are separately identified in the table below.

Transfers are made from this reserve to retained earnings as the related share options are exercised, cancelled, lapse or expire or as a controlled investment becomes non-controlled (a deemed disposal).

| | ANGLE employees £'000 | Controlled investments employees £'000 | Controlled investments IP £'000 | Total £'000 |
|---|---|---|---|---|
| **At 1 May 2012** | **142** | **41** | **117** | **300** |
| Charge for the year | 71 | – | – | 71 |
| Released on forfeiture/lapse | (1) | – | – | (1) |
| **At 30 April 2013** | **212** | **41** | **117** | **370** |
| Charge for the year | 62 | – | – | 62 |
| **At 30 April 2014** | **274** | **41** | **117** | **432** |

# Notes to the Consolidated Financial Statements

For the year ended 30 April 2014

## 1 Accounting policies

### 1.1 Basis of preparation

The Annual Report and Accounts have been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS) in issue that have been endorsed by the EU for the year ended 30 April 2014. They have also been prepared in accordance with those parts of the Companies Act 2006 that apply to companies reporting under IFRS.

**Accounting standards adopted in the year**

The following standards have been amended or implemented during the year:

| | |
|---|---|
| IFRS 7 | Financial Instruments: Disclosures |
| IAS 1 | Presentation of Financial Statements |
| IAS 16 | Property, Plant and Equipment |
| IAS 19 | Employee Benefits |

The Group's Consolidated Financial Statements have been prepared in accordance with these changes where relevant. No new accounting standards that have become effective and adopted in the year have had a significant effect on the Group's Financial Statements.

**Accounting standards issued but not yet effective**

At the date of authorisation of these Financial Statements, there were a number of other Standards and Interpretations (International Financial Reporting Interpretation Committee – IFRIC) which were in issue but not yet effective, and therefore have not been applied in these Financial Statements. The Directors have not yet assessed the impact of the adoption of these Standards and Interpretations for future periods.

Endorsed by the European Union

| | |
|---|---|
| IFRS 10 | Consolidated Financial Statements |
| IFRS 11 | Joint Arrangements |
| IFRS 12 | Disclosure of Interests in Other Entities |
| IFRS 13 | Fair Value Measurement |
| IFRS 10, 12 & IAS 27 | Investment Entities |
| IAS 27 | Separate Financial Statements |
| IAS 28 | Investments in Associates and Joint Ventures |
| IAS 32 | Offsetting Financial Assets and Financial Liabilities |
| IAS 36 | Recoverable amount disclosures for non-financial assets |

Not yet endorsed by the European Union

| | |
|---|---|
| Various | Annual Improvements to IFRS |
| IFRS 9 | Financial Instruments |
| IFRS 15 | Revenue from Contracts with Customers |
| IAS 16 & 38 | Clarification of Acceptable Methods of Depreciation and Amortisation |
| IAS 19 | Employee Benefits |

IFRS has only been applied to the Consolidated Financial Statements. The Company has elected to keep and prepare its parent company Financial Statements in accordance with UK GAAP. The Financial Statements and accounting policies of the Company are presented on pages 64 to 67.

### 1.2 Accounting convention

These Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets at fair value, as required by IAS 39 Financial Instruments: Recognition and Measurement. The basis of consolidation is set out in Note 1.5.

### 1.3 Presentation of Financial Statements

The financial information, in the form of the primary statements contained in this report, is presented in accordance with International Accounting Standard (IAS) 1 Presentation of Financial Statements. The Group has reviewed the items disclosed separately on the face of the statement of comprehensive income and the components of financial performance considered by management to be significant, or for which separate disclosure would assist, both in a better understanding of financial performance and in making projections of future results. This has been done taking into account the materiality, nature and function of components of income and expense.

### 1.4 Going concern

The Financial Statements have been prepared on a going concern basis which assumes that the Group will be able to continue its operations for the foreseeable future.

The Group's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the Chairman's Statement, Strategic Report and Financial Review on pages 6 to 19. The principal risks and uncertainties are stated on pages 16 to 17. In addition Note 14 to the Financial Statements includes details of the Group's exposure to liquidity risk, capital risk, investment risk, credit risk, interest rate risk and foreign currency risk.

The Directors have prepared and reviewed the financial projections for the 12 month period from the date of signing of these Financial Statements. Based on the level of existing cash and projected income and expenditure (the timing of some of which is at the Group's discretion), the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in business for the foreseeable future. Accordingly the going concern basis has been used in preparing the Financial Statements.

**1.5 Basis of consolidation**
The Consolidated Financial Statements incorporate the Financial Statements of the Company and its subsidiaries.

Under IAS 28 Investments in Associates, financial instruments that are presently exercisable, and therefore may affect potential voting rights, are taken into account in determining control and significant influence and this may affect the basis of consolidation.

Subsidiaries
Subsidiaries are all entities over which the Group has the power, directly or indirectly, to govern the financial and operating policies, generally as a result of owning a shareholding of more than half of the voting rights, so as to obtain benefits from its activities.

Subsidiary undertakings are consolidated on the basis of the acquisition method of accounting. Under this method of accounting the results of subsidiaries sold or acquired are included in the statement of comprehensive income up to, or from the date control passes. Subsidiaries' accounting policies are amended where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquired entity's identifiable net assets. The choice of measurement is made on an acquisition by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests on initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interest having a deficit balance.

Intra-group transactions and balances are eliminated fully on consolidation and the consolidated accounts reflect external transactions only.

Deemed disposals
Where the Group ceases to control an entity by means other than disposal of equity, such as when the entity issues shares to third parties that results in the Group's shareholding falling below 50% or when an entity is dissolved, the entity ceases to be a subsidiary and is no longer consolidated. Any gain or loss arising on the "deemed disposal" is recognised in the statement of comprehensive income.

**1.6 Business combinations**
Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired entity. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets, including intangible assets, is recorded as goodwill. Acquisition-related costs are charged to the statement of comprehensive income as incurred.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re-measured to fair value at the acquisition date (i.e. the date at which the Group attains control) and the resulting gain or loss, if any, is taken through the statement of comprehensive income.

**1.7 Investments**
The Group classifies all its investments that are not controlled investments as being designated on initial recognition as financial assets at fair value through the statement of comprehensive income, in compliance with IAS 39. These "non-controlled" investments are shown on the statement of financial position at their fair value and any associated changes in fair value are included in the statement of comprehensive income in the period they arise.

Investment instruments
As well as equity investment into Group companies, the Group may use debt financial instruments for investment, such as convertible loans, or other similar instruments. Controlled investments may also issue such debt instruments to third parties resulting in the recognition of a financial liability within that company.

Valuation policy
In determining fair value, investments have been valued by the Directors in compliance with the principles of the International Private Equity and Venture Capital Guidelines (IPEV – edition December 2012), as recommended by the British Venture Capital Association (BVCA). The key policies are detailed below.

Unlisted investments – for early stage investments the valuation methodology used most commonly by the Group is the "price of recent investment". The following considerations are used when calculating the fair value using the "price of recent investment" guidelines:

- where the investment being valued was made recently, its cost will generally provide a good indication of fair value; and
- where there has been any recent investment by third parties, the price of that investment will provide a basis of the valuation.

The Group considers alternative methods for more developed investments, as set out in the IPEV Guidelines, such as earnings and EBITDA multiples, industry valuation benchmarks, net assets, and discounted cash flows where these will produce a reliable estimate of fair value.

Where a fair value cannot be estimated reliably the investment is reported at the carrying value at the previous reporting date unless there is evidence that the investment has since been impaired.

**1.8 Revenue**
Revenue 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.

# Notes to the Consolidated Financial Statements

Continued

**1 Accounting policies** continued

**1.9 Government grants**

Government grants receivable or received in respect of revenue expenditure are released to the statement of comprehensive income as the related expenditure is incurred when there is a reasonable assurance that the grant money will be received and any conditions attached to them have been fulfilled. Grant income receivable is held on the statement of financial position as accrued income and grant income received in advance of expenditure is held on the statement of financial position as deferred income.

**1.10 Employee benefits and advisor consideration**

Share based payments

IFRS 2 Share-based Payment has been applied to all share based payments.

Share based incentive arrangements which allow Group employees to acquire shares of the Company may be provided to staff, subject to certain criteria. The fair value of options granted is recognised as a cost of employment within operating costs with a corresponding increase in equity. Share options granted are valued at the date of grant using an appropriate option pricing model and taking into account the terms and conditions upon which they were granted. Market related performance conditions are taken into account in calculating the fair value, while service conditions and non-market related performance conditions are excluded from the fair value calculation, although the latter are included in initial estimates about the number of instruments that are expected to vest. The fair value is charged to operating costs over the vesting period of the award, which is the period over which all the specified vesting conditions are to be satisfied. Options are fully vested and capable of exercise when the employee becomes unconditionally entitled to the options. The annual charge is modified to take account of revised estimates about the number of instruments that are expected to vest, for example, options granted to employees who leave the Group during the performance or service condition vesting period and forfeit their rights to the share options and in the case of non-market related performance conditions, where it becomes unlikely they will vest.

The fair value of options granted to professional advisors as part consideration for services in connection with fundraising is recognised as an expense against share premium account with a corresponding increase in equity. Share options granted are valued at the date of grant using an appropriate option pricing model and vest and are expensed on successful completion of the services.

Pension obligations

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. The Group has no further payment obligations once the contributions have been paid.

Compensated absences

A liability for short term compensated absences, such as holiday, is recognised for the amount the Group may be required to pay as a result of the unused entitlement that has accumulated at the reporting date.

**1.11 Taxes**

Tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for in full on all temporary differences resulting from the carrying value of an asset or liability and its tax base, except where they arise from the initial recognition of goodwill or from the initial recognition of an asset or liability that at the date of initial recognition does not affect accounting or taxable profit or loss on a transaction that is not a business combination. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax liability is settled or deferred tax asset realised.

Deferred tax liabilities are recognised on any increase in the fair value of investments to the extent that substantial shareholdings relief or unutilised losses may be unavailable. Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

IAS 12 Income Taxes requires the separate disclosure of deferred tax assets and liabilities on the Group's statement of financial position. If there is a legally enforceable right to offset current tax assets and liabilities, and they relate to taxes levied by the same tax authority, and the Group intends to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously, then deferred tax assets and liabilities are offset.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

**1.12 Property, plant and equipment**

All property, plant and equipment is stated at historical cost less accumulated depreciation or impairment value. Cost includes expenditure that is attributable to the acquisition of the items. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful economic life. Assets held under finance leases, if any, are depreciated over their expected useful economic life on the same basis as owned assets, or where shorter, the lease term. Assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The following rates are used:

| | | |
|---|---|---|
| Computer equipment | 33.33% | Straight line |
| Fixtures, fittings and equipment | 33.33% | Straight line |
| Laboratory equipment | 20.00% – 50.00% | Straight line |

**1.13 Machines loaned to customers**
In order to support the development of the sales platform and use of the Parsortix system in the clinical market, the Parsorter machines may be placed on long-term loan with leading cancer research centres (key opinion leaders) so that they can provide valuable feedback on the operation of the machines, act as reference customers, identify clinical applications and provide clinical data. Where these machines are expected to be placed for a period longer than 6 months, the machines are transferred at book value to property, plant and equipment and depreciated over three years. Where machines are placed on a short term loan and it is expected that the machine will be sold at the end of the loan period, the machines are included within inventories.

