SUMMIT (OXFORD) LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED

31 JANUARY 2013

Registered No 04636431

COMPANY INFORMATION

Directors	G O Edwards
Company Number	04636431
Registered Office	91 Milton Park Abingdon Oxfordshire OX14 4RY
Auditors	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

CONTENTS

DIRECTORS' REPORT
For the year ended 31 January 2013

The directors present their report and the audited financial statements for the year ended 31 January 2013

PRINCIPAL ACTIVITIES OF THE BUSINESS

The principal activity of the Company is the discovery and development of novel drug candidates to treat areas of high unmet medical need

RESULTS AND DIVIDENDS

The company made a loss after tax of £5,240,615 (2012 loss of £2,695,141)

The directors do not recommend the payment of a dividend

DIRECTORS

The directors who served during the year were as follows
G O Edwards (appointed 4 April 2012)
B J Price (resigned 4 April 2012)
R Storer (resigned 21 November 2012)
S G Davies (resigned 28 February 2013)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

AUDITORS

BDO LLP has expressed its willingness to continue in office as auditors for the year A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

All of the current directors have taken steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purpose of their audit and to establish that the auditors are aware of that information The directors are not aware of any relevant audit information of which the auditors are unaware

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

This report was approved by the board on 18 April 2013 and signed on its behalf

Glyn Edwards

Glyn Edwards
Chief Executive Officer

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SUMMIT (OXFORD) LIMITED
For the year ended 31 January 2013

We have audited the financial statements of Summit (Oxford) Limited for the year ended 31 January 2013 which comprise the profit and loss account, the balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditors
As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements
- give a true and fair view of the state of the company's affairs as at 31 January 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- 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 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

BDO LLP

Mr Paul Anthony (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Southampton
United Kingdom

19 April 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

PROFIT AND LOSS ACCOUNT
For the year ended 31 January 2013

	Notes	Year ended 31 January 2013 £	Year ended 31 January 2012 £
Turnover	2	1,813,963	1,712,527
Cost of sales		-	-
Gross profit		1,813,963	1,712,527
Administrative expenses		(7,487,177)	(4,718,913)
Other operating income		81,001	-
Operating loss	3	(5,592,214)	(3,006,386)
Interest receivable		10,823	7,102
Loss on ordinary activities before taxation		(5,581,391)	(2,999,284)
Tax on loss on ordinary activities	6	340,776	304,143
Loss on ordinary activities after taxation		(5,240,615)	(2,695,141)

All amounts relate to continuing activities

There were no recognised gains or losses other than those included in the profit and loss account

The notes on pages 7 to 16 form part of these financial statements

BALANCE SHEET
As at 31 January 2013

	Notes	31 January 2013 £	31 January 2012 £
Fixed assets			
Intangible assets	7	169,914	1,102,508
Tangible assets	8	22,844	149,104
		192,758	1,251,612
Current assets			
Debtors	9	803,660	1,588,835
Cash at bank		3,369,261	2,066,567
		4,172,921	3,655,402
Creditors amounts falling due within one year	10	(1,347,196)	(1,251,170)
Net current assets		2,825,725	2,404,232
Total assets less current liabilities		3,018,483	3,655,844
Creditors amounts falling due after more than one year	11	(37,895,157)	(33,352,594)
Provision for liabilities and charges	12	(150,000)	(204,737)
Net liabilities		(35,026,674)	(29,901,487)
Capital and reserves			
Called up share capital	13	1,000	1,000
Share premium account	15	99,000	99,000
Capital contribution	15	1,228,268	1,112,840
Profit and loss account	15	(36,354,942)	(31,114,327)
Equity shareholder's (deficit)	16	(35,026,674)	(29,901,487)

The financial statements were approved by the board and authorised for issue on 18 April 2013 and signed by order of the board

Glyn Edwards

Glyn Edwards
Chief Executive Officer

The notes on pages 7 to 16 form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparation
The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards The accounting policies have been applied consistently throughout the period

Going concern
Summit Corporation plc has confirmed its intention to continue its financial support of the Company so as to ensure that it is able to meet its liabilities as they fall due for at least a period of twelve months after the date of approval of these financial statements

The Group has sufficient working capital to progress the *Clostridium difficile* programme into Phase 2 clinical studies and to meet its existing commitments for 12 months following approval of these financial statements The Group is planning, however, to increase its investment in R&D to advance the DMD programme into a Phase 2 clinical trial during this financial year The Group will only make this investment if it is able to raise additional funds and recognises that this would need to be in place by the middle of 2014 The Group anticipate this investment coming from, and is in discussions with, grant bodies, corporate entities, and DMD not-for profit organisations that routinely sponsor such work by biotechnology companies or from traditional equity funding The amount and timing of such new sources of funding is uncertain, however, and if the Group is unable to attract further funding then further progress on the DMD clinical study may be delayed or cancelled Accordingly, these accounts have been prepared on a going concern basis

Turnover
The recognition of income received, such as license fees, contract research fees, up front payments and milestone payments is dependent on the terms of the arrangement, having regard to the risks and rewards of the arrangement, and the existence of any performance or repayment obligations with any third party Monies received as part of the Wellcome Trust grant and the monies received to help fund the DMD clinical work are treated as revenue as they are more akin to contract research than government assistance and are part of wider funding and revenue sharing agreements

Summit recognises turnover when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the fee is fixed and determinable and recoverability is assured Amounts received are recognised immediately as turnover where there are no substantial risks, there are no ongoing obligations and amounts received are not refundable Amounts are deferred over an appropriate period where these conditions are not met

Research and development
Research and development expenditure is written off to the profit and loss account in the year in which it is incurred In addition to direct costs, a proportion of facility costs and other overheads are allocated as R&D expenditure This allocation is made to fairly reflect the level of resources engaged in the Company's R&D activities

Intangible assets - Goodwill
Goodwill arising on the acquisition of a business represents the excess of any fair value over the identifiable net assets acquired with the business Goodwill is recognised as an asset and written off over a 20 year period on a straight-line basis In addition, goodwill is reviewed for impairment annually and whenever there is an indicator of impairment

Intangible assets – Patents and trademarks
Intangible fixed assets are stated at historic cost less amortisation Amortisation is calculated to write off the cost of intangible fixed assets in equal instalments over their estimated useful lives as follows

Patents (once filed)	20 years
Licenses	Over the period of the license agreement

Depreciation and tangible fixed assets
Tangible fixed assets are stated at historic cost less depreciation Historic cost comprises the purchase price plus any incidental costs of acquisition and commissioning Depreciation is calculated to write off the cost, less residual value, of tangible fixed assets in equal annual instalments over their estimated useful lives as follows

Leasehold improvements	Over the period of the remaining lease
Computer equipment	3 - 5 years
Laboratory equipment	3 - 10 years
Fixtures and fittings	3 - 5 years

1 ACCOUNTING POLICIES (CONTINUED)

Intellectual property
Intellectual property consists of patents, trademarks and other similarly identifiable rights Intellectual property acquired separately from a business is carried initially at cost and amortised on a straight-line basis over their estimated useful economic lives from the time they are first available for use

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

Operating leases
Costs in respect of operating leases are charged to the profit and loss account on a straight-line basis over the terms of the leases

Government grants
Revenue based grants are credited to the profit and loss account so as to match them with expenditure towards which they are intended to contribute

Deferred taxation
Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or the right to pay less or to receive more tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Pensions
The Company operates a defined contribution scheme for its employees The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year Differences between contributions payable and contributions actually paid are shown as either accruals or prepayments in the balance sheet

Cash flow statement
The Company has taken advantage of the exemption conferred upon it by FRS 1 "Cash Flow Statements" (revised 1996) not to prepare a cash flow statement whereby the cash flows of the Company are incorporated into those of the ultimate parent undertaking and these financial statements are publicly available

Share based payments
Summit Corporation plc issues share options to group employees to attract, retain and incentivise staff Staff within the group are employed by wholly owned subsidiaries and therefore Summit (Oxford) Limited records the details of the share option charge as if it were the entity issuing the share options This is treated as a capital contribution in the equity shareholder's funds of the company The fair value of the employee services received in exchange for the grant of the options and rewards is recognised as an expense The expense is based upon a number of assumptions as disclosed in Note 14, Share-based payment The selection of different assumptions could affect the future results of the Company

In accordance with FRS 20 – 'Share-based payment', share options are measured at fair value at their grant date The fair value for the majority of the options is calculated using the Black-Scholes formula and charged to the profit and loss on a straight-line basis over the expected vesting period For those options issued with vesting conditions other than remaining in employment (for example, those conditions upon the Group achieving certain predetermined financial criteria) either a Monte-Carlo or Hull White trinomial lattice model has been used depending on the particular conditions At each balance sheet date, the Company revises its estimate of the number of options that are expected to become exercisable This estimate is not revised according to estimates of changes in market based conditions

2 TURNOVER

The Company currently had two main streams of revenue, being the receipt of monies as part of the Wellcome Trust funding agreement and also the receipt of monies from non-profit organinisations to help finance the clinical work in DMD