**1.14 Inventories**
Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method. Cost includes materials and direct labour. Net realisable value is the estimated selling price, less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. If net realisable value is lower than the carrying amount, a write down provision is recognised within operating costs for the amount by which the carrying amount exceeds its net realisable value.

**1.15 Intangible assets other than goodwill**
Computer software
Under IAS 38 Intangible Assets, acquired computer software should be capitalised as an intangible asset unless it is an integral part of the related hardware (such as the operating system) where it remains as an item of property, plant and equipment.

Internally developed computer software will be capitalised in accordance with the research and development accounting policy. If the software is developed for in-house use the capitalised amount is reclassified from research and development to computer software.

Amortisation is calculated using the straight line method to allocate the cost of the software over its estimated useful economic life and is included within operating costs. The useful economic life is estimated at three years, unless there are specific circumstances that dictate this should be for a shorter or longer period.

Research and development
Research expenditure is written off as incurred.

Development expenditure is written off as incurred, except where the Directors are satisfied that a new or significantly improved product or process results and other relevant IAS 38 criteria are met as to the technical, commercial and financial viability of individual projects that would allow such costs to be capitalised. In such cases, the identifiable directly attributable expenditure is capitalised and amortised. The Group's view is that capitalised assets have a finite useful life and to that extent they should be amortised over their respective unexpired periods with provision made for impairment when required. Assets capitalised are not amortised until the associated product is available for use or sale. Amortisation is calculated using the straight-line method to allocate the costs of development over the estimated useful economic lives. Estimated useful economic life is assessed by reference to remaining patent life and taking into consideration specific product and market characteristics such as fundamental building blocks and product life cycle. Amortisation is included within operating costs.

Intellectual Property (IP)
IP (comprising patents, know-how, copyright and licences) is acquired by the Group as a result of either a business combination (Note 1.6 – initially recognised at fair value in accordance with IFRS 3 Business Combinations) or a purchase at cost. IP costs are written off as incurred except where IAS 38 criteria, as described in research and development above, would allow such costs to be capitalised. The Group's view is that capitalised assets have a finite useful life and to that extent they should be amortised over their respective unexpired periods with provision made for impairment when required. IP assets in development are not amortised until the Group is generating an economic return from the underlying asset. Amortisation is calculated using the straight line method to allocate the costs of IP over their estimated useful economic lives. Estimated useful economic life is based on remaining patent life or specific terms of licences or agreements, or in the absence of any observable date, ten years. Amortisation is included within operating costs.

Impairment
Intangible assets are subject to impairment reviews annually, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment is recognised within Operating costs for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the value-in-use. In the event that an intangible asset will no longer be used, for example, when a patent is abandoned, the balance of unamortised expenditure is written off.

Impairment reviews require the estimation of the recoverable amount based on value-in-use calculations. Intangible assets relate typically to in-process development and patents and require broader assumptions than for developed technology. Key assumptions taken into consideration relate to technological, market and financial risks and include the chance of product launch taking into account the stage of development of the asset, the scale of milestone and royalty payments, overall market opportunities, market size and competitor activity, revenue projections, estimated useful lives of assets (such as patents), contractual relationships and discount rates to determine present values of cash flows.

# Notes to the Consolidated Financial Statements

Continued

**1 Accounting policies** continued

**1.16 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 statement of financial position and depreciated over the shorter of the lease term and their useful economic lives. Obligations under such agreements are included in trade and other payables net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.17 Employee Share Ownership Trust**

The Group has an Employee Share Ownership Trust (ESOT) to assist with meeting the obligations under share option and other employee remuneration schemes. The ESOT is consolidated as if it were a subsidiary and accounted for as Treasury (own) shares. Shares in ANGLE plc held by the ESOT are stated at weighted average purchase cost and presented in the statement of financial position as a deduction from equity under the heading of "ESOT Shares". Gain or loss is not recognised on the purchase or sale of ESOT shares and consideration paid or received is recognised directly in equity. Finance and administration costs relating to the ESOT are charged to operating costs as incurred.

**1.18 Foreign currency**

The Consolidated Financial Statements are presented in pounds sterling, which is the Company's functional and presentational currency. The Group determines the functional currency of each entity and items included in the Financial Statements of each entity are measured using that functional currency. The functional currencies of the Group's operations are sterling and US dollars.

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies and held at cost use the exchange rate at the date of the initial transactions. Non-monetary assets and liabilities denominated in foreign currencies and held at fair value use the exchange rate at the date that the fair value was determined.

Profits and losses on both the individual transactions during the period and monetary assets and liabilities are dealt with in the statement of comprehensive income.

On consolidation, the statements of comprehensive income of the foreign subsidiaries are translated at the average exchange rates for the period and the statement of financial position at the exchange rates at the reporting date. The exchange differences arising as a result of translating statements of comprehensive income at average rates and restating opening net assets at closing rates are taken to the translation reserve. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the statement of comprehensive income.

**1.19 Financial instruments**

Financial assets and liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and short term deposits in the statement of financial position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and short term deposits as defined previously and other short term highly liquid investments that are readily convertible into cash and are subject to an insignificant risk of changes in value, net of outstanding short-term borrowings.

Deposits

Deposits in the statement of financial position comprise longer term deposits with an original maturity of greater than three months.

Bank loans, loan notes and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowings. After initial recognition, these are subsequently measured at amortised cost.

Other assets

Assets, other than those specifically accounted for under a separate policy, include trade and other receivables and are stated at their amortised cost. They are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated based on expected discounted future cash flows. Any change in the level of impairment is recognised directly in the statement of comprehensive income. An impairment loss is reversed at subsequent reporting dates to the extent that the asset's carrying amount does not exceed its carrying value had no impairment loss been recognised.

Other liabilities

Liabilities, other than those specifically accounted for under a separate policy, include trade and other payables and are stated based on their amortised cost at the amounts which are considered to be payable in respect of goods or services received up to the reporting date.

**1.20 Provisions**
Provisions are recognised when the Group has a present obligation of uncertain timing or amount as a result of past events, and it is probable that the Group will be required to settle that obligation and a reliable estimate of the obligation can be made. The provisions are measured at the Directors' best estimate of the amount to settle the obligation at the reporting date, and are discounted back to present value if the effect is material. Changes in provisions are recognised in the statement of comprehensive income for the period.

**1.21 Operating segments**
The Group determines and presents operating segments based on the reporting information that is provided to the Board of Directors to allow them to make operating decisions. The Board of Directors is responsible for all significant decisions and collectively is the Chief Operating Decision-Making (CODM) body as defined by IFRS 8 Operating Segments.

An operating segment is a component of the Group that engages in business activities from which it may earn income and incur expenses, including income and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance.

**1.22 Critical accounting estimates and judgements**
The preparation of the Financial Statements requires the use of estimates, assumptions and judgements that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates, assumptions and judgements are based on management's best knowledge of the amounts, events or actions, and are believed to be reasonable, actual results ultimately may differ from those estimates.

The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described below.

Valuation of Other receivables held at fair value (Notes 1.7 and 11)
Valuation of Other receivables relates to the value attributed to a retention payment due in December 2015 from the disposal of Geomerics Limited. Judgements are required in a number of areas when determining valuation.

Valuation, amortisation and impairment of intangible assets (Notes 1.15 and 13)
IAS 38 contains specific criteria that if met mean development expenditure must be capitalised as an internally generated intangible asset. Judgements are required in both assessing whether the criteria are met and then in applying the rules. Intangible assets are amortised over their useful lives. Useful lives are assessed by reference to observable data (e.g. remaining patent life) and taking into consideration specific product (e.g. product life cycle) and market characteristics (e.g. estimates of the period that the assets will generate revenue). Each of these factors is periodically reviewed for appropriateness. Changes to estimates in useful lives may result in significant variations in the amortisation charge.

The Group is required to review, at least annually, whether intangible assets have suffered any impairment. The recoverable amount is determined using, amongst others, value-in-use calculations. The use of this method requires the estimation of future cash flows and the selection of a suitable discount rate in order to calculate the present value of these cash flows. When reviewing intangible assets for impairment the Group has had to make various assumptions and estimates of individual components and their potential value and potential impairment impact. The Group considers that for each of these variables there is a range of reasonably possible alternative values, which results in a range of fair value estimates. None of these estimates of fair value is considered more appropriate or relevant than any other and therefore determining a fair value requires considerable judgement.

# Notes to the Consolidated Financial Statements

Continued

**2 Operating segment and revenue analysis**

The Group's principal trading activity is undertaken in relation to Parsortix, a specialist medical diagnostics company with pioneering products in cancer diagnostics and foetal health.

For management reporting purposes, the Group is divided into the following operating segments:

- **Controlled investments** where the Group has control, typically as a result of owning in excess of 50% of the equity. Their results, along with associated operating companies, are consolidated into the Group's results with investment costs either expensed in the Statement of Comprehensive Income or capitalised as an internally generated intangible asset, when the relevant criteria are met, and held on the Statement of Financial Position.
- **Non-controlled investments** where the Group does not have control. This comprises our investment in Geomerics which was sold during the period and a retention payment receivable in December 2015. This investment is held on the Statement of Financial Position at fair value, with changes in fair value passing through the Statement of Comprehensive Income.
- **Management services** – provision of Management services to clients including research organisations, corporate and governmental organisations on a fee-for-service basis.

The nature of each of these operations is significantly different.

In assessing performance and making resource allocation decisions, the Board of Directors reviews each segment. The tables below show the operating results by segment together with assets and liabilities.

| | Controlled investments £'000 | Non-controlled investments £'000 | Management services £'000 | Total £'000 |
|---|---|---|---|---|
| **Year ended 30 April 2014** | | | | |
| **Statement of Comprehensive Income** | | | | |
| Revenue | 156 | | 645 | 801 |
| Change in fair value | 132 | 1,202 | | 1,334 |
| Amortisation and impairment of intangible assets | (99) | | – | (99) |
| Other operating costs | (2,731) | | (655) | (3,386) |
| Operating costs | (2,830) | | (655) | (3,485) |
| **Operating profit/(loss)** | **(2,542)** | **1,202** | **(10)** | **(1,350)** |
| Finance income/(costs) | 12 | 100 | – | 112 |
| **Profit/(loss) before tax** | **(2,530)** | **1,302** | **(10)** | **(1,238)** |

| | |
|---|---|
| **Statement of Financial Position** | |
| **Assets** | |
| Other receivables (non-current) | 601 |
| Property, plant and equipment | 139 |
| Intangible assets | 1,142 |
| Inventories | 52 |
| Trade and other receivables | 328 |
| Cash and cash equivalents | 3,898 |
| **Total assets** | **6,160** |
| **Liabilities** | |
| Trade and other payables | 645 |
| **Total liabilities** | **645** |

| | Controlled investments £'000 | Non-controlled investments £'000 | Management services £'000 | Total £'000 |
|---|---|---|---|---|
| **Year ended 30 April 2013** | | | | |
| **Statement of Comprehensive Income** | | | | |
| Revenue | 79 | | 890 | 969 |
| Change in fair value | | 514 | | 514 |
| Amortisation and impairment of intangible assets | (308) | | | (308) |
| Other operating costs | (1,271) | | (976) | (2,247) |
| Operating costs | (1,579) | | (976) | (2,555) |
| **Operating profit/(loss)** | **(1,500)** | **514** | **(86)** | **(1,072)** |
| Finance income/(costs) | 19 | 22 | - | 41 |
| **Profit/(loss) before tax** | **(1,481)** | **536** | **(86)** | **(1,031)** |
| **Statement of Financial Position** | | | | |
| **Assets** | | | | |
| Investments (non-current) | | | | 2,361 |
| Property, plant and equipment | | | | 138 |
| Intangible assets | | | | 1,080 |
| Investments (current) | | | | 1,600 |
| Inventories | | | | 62 |
| Trade and other receivables | | | | 454 |
| Cash and cash equivalents | | | | 1,828 |
| **Total assets** | | | | **7,523** |
| **Liabilities** | | | | |
| Trade and other payables | | | | 604 |
| Loans and borrowings | | | | 132 |
| **Total liabilities** | | | | **736** |

All significant decisions are made by the Board of Directors with implementation of those decisions on a Group-wide basis.

Over 97% (2013: 99%) of revenues and over 97% (2013: 96%) of assets by geographical location are based in the UK.

The revenue of the Group for the year has been primarily derived from its Management services activities. In addition the Group provides management services to its portfolio companies in the form of non-executive director services, management, accounting and administration support for which it receives fees.

**Major customers**
Revenues in the Management services business are mainly generated from a small number of key clients and some of these clients individually account for revenues in excess of 10% of Group revenue.

| | **2014** | 2013 |
|---|---|---|
| | % of total revenues | |
| Client one | **54%** | 44% |
| Client two | **18%** | 27% |
| Client three | **–** | 15% |

# Notes to the Consolidated Financial Statements

Continued

## 3 Change in fair value through statement of comprehensive income

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| Fair value gain on additional investment in and disposal of non-controlled investment (Note 11) | **1,202** | 514 |
| Fair value gain on deemed disposal of controlled investment | **132** | – |
| Change in fair value | **1,334** | 514 |

## 4 Operating costs

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| Staff costs – employees (Note 6) | **2,096** | 1,402 |
| Depreciation – owned assets (Note 12) | **57** | 19 |
| Impairment of intangible assets (Note 13) | **–** | 288 |
| Amortisation of intangible assets (Note 13) | **99** | 20 |
| Operating lease costs | **127** | 59 |
| Auditor's remuneration (see below) | **65** | 75 |
| Third party research and development costs | **386** | 137 |
| Patent and legal costs | **123** | 83 |
| Third party Management services contract costs | **37** | 79 |
| Listed company costs | **167** | 164 |
| Other operating costs | **328** | 229 |
| Total operating costs | **3,485** | 2,555 |

Operating costs are shown net of product development costs capitalised in accordance with IAS 38 (Note 13).

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| **Auditor's remuneration** | | |
| **Audit services** | | |
| Statutory audit of parent and consolidated accounts | **22** | 23 |
| Statutory audit of subsidiaries | **34** | 32 |
| Other | **2** | 4 |
| **Non-audit services** | | |
| Tax compliance services | **4** | 7 |
| Tax advisory services | **3** | 9 |
| Total auditor's remuneration | **65** | 75 |

The Group has taken advantage of the exemption from audit for a number of its subsidiary undertakings. Audit work is still required on these exempt subsidiaries to support the Group audit opinion and these costs are now included with the "Statutory audit of parent and consolidated accounts" rather than as a direct cost for the "Statutory audit of subsidiaries".

## 5 Directors' emoluments

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| Aggregate emoluments for qualifying services | **661** | 321 |
| Employer pension contributions | **90** | 20 |
| Sub-total per Remuneration Report (page 33) | **751** | 341 |
| Employer's National Insurance contributions | **86** | 37 |
| Total | **837** | 378 |

The above includes the following amounts paid in respect of the highest paid Director:

| | | |
|---|---|---|
| Emoluments for qualifying services | **462** | 198 |
| Employer's National Insurance contributions | **63** | 26 |
| Total | **525** | 224 |

Disclosures relating to individual Directors' emoluments are given in the Remuneration Report on page 33.

## 6 Employment

**Employment costs**

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

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| Wages and salaries | **1,743** | 1,330 |
| Social security costs | **225** | 151 |
| Pension contribution costs (Note 7) | **143** | 20 |
| | **2,111** | 1,501 |
| Share based payment charge (Note 20) | **62** | 71 |
| Total staff costs | **2,173** | 1,572 |
| Staff costs capitalised as product development | **(77)** | (170) |
| | **2,096** | 1,402 |

The key management personnel are the Directors and their remuneration is disclosed within the Remuneration Report on pages 32 to 33.

**Number of employees**

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

| | 2014 Number | 2013 Number |
|---|---|---|
| Specialist medtech | **16** | 12 |
| Management services | **12** | 17 |
| Total | **28** | 29 |

## 7 Pension costs

The Group incurred UK pension contribution charges of £143,450 (2013: £20,381) for payment directly to personal pension plan schemes. Contributions to personal pension plan schemes of £65,000 (2013: £nil) were payable at the year end and are included in trade and other payables (Note 18).

# Notes to the Consolidated Financial Statements

Continued

## 8 Net finance income/(costs)

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| **Finance income** | | |
| Bank Interest | **12** | 19 |
| Interest from financial instruments | **100** | 22 |
| | **112** | 41 |
| **Finance costs** | **–** | – |
| **Net finance income/(costs)** | **112** | 41 |

In the current and previous years the Group entered into a number of interest bearing unsecured convertible loan and repayable loan agreements with a non-controlled investment (Notes 11 and 24). This has generated the majority of the finance income in 2014 and 2013.

## 9 Tax

The Group is eligible for the UK corporation tax substantial shareholdings exemption. This results in the capital gain from any disposals of UK investments where the Group has an equity stake greater than 10%, and subject to certain other tests, being free of corporation tax.

Tax is therefore based on the profits in the Management services business as relieved by losses incurred in the Group's other UK trading activities. Loss relief may not absorb the tax in relation to all of the profits and where this occurs tax is provided on the basis of the estimated effective tax rate for the full year.

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| **Current tax:** | | |
| Corporation tax | **–** | – |
| **Deferred tax:** | | |
| Origination and reversal of timing differences | **–** | – |
| **Tax on profit/(loss) on ordinary activities** | **–** | – |

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| **Corporation tax** | | |
| Profit/(loss) on ordinary activities before tax | **(1,238)** | (1,031) |
| Tax on profit/(loss) on ordinary activities at 23% (24%) | **(285)** | (247) |
| Factors affecting charge: | | |
| Capital allowances for period in excess of depreciation | **(2)** | (3) |
| Disallowable expenses | **32** | (10) |
| Change in fair value of investments | **(307)** | 69 |
| Share based payments | **14** | 17 |
| Unutilised losses carried forward | **547** | 174 |
| Other tax adjustments | **1** | – |
| Tax charge/(credit) for year | **–** | – |

Unutilised tax losses may result in a deferred tax asset. The estimated value of the deferred tax asset not recognised, measured at a standard rate of 20% (2013: 23%) is £2.4 million (2013: £1.9 million). No deferred tax liability is provided for any valuation uplifts due to the substantial shareholder exemption or where this may not be available due to the availability of unutilised tax losses. The deferred tax asset has not been recognised in the Financial Statements as the Directors consider there to be sufficient uncertainty surrounding the reversal of the underlying temporary differences. The deferred tax asset would be recovered if there were future taxable profits from which the trading losses could be deducted.

## 10 Earnings/(loss) per share

The basic and diluted earnings/(loss) per share is calculated on an after tax loss of £1.2 million (2013: £1.0 million).

In accordance with IAS 33 Earnings per share, 1) the "basic" weighted average number of ordinary shares calculation excludes shares held by the Employee Share Ownership Trust (ESOT) as these are treated as treasury shares and 2) the "diluted" weighted average number of ordinary shares calculation excludes potentially dilutive ordinary shares from instruments that could be converted. Share options are potentially dilutive where the exercise price is less than the average market price during the year. Due to the losses in 2014 and 2013, share options are non-dilutive for those years and therefore the diluted loss per share is equal to the basic loss per share.

| | **2014 £'000** | 2013 £'000 |
|---|---|---|
| Profit/(loss) for the financial year | **(1,238)** | (1,031) |

| | **Number of shares** | Number of shares |
|---|---|---|
| Weighted average number of ordinary shares | **45,243,059** | 40,697,564 |
| Weighted average number of ESOT shares | **(113,259)** | (113,259) |
| Weighted average number of ordinary shares – basic | **45,129,800** | 40,584,305 |
| Effect of potential dilutive share options | **–** | – |
| Adjusted weighted average number of ordinary shares – diluted | **45,129,800** | 40,584,305 |
| Earnings/(loss) per share | | |
| Basic and diluted (pence per share) | **(2.74)** | (2.54) |

## 11 Investments

**Non-controlled investments**

| | Non-current assets £'000 | Current assets £'000 | Total assets £'000 |
|---|---|---|---|
| **At 1 May 2012** | **2,594** | **–** | **2,594** |
| Additions | 207 | – | 207 |
| Transfer from Trade and other receivables | 509 | – | 509 |
| Fair value gain | 286 | – | 286 |
| Interest | 11 | – | 11 |
| Reclassification | (1,246) | 1,246 | – |
| Additions | – | 113 | 113 |
| Fair value gain | – | 228 | 228 |
| Interest | – | 13 | 13 |
| **At 30 April 2013** | **2,361** | **1,600** | **3,961** |
| Reclassification | (2,361) | 2,361 | – |
| Additions | – | 511 | 511 |
| Interest | – | 100 | 100 |
| Fair value gain | – | 1,202 | 1,202 |
| Disposal proceeds | – | (5,173) | (5,173) |
| Transfer to Other receivables | – | (601) | (601) |
| **At 30 April 2014** | **–** | **–** | **–** |

# Notes to the Consolidated Financial Statements

Continued

**11 Investments** continued

**Other receivables**

| | **2014 £'000** | 2013 £'000 |
|---|---|---|
| At 1 May | **–** | 154 |
| Deferred retention | **601** | – |
| Settlement receipt | **–** | (154) |
| **At 30 April** | **601** | – |

Non-controlled investments and Other receivables relates to the Group's investment in Geomerics (computer games middleware and computer graphics) which was sold in December 2013. During the year Geomerics' shareholders entered into an exclusivity agreement with ARM Holdings plc and the Equity investment was re-classified from Non-current asset to Current asset as there was a reasonable expectation that the investment would be sold within 12 months.