	Year ended 31 January 2013 £	Year ended 31 January 2012 £
UK	1,101,341	1,211,090
USA	712,622	346,115
Europe	-	64
Rest of the world	-	155,258
	1,813,963	1,712,527

3 OPERATING LOSS

The operating loss before taxation is stated after charging/(crediting)

	Year ended 31 January 2013 £	Year ended 31 January 2012 £
Operating leases - land and buildings	184,140	197,207
Depreciation charge	47,588	94,960
Amortisation charge	45,100	93,173
Impairment charge	899,056	-
Grant income	(1,182,076)	(1,210,995)
Provision against fellow group undertakings receivables	1,036,220	(19,818)
Auditors' remuneration		
- for audit services	18,725	18,725

The figures within the auditors' remuneration note in the Summit Corporation plc consolidated financial statements include fees charged by the company's auditors to Summit (Oxford) Limited in respect of non- audit services As such, no separate disclosure has been given above

4 DIRECTORS' EMOLUMENTS

The aggregate emoluments of the directors of the Company computed in accordance with the Companies Act 2006 are shown below The highest paid director had aggregate emoluments of £176,831 (2012 £148,167) The Company paid pension contributions totalling £70,883 in respect of the highest paid director (2012 £31,500)

	Year ended 31 January 2013 £	Year ended 31 January 2012 £
Aggregate emoluments	257,378	206,667
Pension contributions	77,258	31,500
	334,636	238,167

In year ended 31 January 2013 the Company incurred termination fees of £66,370 in respect of one of the directors (2012 £50,667)

The total number of directors accruing benefits under the company's defined contribution scheme is 1 (2012 1)

5 EMPLOYEES

The average number of employees during the year was

	Year ended 31 January 2013 Number	Year ended 31 January 2012 Number
Technical, research and development	15	19
Administration and overheads	11	11
	26	30

Their aggregate remuneration comprised

	Year ended 31 January 2013 £	Year ended 31 January 2012 £
Wages and salaries	1,515,121	1,391,927
Social security costs	151,361	153,398
Pension costs	80,675	90,442
Share based payment	115,428	62,410
	1,862,585	1,698,177

Included within wages and salaries are redundancy costs of £157,742 (2012 £60,000)

6 TAXATION

The tax credit represents

	Year ended 31 January 2013 £	Year ended 31 January 2012 £
Adjustment in respect of prior periods	(2,287)	30,117
R&D tax credits in period	343,063	274,026
	340,776	304,143

The tax assessed on the loss on ordinary activities for the period is lower than the standard rate of corporation tax in the United Kingdom of 24% (2012 26%) The differences are explained as follows

	Year ended 31 January 2013 £	Year ended 31 January 2012 £
Loss on ordinary activities before taxation	(5,581,391)	(2,999,284)
Tax thereon at 24% (2012 26%)	(1,339,534)	(779,814)
Expenses not deductible for tax	283,540	23,159
Movement in short-term timing	34,254	4,513
Increase in losses carried forward to future periods	811,276	563,228
Depreciation in excess of capital allowances	7,652	16,620
Tax relief for qualifying R&D expenditure	(531,584)	(383,965)
Difference in rate regarding R&D tax credits	391,333	282,233
Prior period adjustments	2,287	(30,117)
Current tax charge for the year	(340,776)	(304,143)

6. TAXATION (CONTINUED)

Unrecognised deferred tax

The main rate of corporation tax for 2013 has been reduced from 25% to 23% This was introduced in Finance Act 2012, which has now been substantially enacted Therefore it is appropriate to calculate the unrecognised deferred tax asset at this rate

There is an unprovided deferred tax asset in relation to the trading losses carried forward of £6,502,879 (2012 £6,223,267), £32,826 in relation to provisions (2012 £4,340) and £5,254 (2012 liability £4,981) in respect of accelerated capital allowances because in the opinion of the directors, there is insufficient evidence that the asset will be recovered

7. INTANGIBLE ASSETS

	Intangible assets £
Cost	
At 1 February 2012	1,559,055
Additions	43,234
Disposals	(36,361)
At 31 January 2013	1,565,928
Amortisation	
At 1 February 2012	456,547
Provided for in the year	45,100
Impairment	899,056
Disposals	(4,689)
At 31 January 2013	1,396,014
Net book value	
At 1 February 2012	1,102,508
At 31 January 2013	169,914

Following the focusing of the business on the development of the two clinical-stage programmes, and the decision to end the option agreement with Evolva, an impairment charge of £899,056 was made to fully write down the value of the intangible assets resulting from the acquisition of the key assets of MNL Pharma Limited