Investments were made in equity and/or in the form of debt (loans) and designated on initial recognition as financial assets at fair value through the income statement. Loans were repayable and/or convertible into equity and were interest bearing. Certain loans made during the year carried preferential conversion and/or repayment terms and rights, which resulted in a fair value gain. All convertible loans including interest were converted and all repayable loans including interest were repaid when the sale completed in December 2013.

There is a retention payment of £0.7 million due to be received in December 2015 which has been designated at fair value (discounted for the time value of money) and is classified as Non-current assets – Other receivables.

Note 14 provides information on the fair value hierarchy of financial assets.

**Controlled investments**

The Group has investments in the following subsidiaries:

| Company Name | Principal activity | Class of share held | Holding % |
|---|---|---|---|
| ANGLE Technology Limited* | Management services | Ordinary | 100.00 |
| ANGLE Technology Ventures Ltd | Investments | Ordinary | 100.00 |
| Novocellus Limited(1) | IVF diagnostics | Ordinary | 91.98 |
| Parsortix Inc(1) | Cancer diagnostics | Common & Preferred | 90.53 |
| Parsortix Limited* | Supports Parsortix Inc | Ordinary | 100.00 |

All "Limited" companies incorporated and registered in England & Wales. All "Inc" companies incorporated and registered in the US.

*subsidiary held directly

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

## 12 Property, plant and equipment

| | Computer equipment £'000 | Laboratory equipment £'000 | Fixtures, fittings & equipment £'000 | Total £'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| **At 1 May 2012** | **63** | **98** | **46** | **207** |
| Additions | 5 | 134 | – | 139 |
| Disposals | (24) | – | – | (24) |
| Exchange movements | – | 1 | – | 1 |
| **At 30 April 2013** | **44** | **233** | **46** | **323** |
| Additions | 5 | 89 | 1 | 95 |
| Disposals | (4) | (19) | – | (23) |
| Transfer to inventories | – | (11) | – | (11) |
| Exchange movements | 1 | (20) | – | (19) |
| **At 30 April 2014** | **46** | **272** | **47** | **365** |
| **Depreciation** | | | | |
| **At 1 May 2012** | **55** | **90** | **44** | **189** |
| Charge for the year | 5 | 13 | 1 | 19 |
| Disposals | (24) | – | – | (24) |
| Exchange movements | 1 | – | – | 1 |
| **At 30 April 2013** | **37** | **103** | **45** | **185** |
| Charge for the year | 5 | 52 | – | 57 |
| Disposals | (4) | (6) | – | (10) |
| Transfer to inventories | – | (2) | – | (2) |
| Exchange movements | – | (4) | – | (4) |
| **At 30 April 2014** | **38** | **143** | **45** | **226** |
| **Net book value** | | | | |
| **At 30 April 2014** | **8** | **129** | **2** | **139** |
| At 30 April 2013 | 7 | 130 | 1 | 138 |

# Notes to the Consolidated Financial Statements

Continued

**13 Intangible assets**

| | Intellectual property £'000 | Computer software £'000 | Goodwill £'000 | Product development £'000 | Total £'000 |
|---|---|---|---|---|---|
| **Cost or deemed cost** | | | | | |
| **At 1 May 2012** | **523** | **15** | **98** | **–** | **636** |
| Additions | – | 3 | – | 960 | 963 |
| Disposals | – | (6) | – | – | (6) |
| Exchange movements | 1 | – | – | 13 | 14 |
| **At 30 April 2013** | **524** | **12** | **98** | **973** | **1,607** |
| Additions | 30 | 1 | – | 217 | 248 |
| Reclassification | 62 | – | – | (62) | – |
| Disposals | (400) | (2) | (98) | – | (500) |
| Exchange movements | (10) | – | – | (83) | (93) |
| **At 30 April 2014** | **206** | **11** | **–** | **1,045** | **1,262** |
| **Amortisation and impairment** | | | | | |
| **At 1 May 2012** | **112** | **15** | **98** | **–** | **225** |
| Charge for the year | – | 1 | – | 19 | 20 |
| Disposals | – | (6) | – | – | (6) |
| Impairment | 288 | – | – | – | 288 |
| **At 30 April 2013** | **400** | **10** | **98** | **19** | **527** |
| Charge for the year | – | 1 | – | 98 | 99 |
| Disposals | (400) | (2) | (98) | – | (500) |
| Exchange movements | – | – | – | (6) | (6) |
| **At 30 April 2014** | **–** | **9** | **–** | **111** | **120** |
| **Net book value** | | | | | |
| **At 30 April 2014** | **206** | **2** | **–** | **934** | **1,142** |
| At 30 April 2013 | 124 | 2 | – | 954 | 1,080 |

The carrying value of intangible assets is reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The recoverable amount is assessed on the basis of "value in use". The key assumptions to assess value in use are the estimated useful economic life, future revenues, cash flows and the discount rate to determine the net present value of these cash flows. Where value in use exceeds the carrying value then no impairment is made. Where value in use is less than the carrying value then an impairment charge is made.

Amortisation and impairment charges are charged to operating costs in the Consolidated Statement of Comprehensive Income.

"Product development" relates to internally generated assets that were capitalised in accordance with IAS 38 Intangible Assets. Capitalised product development costs are directly attributable costs comprising cost of materials, specialist contractor costs, labour and overheads. Product development costs are amortised over their estimated useful lives commencing when a new product is in commercial production. Development costs not meeting the IAS 38 criteria for capitalisation continue to be expensed through the Statement of Comprehensive Income as incurred.

"Intellectual property" and Goodwill in NeuroTargets Limited, which had been fully impaired in prior periods, were deemed as disposed of in the year following the dissolution of the company.

## 14 Financial risk management

**Overview**

The Group is exposed, through its normal operations, to a number of financial risks, the most significant of which are credit, liquidity and investment (market) risks. Controlled investments are consolidated into the Group results and the risks are managed as two specific groups – ANGLE excluding Controlled investments and Controlled investments.

The Group's financial instruments comprise cash, trade and other receivables and trade and other payables which arise directly from its operations, and from time to time treasury deposits, overdrafts and finance leases.

In addition the Group holds an investment portfolio comprising equity and debt investments (listed and/or unlisted) in technology based companies.

It is the Group's policy that no trading in financial derivatives shall be undertaken.

**Financial assets**

Financial assets of the Group comprise cash at bank and in hand as well as treasury deposits, trade and other receivables and non-current other receivables (see Note 11). It is the Group's policy to place surplus cash resources on deposit at both floating and fixed term deposit rates of interest with the objective of maintaining a balance between accessibility of funds and competitive rates of return. Fixed term deposits are for varying periods ranging from one to six months, to the extent that cash flow can be reasonably predicted.

**Financial liabilities**

Financial liabilities of the Group in the normal course of business comprise trade and other payables, overdraft facilities and finance leases, and certain controlled investments may enter into loan and/or convertible loan agreements. It is the Group's policy to use various financial instruments with floating and fixed rates of interest with the objective of maintaining a balance between continuity of funding, matching the liability with the use of the asset, and finding flexible funding options for a reasonable charge.

The Group currently does not utilise overdraft facilities or finance leases. The Group has no long term borrowings or undrawn committed borrowing facilities. Controlled investments may have loan and convertible loan agreements. The Group is currently not exposed to any interest rate risk on its financial liabilities.

**Liquidity risk**

The principal risk to which the Group is exposed is liquidity risk, which is that the Group will not be able to meet its financial obligations as they fall due. The Group seeks to manage liquidity through planning, forecasting, careful cash management and managing the operational and investment risk.

The nature of the Group's activities means it finances its operations through earnings, the issue of new shares to investors and equity disposals. The principal cash requirements are in relation to funding operating companies, investments and meeting working capital requirements.

Early stage companies typically experience significant negative cash flows. Investments may be unable to obtain financing due to lack of operational progress or market conditions and may need to be wound-up. The Group may feel it appropriate to provide additional investment and/or management time to support these companies further. Adverse market conditions may also delay liquidity events, thereby requiring additional investment.

ANGLE may also find it difficult to raise additional capital to develop its core business depending on progress with meeting milestones and market conditions.

Sensitivity analysis examining a small percentage increase and decrease in liquidity is of limited use and accordingly no analysis has been shown.

**Capital risk management**

The Group defines the capital that it manages as the Group's total equity. The Group's objectives when managing capital are to:

- Safeguard the Group's ability to continue as a going concern.
- Have available the necessary financial resources to allow the Group to deliver benefits from its operational activities and investments.
- Optimise the return to investors based on the level of risk undertaken.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets, pay dividends or return capital to shareholders.

The Group's capital and equity ratios are shown in the table below:

| | **2014 £'000** | 2013 £'000 |
|---|---|---|
| Total equity attributable to owners of the parent | **5,922** | 7,098 |
| Total assets | **6,160** | 7,523 |
| Equity ratio | **96.1%** | 94.3% |

# Notes to the Consolidated Financial Statements

Continued

**14 Financial risk management** continued

**Investment (price) risk**

Equity investments are held to 1) achieve capital growth in their value with the intention of subsequent disposal at a profit, or 2) build and keep as a trading subsidiary where the revenue opportunity is significant or where significant milestone payments and royalty income streams are possible. The main risks arising from these equity investments are technological risk, market risk and financial risk. The Group seeks to manage and mitigate such risk by using investment appraisal processes and monitoring procedures with regular reports made to the Board on the status of investments. For trading subsidiaries and investments ANGLE typically has a Board representative helping in an advisory capacity.

The Group's investments are exposed to significant market risk. Valuations and disposals of unquoted investments depend on a combination of market factors, including investor sentiment, availability of liquidity and funding and appetite for specific asset classes, as well as the specific performance of each underlying investment.

The Group considers the impact of investment risk to be material to its Financial Statements as the results are highly sensitive to any increase or decrease in the price of investments and to their accounting treatment. An investment's fair value may change significantly on the achievement of milestones, funding events or strong or poor performance, particularly with regard to sales. Controlled investments may become non-controlled investments with the investment recognised at fair value for the first time. The small portfolio of investments exacerbates the sensitivity to any changes. Traditional sensitivity analysis, examining a small percentage increase and decrease, is of limited use given the small portfolio and accordingly no analysis has been shown.

**Credit risk**

The Group's credit risk, excluding debt instruments with investments (see below), is attributable to its cash and cash equivalents, trade receivables and other receivables. The Group seeks to mitigate its credit risk on cash and cash equivalents through banking with banks with the highest credit ratings. The risk for trade receivables is that a customer fails to pay for goods or services received and the Group suffers a financial loss. The Group's objective with respect to credit risk is to minimise the risk of default by customers. The majority of the Group's current revenue is derived from contracts with the public sector and therefore the credit risk is considered to be relatively low. For private and overseas clients Group policy is to assess the credit quality of each customer and where appropriate seek part-payment in advance.

The Group's credit risk on debt or other instruments with investments is by its nature high as the investments carry a high level of risk and mitigation measures are not always possible. However, where an investment is sold the Group will seek to sell to a larger company that should have a lower credit risk for any future retention payments.

The maximum exposure to credit risk at the reporting date is represented by the carrying amount of the assets described above.

**Interest rate risk**

The Group's financial assets and financial liabilities have the following interest rate profile:

| | Fixed rate[1] £'000 | Floating rate[2] £'000 | Interest free £'000 | **2014 Total £'000** | Fixed rate[1] £'000 | Floating rate[2] £'000 | Interest free £'000 | 2013 Total £'000 |
|---|---|---|---|---|---|---|---|---|
| **Financial assets:** | | | | | | | | |
| Investments (non-current) | – | – | – | **–** | – | – | 2,361 | 2,361 |
| Other receivables (non-current) | – | 601 | – | **601** | – | – | – | – |
| Investments (current) | – | – | – | **–** | 1,567 | – | 33 | 1,600 |
| Trade and other receivables | – | – | 181 | **181** | 149 | – | 101 | 250 |
| Cash and cash equivalents | 15 | 3,850 | 33 | **3,898** | 1,623 | 175 | 30 | 1,828 |
| Total financial assets | 15 | 4,451 | 214 | **4,680** | 3,339 | 175 | 2,525 | 6,039 |
| **Financial liabilities:** | | | | | | | | |
| Trade and other payables | – | – | 92 | **92** | – | – | 174 | 174 |
| Loans and borrowings | – | – | – | **–** | – | – | 132 | 132 |
| Total financial liabilities | – | – | 92 | **92** | – | – | 306 | 306 |

(1) Fixed rate investments and certain trade receivables in sterling earned interest at rates of 0%, 5% or 10% in the prior year. Fixed rate cash deposits in sterling earned interest at rates between 0.15% and 1.25% (2013: 0.15% and 1.25%).

(2) Floating rate cash deposits in Sterling earned interest at rates between 0.03% and 0.5% (2013: 0.06% and 0.1%). The weighted average interest rate on Sterling cash deposit for this period was between 0.03% and 0.44% (2013: 0.02% and 0.1%). Floating rate other receivables in Sterling earns interest at 0.1%.

The Group does not consider the impact of interest rate risk to be material to its results or operations.

The primary interest rate risk impact relates to movements in underlying bank interest rates and the impact on interest received on cash and cash equivalents held by the Group with corporate banks. If interest rates had been 1% higher on floating rate cash deposits then finance income would have been increased by £20,149 (2013: £2,333).

There is currently no interest rate risk on financial liabilities as the Group has no interest bearing loans and borrowings.

With the exception of £600,766 within Other receivables and £nil (2013: £2,360,811) within Investments, all amounts have maturity dates of less than twelve months.

**Foreign currency risk**
The Group has overseas subsidiaries whose income and expenses are primarily denominated in US dollars. As a result, the Group's Statement of Comprehensive Income and Statement of Financial Position may be affected by movements in the US dollar:Sterling exchange rate.

The majority of the Group's operating revenues and expenses are in Sterling and US dollars. Sales are priced in Sterling although the Group may have a limited amount of revenues denominated in other currencies. Excess exposure, if any, may be managed for all significant foreign currencies using forward currency contracts or currency swaps.

**Sensitivity analysis**
The impact of a 5% variation in the US dollar rates on the profit/(loss) for the year is as follows:

| | **2014 £'000** | 2013 £'000 |
|---|---|---|
| Profit/(loss) – 5% strengthening | **(73)** | (29) |
| Profit/(loss) – 5% weakening | **66** | 26 |

**Hedging**
The Group did not hedge its financial transactions in 2014 or 2013.

**Currency profile**
The Group's financial assets and financial liabilities have the following currency profile:

| | Sterling £'000 | US dollar £'000 | **2014 Total £'000** | Sterling £'000 | US dollar £'000 | 2013 Total £'000 |
|---|---|---|---|---|---|---|
| **Financial assets:** | | | | | | |
| Investments (non-current) | – | – | **–** | 2,361 | – | 2,361 |
| Other receivables (non-current) | 601 | – | **601** | – | – | – |
| Investments (current) | – | – | **–** | 1,600 | – | 1,600 |
| Trade and other receivables | 181 | – | **181** | 236 | 14 | 250 |
| Cash and cash equivalents | 3,870 | 28 | **3,898** | 1,804 | 24 | 1,828 |
| Total financial assets | 4,652 | 28 | **4,680** | 6,001 | 38 | 6,039 |
| **Financial liabilities:** | | | | | | |
| Trade and other payables | 75 | 17 | **92** | 164 | 10 | 174 |
| Loans and borrowings | – | – | **–** | 132 | – | 132 |
| Total financial liabilities | 75 | 17 | **92** | 296 | 10 | 306 |

# Notes to the Consolidated Financial Statements

Continued

**14 Financial risk management** continued

**Fair values of financial assets and liabilities**

Other than as disclosed, the Directors believe that the fair value and the book value of financial assets and financial liabilities is not materially different. Trade payables and receivables have a remaining life of less than one year so their value on the statement of financial position is considered to be a fair approximation of fair value. The valuation policy for investments and other receivables is detailed in Note 1.7.

The fair values of the Group's financial assets and liabilities, together with the carrying values shown in the statement of financial position, are as follows:

| | Fair value through profit or loss £'000 | Amortised cost £'000 | Total carrying value £'000 | Fair value £'000 |
|---|---|---|---|---|
| **30 April 2013** | | | | |
| Investments (non-current) | 2,361 | – | 2,361 | 2,361 |
| Investments (current) | 772 | 828 | 1,600 | 1,600 |
| Trade and other receivables | – | 250 | 250 | 250 |
| Cash and cash equivalents | – | 1,828 | 1,828 | 1,828 |
| Trade and other payables | – | (174) | (174) | (174) |
| Convertible and other loans | – | (132) | (132) | (132) |
| **30 April 2014** | | | | |
| Other receivables (non-current) | 601 | – | 601 | 601 |
| Trade and other receivables | – | 181 | 181 | 181 |
| Cash and cash equivalents | – | 3,898 | 3,898 | 3,898 |
| Trade and other payables | – | (92) | (92) | (92) |

**Fair value hierarchy of financial assets and liabilities**

The Group classifies financial assets using a fair value hierarchy that reflects the significance of inputs used in making fair value assessments. The level in the fair value hierarchy within which a financial asset is classified is determined on the basis of the lowest level input that is significant to that asset's fair value measurement. The fair value hierarchy includes the following three levels:

Level 1 Valued using quoted prices in active markets for identical assets and liabilities
Level 2 Valued by reference to valuation techniques using observable inputs (other than quoted prices in active markets for identical assets and liabilities), such as price of recent investment
Level 3 Valued by reference to valuation techniques that are not based on observable market data (See Note 1.7 for valuation methodology)

| | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|---|---|---|---|---|
| **Financial assets recognised at fair value** | | | | |
| **At 30 April 2013** | | | | |
| Investments (non-current) | – | – | 2,361 | 2,361 |
| Investments (current) | – | 772 | – | 772 |
| **Total** | **–** | **772** | **2,361** | **3,133** |
| **At 30 April 2014** | | | | |
| Other receivables (non-current) | – | 601 | – | 601 |
| **Total** | **–** | **601** | **–** | **601** |

During the year the investment in Geomerics was sold (Note 11). In addition to cash proceeds the deal included a deferred retention payment of £0.7 million due in December 2015, which has been discounted for the time value of money. The retention payment represents an observable input and is therefore classified as Level 2.

## 15 Inventories

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| Work in progress | – | 51 |
| Finished goods | 52 | 11 |
| | 52 | 62 |

## 16 Trade and other receivables

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| **Current assets:** | | |
| Trade receivables | 126 | 231 |
| Other receivables | 55 | 19 |
| Prepayments and accrued income | 147 | 204 |
| | 328 | 454 |

The standard credit period allowed for trade receivables is 30 days, although this may be extended such that invoices become payable after completion of a key milestone.

**Age profile of trade receivables**

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| Not past due | 126 | 230 |
| 0 – 30 days past due | – | 1 |
| Total | 126 | 231 |

The Directors consider the carrying amount of trade and other receivables to approximate their fair value. Receivables are unsecured and interest free, unless past their due date when interest may be charged.

## 17 Controlled investments – loans (borrowings)

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| **Non-current liabilities:** | | |
| Unsecured convertible loan (interest free) | – | 22 |
| Unsecured loan (interest free) | – | 110 |
| | – | 132 |

NeuroTargets Limited was unable to identify appropriate drug targets to progress its research and given the long term nature, significant investment requirements and high risks of achieving a return its shareholders approved the dissolution of the company. The dissolution resulted in the release of the company's liabilities, and was treated as a deemed disposal for ANGLE.

# Notes to the Consolidated Financial Statements

Continued

## 18 Trade and other payables

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| **Current liabilities:** | | |
| Trade payables | **92** | 174 |
| Other taxes and social security costs | **52** | 51 |
| Other payables | **65** | – |
| Accruals and deferred income | **436** | 379 |
| | **645** | 604 |

Accruals includes amounts for professional fees, vacation, salary and bonuses (Note 24). Deferred income includes amounts for pre-billed revenues.

## 19 Share capital

The share capital of the Company is shown below:

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| **Allotted, called up and fully paid** | | |
| 45,243,059 (2013: 45,243,059) Ordinary shares of 10p each | **4,524** | 4,524 |

The Company has one class of ordinary shares which carry no right to fixed income.

## 20 Share based payments

The key disclosures that enable the user of the Financial Statements to understand the nature and extent of share based payment charges through the Statement of Comprehensive Income relate to shares in ANGLE plc and not to shares in Controlled investments.