Amortisation of intangible assets is included in the line "Administrative expenses" shown on the face of the Profit and Loss account

8. TANGIBLE FIXED ASSETS

	Leasehold improvement £	Laboratory equipment £	Office and IT equipment £	Total £
Cost				
At 1 February 2012	4,594	1,129,074	173,602	1,307,270
Additions	-	9,601	23,581	33,182
Disposals	-	(1,003,412)	(81,265)	(1,084,677)
At 31 January 2013	4,594	135,263	115,918	255,775
Depreciation				
At 1 February 2012	3,104	994,783	160,279	1,158,166
Provided during the year	1,490	32,619	13,479	47,588
Disposals	-	(892,139)	(80,684)	(972,823)
At 31 January 2013	4,594	135,263	93,074	232,931
Net book value				
At 1 February 2012	1,490	134,291	13,323	149,104
At 31 January 2013	-	-	22,844	22,844

9 DEBTORS

	Year ended 31 January 2013 £	Year ended 31 January 2012 £
Trade debtors	50,711	46,644
Corporation tax recoverable	343,063	274,026
Amounts owed from fellow group undertakings	-	1,021,344
Other debtors	187,039	172,566
Prepayments and accrued income	222,847	74,255
	803,660	1,588,835

Included in the amounts owed from fellow group undertakings is an amount of £nil which will not be receivable within one year (2012 £1,021,344) A provision has been made this year in full against this amount

10 CREDITORS: Amounts falling due within one year

	Year ended 31 January 2013 £	Year ended 31 January 2012 £
Trade creditors	253,803	372,049
Other creditors	69,708	36,640
Social security and other taxes	52,245	60,823
Accruals and deferred income	971,440	781,658
	1,347,196	1,251,170

11. CREDITORS Amounts falling due after more than one year

	Year ended 31 January 2013 £	Year ended 31 January 2012 £
Amounts owed to parent undertaking	37,895,157	33,352,594
	37,895,157	33,352,594

12 PROVISION FOR LIABILITIES AND CHARGES

	Year ended 31 January 2013 £	Year ended 31 January 2012 £
Opening balance	204,737	204,737
Addition in the year	150,000	-
Release for the year	(204,737)	-
Closing balance	150,000	204,737

The opening balance relates to a provision for deferred consideration following the acquisition of key assets from MNL Pharma Limited in 2006 In accordance with FRS 12, management have reviewed this provision and following the decision to terminate the option agreement with Evolva, management decided to fully release the provision

As part of a strategic review during the period a decision was taken to close the in-house discovery research facility and as a result management have made a £150,000 provision in respect of the dilapidation costs associated with the reinstatement obligations for the laboratory facilities based on best estimates contained within the lease The provision is based on estimated costs provided by a building surveyor and is expected to be payable within the next twelve months

13 SHARE CAPITAL

	Year ended 31 January 2013 £	Year ended 31 January 2012 £
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000

14. SHARE BASED PAYMENT

Summit Corporation plc grants options to employees of Summit (Oxford) Limited over its ordinary shares at not less than the market value on the date of the grant Details of each scheme are given in Summit Corporation plc consolidated financial statements The options vest over three years from the date of grant and have a term of ten years from the date of vesting Exercise of options is subject to continued employment Options are forfeited if the employee leaves the company before they vest Employees are not entitled to dividends on shares attached to vesting or unexercised options The first grant of share options to Summit (Oxford) Limited employees was made on 2 September 2004

14 SHARE BASED PAYMENT (CONTINUED)

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

	Weighted average exercise price (p)	2013	Weighted average exercise price (p)	2012
Outstanding at 1 February	15	10,936,435	32	8,145,626
Granted during the year	3	40,159,189	3	4,225,000
Lapsed during the year	5	(4,759,334)	77	(1,434,191)
Exercised during the year	-	-	-	-
Number of outstanding options at 31 January	6	46,336,290	15	10,936,435

As at 31 January 2013, 777,435 share options were capable of being exercised (2012 783,435) The options outstanding at 31 January 2013 had a weighted average exercise price of 6 pence (2012 15 pence), and a weighted average remaining contractual life of 9 1 years (2012 7 8 years)

Summit Corporation plc operates a number of share-based incentive schemes as detailed above The fair value per award granted and the assumptions used in the calculations are as follows