The share based payment charge for the Company Employee Share Option Schemes was £61,830 (2013: £70,718). The share based payment charge for Controlled investments Share Option Schemes was £nil (2013: £nil).

### Company – Share Option Schemes

The Company operates Share Option Schemes as a means of encouraging ownership and aligning interests of staff and external shareholders. These are a key part of the remuneration package and granted at the discretion of the Remuneration Committee taking into account the need to motivate, retain and recruit high calibre executives.

Each Scheme is governed by a specific set of rules and administered by the Directors of the Company. Options are granted at the market price of the shares on the date of grant. Options granted may have a service condition and/or a non-market performance condition and/or a market performance condition (such as a target share price). If the performance conditions are not met, the options do not vest and will lapse at the date specified at the time of grant. Options 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 this case some or all of their options may remain exercisable for a limited period of time, subject to any performance condition having been met. Options lapse if they are not exercised by the date they cease to be exercisable. Share option agreements in place require the employee to reimburse the Company for the cost of employer's National Insurance Contributions, and other equivalent taxes, and accordingly the Company does not accrue for such taxes that would otherwise be due on share option gains.

### EMI Share Option Scheme #1 and Unapproved Share Option Scheme #2

The Company has an Enterprise Management Incentive (EMI) Share Option Scheme and an Unapproved Share Option Scheme. Share options are granted under a service condition and/or a non-market performance condition and/or a market performance condition. Options cease to be exercisable after ten years from the date of grant or on an earlier specified date.

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

| | 2014 Number of share options # | 2014 Weighted average exercise price (p) | 2013 Number of share options # | 2013 Weighted average exercise price (p) |
|---|---|---|---|---|
| Outstanding at 1 May | **3,766,000** | **50.98** | 3,766,000 | 50.98 |
| During the year | | | | |
| Granted | **580,000** | **73.00** | – | – |
| Replacement – cancelled | **–** | **–** | (969,657) | 55.97 |
| Replacement – issued | **–** | **–** | 969,657 | 55.97 |
| Outstanding at 30 April | **4,346,000** | **53.92** | 3,766,000 | 50.98 |
| Capable of being exercised at 30 April | **1,479,001** | **25.75** | 1,101,998 | 25.75 |

The options outstanding at 30 April 2014 had a weighted average remaining contractual life of seven years and seven months (2013: eight years and five months).

In the prior year a number of options were exchanged between the Share Option Schemes, in accordance with the rules, replacing previously granted Unapproved options with EMI options. The Replacement Options involved the same number of ordinary shares with the same exercise price, vesting conditions and dates as the share options they replaced.

The Company uses a Trinomial option pricing model as the basis to determine the fair value of the Company's share options.

The following assumptions are used in the model to determine the fair value of share options at the respective date of grant that are still outstanding at 30 April 2014:

| Date of grant | Exercise price (£) | Share price at date of grant (£) | Expected volatility | Risk free interest rate | Life of option (years) | Expected dividends | Vesting conditions | Outstanding share options |
|---|---|---|---|---|---|---|---|---|
| 30 August 2011 | 0.2575 | 0.2575 | 45.00% | 1.06% | 3.5 | Nil | (1) | 1,475,353 |
| 18 November 2011 | 0.7550 | 0.7550 | 40.00% | 0.62% | 2.5 | Nil | (2) | 1,320,990 |
| 5 November 2012 | 0.2575 | 0.3750 | 40.00% | 0.35% | 3.0 | Nil | (1) | 380,647 |
| 5 November 2012 | 0.7550 | 0.3750 | 40.00% | 0.23% | 2.0 | Nil | (2) | 589,010 |
| 11 December 2013 | 0.7300 | 0.7300 | 40.00% | 0.97% | 3.0 | Nil | (3) | 580,000 |

Expected volatility was derived from observation of the volatility of quoted shares in similar sectors to the Company and observation of the historic volatility of the company's shares, adjusted for any unusual historic events and expected changes to future volatility. The expected life used in the model is based on management's best estimate taking into account the effects of non-transferability, exercise restrictions, behavioural conditions and expected future events.

The share options issued were subject to both performance and service (employment) conditions:

(1) Vesting is subject to a) a performance condition that the share price together with any dividend payments has risen by at least 50% from the market price on 30 August 2011, and b) a service condition with options vesting over a three year period.
(2) Vesting is subject to a) the performance conditions that (i) the Company's share price must have increased to £2 and (ii) the Parsortix separation device must have been demonstrated to successfully capture circulating tumour cells (CTCs) from cancer patient blood, and b) a service condition with options vesting over a three year period.
(3) Vesting is subject to a) specific performance conditions for senior management and b) a service condition with options vesting over a three year period.

Once all performance and service conditions have been met the employee becomes unconditionally entitled to the options and they are capable of exercise. Based on these performance and service conditions a number of options have vested and become capable of exercise.

**Controlled investments**
Controlled investments individually operate Unapproved, or equivalent, Share Option Schemes and restricted share schemes as a means of attracting start-up management, encouraging ownership and aligning interests of staff with shareholders. Share options are a part of the remuneration package and are granted at the discretion of the individual controlled entity boards taking into account the need to recruit, motivate and retain high calibre executives.

Controlled investments unapproved Share Option Schemes are typically 1) granted at market value 2) have vesting and/or performance conditions and 3) lapse after a period of 10 years from the date of grant. There are no legal or constructive obligations to repurchase or settle options in cash.

Market prices do not exist for such early stage controlled investments and, in the absence of market prices, fair value is estimated using a valuation technique to value the instrument on the measurement date in an arm's length transaction between knowledgeable, willing parties.

# Notes to the Consolidated Financial Statements

Continued

## 21 ESOT shares

| | **2014 £'000** | 2013 £'000 |
|---|---|---|
| At 30 April | **102** | 102 |

Employee Share Ownership Trust (ESOT) shares are ANGLE plc shares held by the ANGLE Employee Trust. At 30 April 2014 the Trust held 113,259 shares (2013: 113,259 shares). The market value of these shares at 30 April 2014 was £98,535 (2013: £57,196). Shares purchased by the ANGLE ESOT are used to assist in meeting the obligations under employee remuneration schemes.

## 22 Contingent liabilities

Geomerics Limited was sold to ARM Holdings plc in December 2013 (See Note 11). As is normal for this type of transaction, the Sale and Purchase Agreement contained various warranties given by the sellers to the buyer and the warrantors have indemnified the buyer in respect of any claims against Geomerics Limited in connection with the business prior to acquisition. The warranties comprise a general warranty claim period of two years, an IP warranty claim period of four years and a fundamental/tax warranty claim period of seven years. In the unlikely event a claim is made and determined as valid then the warrantors' retention would be used in the first instance to settle any claim, or any amounts above the retention would be recoverable from the warrantors up to a capped amount.

The Group had no contingent liabilities as at 30 April 2013.

## 23 Guarantees and other financial commitments

The Group has operating lease commitments for office accommodation and a specialist laboratory on leases of generally less than one year with monthly rental payments and short notice periods.

| | **2014 £'000** | 2013 £'000 |
|---|---|---|
| Minimum commitments under non-cancellable operating leases on property expiring: | | |
| Not later than one year | **103** | 77 |

The Group also has a number of retainers with professional advisors which can be terminated on short notice periods.

During the year, the Group entered into certain commitments in relation to the development of the Parsortix cancer diagnostic product. In aggregate these gave rise to financial commitments of up to £0.5 million over the next year (2013: £0.2 million over two years).

The Group has taken advantage of the exemption from audit introduced during the year for a number of its subsidiary undertakings in accordance with section 479A of the Companies Act 2006. In the current year this relates to ANGLE Technology Ventures Limited. ANGLE plc has provided a statutory guarantee over the subsidiary's liabilities in accordance with section 479C of the Companies Act 2006.

Other than these, the Group has no contractual commitments to provide financial support to its investments.

**24 Related party transactions**

Transactions between subsidiaries within the Group, including controlled investments, are not disclosed as they are eliminated on consolidation.

The Group provided executive management and financial and administrative support services to, and incurred expenditure on behalf of, non-controlled investments as follows:

| | **2014** | 2013 |
|---|---|---|
| | **£'000** | £'000 |
| Geomerics Limited | **147** | 78 |

At the reporting date amounts were due from investments as follows:

| | **2014** | 2013 |
|---|---|---|
| | **£'000** | £'000 |
| Geomerics Limited | | |
| – Trade receivables | **–** | 149 |

During the year ANGLE, together with other shareholders, advanced further funds under the unsecured convertible bridging loan finance agreement with Geomerics for a convertible value of £475,696 (2013: £771,600). ANGLE, together with other shareholders, also advanced funds in the year under an unsecured repayable bridging loan finance agreement for a repayable value of £475,657. Both bridging loan finance agreements were interest bearing and carried preferential conversion and/or repayment terms and rights which resulted in a fair value gain.

Geomerics was sold during the year. All convertible loans including interest were converted, all repayable loans including interest were repaid (Note 11) and the trade receivables balance which had been allowed to roll-up was settled at completion.

**Directors' interests – related party interests and transactions**

Apart from the interests disclosed in the Remuneration Report on pages 32 to 33 and below, none of the Directors had any interest at any time during the year ended 30 April 2014 in the share capital of the Company or its subsidiaries.

At the reporting date, £nil of remuneration (2013: £135,236) was due to Andrew Newland and £104,647 of remuneration (2013: £4,730) was due to Ian Griffiths (all of which has been paid since the year-end).

Brian Howlett entered into a consultancy contract with effect from 7 January 2013 to provide advice in relation to Parsortix outside of his normal Board responsibilities. Consultancy fees of £nil were paid to Brian under this contract (2013: £1,800).

No other Director had a material interest in a contract, other than a service contract, with the Company or its subsidiaries, or investments during the year.

# Company Balance Sheet

As at 30 April 2014

Company number 04985171

| | Note | **2014 £'000** | 2013 £'000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Investments in subsidiary undertakings | C2 | **2,884** | 2,822 |
| **Current assets** | | | |
| Debtors – due after one year | C3 | **11,362** | 9,753 |
| Cash at bank and in hand | | **14** | 1,623 |
| **Net assets** | | **14,260** | 14,198 |
| **Capital and reserves** | | | |
| Called up share capital | C4 | **4,524** | 4,524 |
| Share premium account | C4 | **18,414** | 18,414 |
| Share based payment reserve | C4 | **274** | 212 |
| Profit and loss reserve | C4 | **(8,952)** | (8,952) |
| **Shareholders' funds – equity interests** | C5 | **14,260** | 14,198 |

The Financial Statements on pages 64 to 67 were approved by the Board and authorised for issue on 22 July 2014 and signed on its behalf by:

**I F Griffiths**
Director

**A D W Newland**
Director

# Notes to the Company Financial Statements

For the year ended 30 April 2014

**C1 Accounting policies**

**C1.1 Accounting convention and compliance with accounting standards**

The Financial Statements have been prepared under the historical cost convention, in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. A summary of the more important accounting policies which have been applied consistently throughout the year are set out below.

As permitted by Section 408 of the Companies Act 2006, the holding Company's Profit and Loss Account has not been included in these Financial Statements. The profit for the financial year was £nil (2013: £nil).

As permitted by FRS 1 Cash Flow Statements, no Cash Flow Statement for the Company has been included on the grounds that the Group includes the Company in its own published Consolidated Financial Statements.

The Company has taken advantage of the exemption in FRS 29 – Financial Instruments: Disclosures, not to prepare a financial instruments note as the information is available in the published Financial Statements of the Group.

**C1.2 Fixed asset investments**

Fixed asset investments are held at cost less any provision for impairment and are held for long term investment purposes.

**C1.3 Loans to subsidiary undertakings**

Intercompany loans are provided to operating subsidiaries and are held at cost less any provision to reduce carrying value to its currently estimated recoverable amount.

**C1.4 Share based payments**

The Share Option Schemes allow Group employees to acquire shares of the Company, subject to certain criteria. In accordance with FRS 20 Share-based Payments, the fair value of options granted is recognised as an expense of employment and the cost is borne by the appropriate subsidiary receiving the benefit of the employees' services. The fair value is treated as a capital contribution and added to the cost of the Company's investments in its subsidiary undertakings and a corresponding credit is made to reserves. The accounting treatment required by FRS 20 is consistent with that applied under IFRS 2 in the Group's Consolidated Financial Statements.

**C2 Investments**

| | **2014 £'000** | 2013 £'000 |
|---|---|---|
| **Shares in subsidiary undertakings** | | |
| At 1 May | **2,822** | 2,751 |
| Additions | **62** | 71 |
| At 30 April | **2,884** | 2,822 |

Additions represent share based payment transactions (Note C1.4).

Details of the Company's subsidiary undertakings at 30 April 2014 are shown in Note 11 to the Consolidated Financial Statements along with other interests held indirectly through subsidiary undertakings.

# Notes to the Company Financial Statements

Continued

### C3 Debtors falling due after more than one year

| | 2014 £'000 | 2013 £'000 |
|---|---|---|
| **Amounts owed by Group undertakings** | | |
| **Cost** | | |
| **At 1 May** | **20,440** | 17,806 |
| Additions | **1,609** | 2,634 |
| **At 30 April** | **22,049** | 20,440 |
| **Provision** | | |
| **At 1 May** | **10,687** | 10,687 |
| Additions | **–** | – |
| **At 30 April** | **10,687** | 10,687 |
| **Net book value** | | |
| **At 30 April** | **11,362** | 9,753 |

ANGLE plc provides a centralised treasury function to trading subsidiaries. The amounts due from Group undertakings are interest free, unsecured and have no fixed date of repayment.

The Company's credit risk is that one of its subsidiaries is unable to repay intercompany amounts owing. The recoverability of the Company's intercompany receivable is considered at each balance sheet date.

The provision reflects the Directors' view of the potential impact of adverse economic conditions on the long term value of the amounts owed by subsidiary undertakings.

### C4 Share capital and reserves

| | Share capital £'000 | Share premium £'000 | Share based payment reserve £'000 | Profit and loss reserve £'000 |
|---|---|---|---|---|
| **At 1 May 2012** | **3,782** | **15,829** | **142** | **(8,953)** |
| Net proceeds from issue of share capital | 742 | 2,585 | | |
| Share based payments | | | 71 | |
| Release on forfeiture/ lapse | | | (1) | 1 |
| **At 30 April 2013** | **4,524** | **18,414** | **212** | **(8,952)** |
| Share based payments | | | 62 | |
| **At 30 April 2014** | **4,524** | **18,414** | **274** | **(8,952)** |

Details of the Company's share capital and changes in its issued share capital and share premium account can be found in the Consolidated Statement of Changes in Equity on page 38 and Note 19 to the Consolidated Financial Statements on page 60.

Details of the Company's share options schemes can be found in Note 20 to the Consolidated Financial Statements on pages 60 to 61.

**C5 Reconciliation of movements in shareholders' funds**

| | **2014 £'000** | 2013 £'000 |
|---|---|---|
| Profit/(loss) for the financial year | **–** | – |
| Net proceeds from issue of share capital | **–** | 3,326 |
| Share based payments | **62** | 71 |
| Opening shareholders' funds | **14,198** | 10,801 |
| Closing shareholders' funds | **14,260** | 14,198 |

**C6 Administrative expenses**
Administrative expenses, including auditor's remuneration, are borne by other Group companies.

**C7 Directors' emoluments and employee information**
The only employees of the Company are the Directors; the remuneration of the Directors is borne by Group subsidiary undertakings. Full details of their remuneration can be found in the Directors' Remuneration Report on pages 32 to 33.

**C8 Related party transactions**
The Company has relied on the exemptions given in FRS 8 not to disclose transactions between itself and its wholly-owned subsidiaries that have been eliminated on consolidation.

# Notice of Annual General Meeting

ANGLE plc

**Directors:**
I F Griffiths (Finance Director)
B Howlett (Non-Executive Director)
A D W Newland (Chief Executive)
D W Quysner CBE (Non-Executive Director)
G R Selvey (Chairman)

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

Dear Shareholder

**Annual General Meeting**
You will find included with this document a Notice convening the Annual General Meeting of the Company for 2:00 pm on Tuesday 30 September 2014 at which the following resolutions will be proposed:

1. **Resolution 1** to receive and adopt the annual report and accounts of the Company for the financial year ended 30 April 2014.

2. **Resolution 2** to re-appoint the auditors of the Company, Baker Tilly, and authorise the Directors to determine their level of remuneration.

3. **Resolution 3** to grant the Directors authority to allot unissued shares in the capital of the Company up to an aggregate nominal amount of £1,508,102.

   Note: the Directors wish to renew their authorisations with respect to the allotment of new shares.

4. **Resolution 4** to disapply statutory pre-emption rights.

   Note: the Directors wish to renew their authorisations for the disapplication of the statutory pre-emption rights in respect of the allotment of new shares pursuant to rights issues or otherwise for cash, as detailed in the Notice of Annual General Meeting, to enable the Directors to take advantage of opportunities as they arise without the need for further shareholder approval.

5. **Resolution 5** to grant the Directors authority to purchase issued shares in the capital of the Company up to an aggregate nominal amount of £452,431.

   Note: whilst the Directors have no present intention of purchasing the Company's shares, the Directors are seeking authorisation as they wish to have the flexibility to do so if this was generally in the best interests of the shareholders and (except in the case of purchases intended to satisfy obligations under share schemes) the expected effect of the purchase would be to increase earnings per share of the remaining shares.

The authorities requested in items 3, 4 and 5 will expire at the 2015 Annual General Meeting or, if earlier, 31 October 2015.

**Action to be taken**
A Form of Proxy for use at the Annual General Meeting is enclosed. If you are a holder of shares in the Company you are advised to complete and return the form in accordance with the instructions printed on it so as to arrive at the Company's registrars, Capita Asset Services PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible, but in any event no later than 48 hours before the time fixed for the meeting. The return of the Form of Proxy does not preclude you from attending and voting at the Annual General Meeting if you so wish. Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.

**Recommendation**
Your Directors consider the resolutions to be proposed at the Annual General Meeting to be in the best interests of the Company and its shareholders. Accordingly, the Directors unanimously recommend shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully

**Garth Selvey**
Chairman

(Company number 4985171)

**Notice is hereby given** that the eleventh **Annual General Meeting** of ANGLE plc ("the Company") will be held at 2:00 pm on Tuesday 30 September 2014 at the Surrey Technology Centre, 40 Occam Road, the Surrey Research Park, Guildford GU2 7YG for the purpose of considering and, if thought fit, passing the following resolutions of which the resolutions numbered 1 through 3 will be proposed as ordinary resolutions and resolutions numbered 4 and 5 will be proposed as special resolutions:

**Ordinary Business**

1. **TO** receive the accounts of the Company for the year ended 30 April 2014, and the reports of the Directors and auditors thereon.

2. **TO** re-appoint Baker Tilly as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which accounts are laid and to authorise the Directors to determine their remuneration.

**Special Business**

3. **THAT,** for the purposes of section 551 of the Companies Act 2006 ("the Act"), the Directors be and they are hereby generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company, or grant rights to subscribe for or convert any security into shares in the Company, up to an aggregate nominal amount of £1,508,102 PROVIDED that this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) at the earlier of the conclusion of the next Annual General Meeting of the Company or on 31 October 2015 EXCEPT that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or the granting of rights to subscribe for, or convert any security into, shares in the Company after such expiry and the Directors may allot shares and grant rights to subscribe for, or convert any security into, shares in the Company in pursuance of any such offer or agreement as if the authority conferred hereby had not expired. This authority shall replace any existing like authority which is hereby revoked with immediate effect.

4. **THAT,** subject to and conditional upon the passing of resolution 3, the Directors be and they are hereby generally empowered, in substitution for all existing authorities, pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution 3 above as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to:

   (a) the allotment of equity securities in connection with an offer of equity securities open for acceptance for a period fixed by the Directors to holders of equity securities on the register of members of the Company on a date fixed by the Directors in proportion (as nearly as may be) to their respective holdings of such securities or in accordance with the rights attached thereto but SUBJECT to such exclusions, variations or other arrangements as the Directors may deem necessary or expedient to deal with:

      i. fractional entitlements;
      ii. directions from any holders of shares to deal in some other manner with their respective entitlements;
      iii. legal or practical problems arising in any overseas territory;
      iv. the requirements of any regulatory body or stock exchange; or
      v. otherwise howsoever;

   (b) the allotment of equity securities (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal amount of £1,357,292;

   and the power hereby conferred shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on 31 October 2015 or at the conclusion of the next Annual General Meeting of the Company (whichever first occurs) EXCEPT that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

5. **THAT,** the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 10p each in the capital of the Company provided that:

   (a) the maximum number of ordinary shares that may be purchased is 4,524,310 (representing approximately 10% of the Company's issued share capital at the date of this notice);

   (b) the minimum price (exclusive of expenses) which may be paid for each ordinary share is 10p;

   (c) the maximum price (exclusive of expenses) which may be paid for each ordinary share is an amount equal to 105% of the average of the middle market quotations of an ordinary share of the Company taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased;

   and the power hereby conferred shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on 31 October 2015 or at the conclusion of the next Annual General Meeting of the Company (whichever first occurs) EXCEPT that the Company may, before such expiry, enter into one or more contracts to purchase ordinary shares under which such purchases may be completed or executed wholly or partly after the expiry of this authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts.