Date of grant	Type of award	Number of shares	Exercise price	Share price at grant date	Fair value per option	Award life Years	Risk free rate
2 Dec 05	EMI	42,000	171 5	171 5	41 0	3 0	4 2%
13 Oct 06	EMI	20,400	136 0	136 0	36 0	3 0	4 6%
28 Nov 06	EMI	10,000	136 0	136 0	36 0	3 0	4 5%
21 Nov 07	EMI	46,533	114 0	114 0	42 0	3 0	4 6%
10 Jun 10	EMI	3,058,000	4 5	4 5	3 0	5 0	2 4%
7 Apr 11	EMI	3,045,000	3 3	3 3	2 4	5 0	2 7%
10 May 12	EMI	4,991,666	3 0	2 6	1 1	5 0	1 0%
10 May 12	EMI	8,250,000	3 0	2 6	1 2	5 0	1 0%
24 Dec 12	EMI	8,000,000	4 3	4 3	0 6	5 0	0 9%
31 Jan 13	EMI	1,814,189	1 0	4 7	3 7	5 0	0 9%
02 Dec 05	Unapproved	3,382	171 5	171 5	41 0	3 0	4 2%
22 May 06	Unapproved	540,120	165 0	165 0	45 0	3 0	4 6%
13 Oct 06	Unapproved	105,000	136 0	136 0	36 0	3 0	4 6%
21 Nov 07	Unapproved	10,000	114 0	114 0	42 0	3 0	4 6%
7 Apr 11	Unapproved	500,000	3 3	3 3	2 4	5 0	2 7%
10 May 12	Unapproved	750,000	3 0	2 6	1 2	5 0	1 0%
10 May 12	Unapproved	13,150,000	3 0	3 0	0 8	5 0	1 0%
24 Dec 12	Unapproved	2,000,000	4 3	4 3	0 6	5 0	0 9%
		46,336,290					

The key assumptions used in calculating the share-based payments are as follows

a Black-Scholes valuation methodology was used for all options issued prior to 2008
b The award of share options made in 2010, 2011 and 2012 are performance related, as described in the Directors' Remuneration Report in the Group's financial statements, and have been modelled using either the Monte-Carlo methodology or Hull White trinomial lattice model The 2013 options are not performance related and have been modelled using the Hull White trinomial lattice model
c A figure in the range 18-134% has been used for the expected volatility This has been derived from historic share price performance, weighted to exclude periods of unusually high volatility
d Expected dividend yield is nil, consistent with the Directors' view that the Group's business model is to generate value through capital growth rather than the payment of dividends
e The risk free rate is equal to the prevailing UK Gilts rate at grant date that most closely matches the expected term of the grant
f Share options are assumed to be exercised immediately on vesting
g The fair value of the options awarded on 10 May 2012 are the average of the fair values calculated per possible vesting instalment

15. RESERVES

	Share premium £	Capital contribution £	Profit and loss account £	Total £
At 1 February 2012	99,000	1,112,840	(31,114,327)	(29,902,487)
Share based payment	-	115,428	-	115,428
Loss for the year	-	-	(5,240,615)	(5,240,615)
At 31 January 2013	99,000	1,228,268	(36,354,942)	(35,027,674)

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2013 £	2012 £
Opening shareholder's (deficit)	(29,901,487)	(27,268,756)
Loss for the financial year	(5,240,615)	(2,695,141)
Share based payment	115,428	62,410
Closing shareholder's (deficit)	(35,026,674)	(29,901,487)

17 LEASING COMMITMENTS

The Company's annual commitments under non-cancellable operating leases are as follows

	2013 £	2012 £
Leases which expire between two and five years	127,655	211,708

Other commitments

On 13 December 2006, Summit (Oxford) Limited acquired the assets of MNL Pharma Limited ("MNL"), a company that entered into administration in October 2006 Summit (Oxford) Limited acquired all rights to MNL's lead drug candidate (previously known as MNLP462a and now known as SMT14400), a library of iminosugars and all assets held at MNL's Aberystwyth facility Under the terms of the agreement, the Company is committed to make MNL's former shareholder payments contingent on achieving clinical milestones for SMT14400, or a back-up candidate emerging from the iminosugar library

18 CAPITAL COMMITMENTS

At 31 January 2013 the Company had no capital commitments (2012 nil)

19. RELATED PARTY TRANSACTIONS

Under FRS8 the company is exempt from the requirement to disclose transactions with group undertakings on the grounds that it is a wholly owned subsidiary of Summit Corporation plc and its results are included in that company's Consolidated Financial Statements

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Ultimate Parent Undertaking is Summit Corporation plc, a company incorporated in England and Wales

The Financial Statements of Summit Corporation plc are the only group financial statements incorporating the company A copy of the Directors' Report and Financial Statements can be obtained from the company's registered office