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

By Order of the Board
**Ian F Griffiths**
Company Secretary

Dated 5 September 2014

# Notice of Annual General Meeting

Continued

**Notes:**

1. A member of the Company entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend, speak and vote instead of him. A proxy need not be a member of the Company. The form of proxy for use by members is enclosed. To appoint more than one proxy, the Proxy Form should be photocopied and completed for each proxy holder. The proxy holder's name should be written on the Proxy Form together with the number of shares in relation to which the proxy is authorised to act. The box on the Proxy Form must also be ticked to indicate that the proxy instruction is one of multiple instructions being given.

2. To be valid, an appointment of proxy must be returned to the Company's Registrars at least 48 hours before the time of the meeting or any adjourned meeting by one of the following methods:
   - the form of proxy in hard copy duly executed, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority) must be deposited at the Company's registrars, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF; or
   - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in Note 4 of this document.

   Completion and return of the form of proxy will not preclude a member from attending and voting in person.

3. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that, to be entitled to attend and vote at the meeting (and for the purpose of determining the number of votes they may cast), members must be entered on the Company's register of members at 6.00 pm on 26 September 2014. Changes to entries on the relevant register of securities after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

4. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent RA10 by at least 48 hours before the time of the meeting or any adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. EUI does note make available special procedures in CREST for any particular messages, therefore normal system timings and limitations will apply in relation to the input of CREST proxy instructions. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulations 35(5) (a) of the Uncertificated Securities Regulations 2001. In any case your proxy form must be received by the Company's registrars no later than at least 48 hours before the time of the meeting or any adjourned meeting.

**Explanatory Notes:**

**Resolution 1: Report and Accounts**
The Directors are required to present to the meeting the audited accounts and the reports of the Directors and the auditors for the financial year ended 30 April 2014.

**Resolution 2: Re-appointment of Auditors**
The Company is required to appoint auditors at each general meeting at which accounts are laid before the Company, to hold office until the end of the next such meeting. This resolution proposes the appointment and, in accordance with standard practice, gives authority to the Directors to determine the remuneration to be paid to the auditors.

**Resolution 3: Directors' authority to allot Shares**
Section 551 of the Act provides that the directors of a company may not allot shares (or grant rights to subscribe for shares or to convert any security into shares) in a company unless they have been given prior authorisation for the proposed allotment by ordinary resolution of the company's shareholders or by the Articles of Association of a company.

Accordingly, this resolution seeks to grant a new authority under section 551 of the Act to authorise the Directors to allot shares in the Company or grant rights to subscribe for, or convert any securities into, shares of the Company and will expire on 31 October 2015 or at the conclusion of the next Annual General Meeting of the Company following the passing of this resolution, whichever occurs first.

If passed, resolution 3 would give the Directors authority to allot shares or grant rights to subscribe for, or convert any security into, shares in the Company up to a maximum nominal value of £1,508,102 representing approximately one-third of the Company's nominal value of the issued share capital at the date of this notice.

**Resolution 4: Dis-application of pre-emption rights**
Under section 561(1) of the Act, if the Directors wish to allot any of the unissued shares or grant rights over shares for cash (other than pursuant to an employee share scheme) they must in the first instance offer them to existing shareholders in proportion to their holdings. There may be occasions, however, when the Directors will need the flexibility to finance business opportunities by the issue of shares without a pre-emptive offer to existing shareholders. This cannot be done under the Act unless the shareholders have first waived their pre-emption rights.

Resolution 4 empowers the Directors to allot equity securities for cash other than in accordance with the statutory pre-emption rights up to a maximum nominal value of £1,357,292, representing approximately 30% of the Company's nominal value of the issued share capital at the date of this notice.

**Resolution 5: Authority for market purchase**
Resolution 5 will permit the Company to purchase up to 4,524,310 ordinary shares of 10 pence each (approximately 10% of the shares in issue as at the date of this notice) through the market subject to the pricing limits set out in the resolution and shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on 31 October 2015 or at the conclusion of the next Annual General Meeting of the Company (whichever first occurs). It is intended to propose this as a special resolution.

# General Information for shareholders in respect of the Annual General Meeting

**Time of the meeting**
The doors will open at 1:50 pm and the AGM will start promptly at 2:00 pm on Tuesday 30 September 2014.

**The venue**
The meeting will be held at the Surrey Technology Centre, 40 Occam Road, The Surrey Research Park, Guildford, Surrey, GU2 7YG.

**Directions**
Directions to the venue can be found at www.surrey-research-park.com/location/travel or from any website mapping service such as www.bing.com/maps or www.streetmap.co.uk.

**Shareholders' enquiries**
Shareholders' enquiries will be dealt with by a member of staff.

**Questions at the meeting**
The Chairman will take questions from shareholders during the meeting relating to the various items of business and resolutions contained in the formal notice of meeting included herewith. If you wish to ask a question, please make your way to the question registration area, where there will be somebody to assist you.

**Travel details**
There is easy access from the A3. Follow the signs to the Royal Surrey Hospital and The Surrey Research Park.

The nearest railway station is Guildford and the venue is located approximately five minutes taxi ride away from the railway station. Alternatively, there is a 10 minute bus ride. The bus stop at The Surrey Research Park is approximately 2 minutes walking distance away from the venue.

**Refreshments**
Coffee, tea and biscuits will be available before the meeting.

**Toilet facilities**
These will be available at the venue.

**Mobile phones**
Please ensure mobile phones are switched off for the duration of the meeting.

**Smoking**
Smoking will not be permitted anywhere in the venue or during the meeting.

**Disabled Persons**
Arrangements have been made for disabled shareholders. Please follow the signs to the separate areas for disabled car parking. If you have a companion to assist you, they will be admitted to the meeting. Guide dogs are also permitted. There are lift facilities available.

# Notes

# Notes

# Form of Proxy

Relating to the Annual General Meeting ("the Meeting") of ANGLE plc ("the Company") to be held at 2:00 pm on Tuesday 30 September 2014 at the Surrey Technology Centre, 40 Occam Road, The Surrey Research Park, Guildford GU2 7YG.

I/We (insert name) _____

of (address) _____

being (a) holder(s) of (number) _____ ordinary shares of 10p each in the Company hereby appoint the Chairman of the meeting or

(see note 6) _____

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 2:00 pm on Tuesday 30 September 2014 and at any adjournment thereof.

My/Our proxy is to vote on the resolutions as follows:

| **ORDINARY RESOLUTIONS** | For | Against | Withheld |
|---|---|---|---|
| 1. To receive the audited financial statements of the Company for the year ended 30 April 2014 and to receive the directors' report and the auditor's report thereon. | | | |
| 2. To re-appoint Baker Tilly as auditors of the Company and to authorise the directors to fix the remuneration of the auditors. | | | |
| 3. To authorise the directors to exercise all the powers of the Company to allot securities up to an aggregate nominal amount of £1,508,102. | | | |
| **SPECIAL RESOLUTIONS** | | | |
| 4. To disapply statutory pre-emption rights. | | | |
| 5. To authorise the Company to purchase its own shares. | | | |

In the absence of instructions, the proxy is authorised to vote (or abstain from voting) at his or her discretion on the specified resolutions. The proxy is also authorised to vote (or abstain from voting) on any other business which may properly come before the meeting.

Date _____ Signature _____

Please mark this box if you are appointing more than one proxy ☐

**NOTES**

1. Please indicate how you wish your proxy to vote on the resolution by inserting "X" in the appropriate space.
2. The "Withheld" option is to enable you to abstain on any particular resolution. Such a vote is not a vote in law and will not be counted in the votes 'for' or 'against' a resolution.
3. In the case of a corporation, the proxy must be under its common seal (if any) or the hand of its duly authorised agent or officer. In the case of an individual, the proxy must be signed by the appointor or his agent, duly authorised in writing.
4. This proxy, together with any authority (or a notarially certified copy of such authority) under which it is signed, should reach the Company's registrars, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF no less than 48 hours before the time for the holding of the Meeting or adjourned Meeting.
5. You may appoint one or more proxies of your choice to attend, vote and speak at the meeting and any adjournment thereof, provided each proxy is appointed to exercise rights in respect of different shares. To appoint more than one proxy (an) additional proxy form(s) may be obtained by contacting the registrars or you may photocopy this page indicating on each copy the number of shares in respect of which the proxy is appointed. All forms must be signed and should be returned to Capita Asset Services in the same envelope.
6. If you wish to appoint a proxy other than the Chairman of the meeting, delete the words "the Chairman of the meeting or" and insert the name and address of your proxy in the space provided. Please initial the amendment. If you wish your proxy to make comments on your behalf you will need to appoint someone other than the Chairman and give them relevant instructions directly. A proxy, who need not be a member of the Company, must attend the meeting in person to represent you.
7. In the case of joint holders, the signature of only one of the joint holders is required but, if more than one joint holder votes at the meeting, the vote of the first named on the register of members will be accepted to the exclusion of the other joint holders.
8. Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.

Please complete this form of Proxy and return in the enclosed reply paid envelope to:

PXS 1
34 BECKENHAM ROAD
BECKENHAM
BR3 4ZF

# Company Information

| | |
|---|---|
| **Directors** | Ian F Griffiths, Finance Director<br>Brian Howlett, Non-executive Director[ANR]<br>Andrew D W Newland, Chief Executive<br>David W Quysner CBE, Non-executive Director[ANR]<br>Garth R Selvey, Chairman[ANR]<br><br>[A] – Audit Committee<br>[N] – Nomination Committee<br>[R] – Remuneration Committee |
| **Secretary** | Ian F Griffiths |
| **Company number** | 04985171 |
| **Registered office & Business address** | 3 Frederick Sanger Road<br>The Surrey Research Park<br>Guildford<br>Surrey GU2 7YD<br>+44 (0)1483 685830<br>www.angleplc.com |
| **Auditor** | **Baker Tilly UK Audit LLP**<br>Portland<br>25 High Street<br>Crawley<br>West Sussex RH10 1BG |
| **Nominated Advisor and Broker** | **Cenkos Securities plc**<br>6.7.8 Tokenhouse Yard<br>London EC2R 7AS |
| **Registrar** | **Capita Asset Services Ltd**<br>34 Beckenham Road<br>Beckenham<br>Kent BR3 4ZF |
| **Bank** | **National Westminster Bank**<br>PO Box 1<br>2nd Floor, G3<br>2 Cathedral Hill<br>Guildford<br>Surrey GU1 3ZR |
| **Solicitor** | **Pinsent Masons LLP**<br>30 Crown Place<br>Earl Street<br>London EC2A 4ES |
| **Financial Public Relations** | **Buchanan Communications Ltd**<br>107 Cheapside<br>London EC2V 6DN |

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**ANGLE plc**
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