Science-led Materials Discovery

Fast-tracking materials discovery

Ilika plc Annual report 2011

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Ilika invents, tests and selects materials in the laboratory that can be selected for scale-up and everyday commercial use

Ilika focuses on three sectors:

> **Energy** where Ilika assesses materials for their greater capacity for energy storage and conversion efficiency, for example in batteries

> **Electronics** where materials created by Ilika rapidly improve the performance and efficiency of a range of electronic components, such as digital memory devices and sensors

> **Bio-medical** devices where Ilika's subsidiary Altrika has already successfully commercialised innovative products for the treatment of burns

Highlights

Financial highlights:

> Successful AIM IPO on 14 May 2010 raising £5.2 million

> Gross revenues £1.5 million supplemented by £0.4 million of grant income (2010: £1.1 million and £0.2 million respectively)

> Loss Per Share £0.08 (2010: £25.81)

> Investment in high throughput equipment £0.7 million (2010: £0.1 million)

Operational highlights:

> 3 new significant new customer relationships

> Broadening and deepening of existing customer relationships

> Increase in business development resources and activities

> Carbon Trust grant to undertake further research on high performing catalysts for use in fuel cell vehicles

Post balance sheet events:

> Altrika participates in development of new Stem Cell Collection Service, Oristem®

> Hydrogen Storage Collaboration with Sigma-Aldrich Materials Science

Ilika's unique process is far quicker and more efficient than traditional materials discovery processes.

Ilika at a glance

Ilika uses high throughput, or combinatorial, techniques which involve the rapid synthesis of a large number of different structurally related materials in a few automated steps.

Energy

We are developing innovative new materials for lithium-ion batteries, developing high capacity hydrogen storage materials, developing cheaper alternatives to platinum electrodes for use in fuel cells, and carrying out in-house research on film photovoltaic solar cells.

Ilika can cover a wide range of different market applications within the energy sector to help customers advance their materials discovery programmes. The great breadth and large numbers of samples that can be synthesised and screened with respect to an identified capability means that Ilika can optimise materials in a much shorter timeframe. For hydrogen storage applications, different compositions can be characterised with respect to their hydrogen adsorption and desorption behaviours including their hydrogen storage capacity and cyclability.

For fuel cell and battery applications, the candidate materials can be measured for catalytic activity. For the photovoltaic market, for example, it is possible to screen materials for greater energy conversion efficiency.

Fast-tracking

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Electronics

We are developing lead-free piezoelectric materials through a joint development programme with CeramTec; and developing phase change memory materials for high capacity memory chips.

We cover a wide range of different market applications within the electronics sector to help customers advance their materials discovery programmes. The fast throughput approach to materials synthesis coupled with high throughput characterisation and screening means that Ilika can optimise materials with respect to a desired property in a much shorter timeframe. For phase change memory applications, for example, we can monitor the phase change behaviour of different alloys such as GeSbTe as a function of temperature. The optical and electrical behaviours of interesting compositions can then be studied in more detail.

Biomedical

We are developing polymers to enable the filtering of somatic stem cells from blood, have been selling our Cryoskin and Myskin products for the treatment of burns and wounds in the UK and intend to commence clinical trials of our corneal bandage candidate.

Ilika has developed an extensive library of bio-functional materials specifically designed to promote or deter cell binding, enrich specific cell types from diverse populations and promote cell growth on tailored surfaces. We are working together with medical device companies to create valuable products through the application of cell-specific functional coatings optimised using our high throughput techniques. The application areas in which we are active include:

> Skin Wound care
> Cell Replacement for Organ Regeneration
> Implants
> Diagnostic Devices
> Cell Purification

materials discovery

_Our strategy

The Company's business strategy is to use our HTT process to discover and commercialise novel materials for integration into products with high value end-markets

1. Developing leading-edge high throughput development processes
We have an established record in successfully developing and applying leading-edge research and development technology for the creation of novel materials. The Group has continued to build expertise on this foundation, and intends to continue innovation in this area generating substantial know-how and trade secrets.
This unique selling point has attracted large multinational partners to the Group and created a barrier to entry for potential competitors.

2. Partnering with companies committed to developing and commercialising jointly developed products
Our core competence is in the innovation of novel materials which includes the identification of demand for new materials and the rapid execution of experimental programmes to develop materials to meet that demand.
We operate at the beginning of the product supply chain and understand that successful commercialisation requires manufacturing capabilities, know-how in the integration of materials into consumer products and retailing to the mass market. Once we have identified potential demand for a new material we shortlist the leading industrial companies in the sector and seek to attract them into mutually beneficial joint development programmes.

3. Using high throughput processes to invent patentable functional materials
We aim to use our HTT process to invent patentable functional materials. We also use specialist software to analyse the existing intellectual property landscape and, in addition, exchange information with our commercialisation partners in order to draw up a project scope that is thought likely to yield a material or family of materials with a defensible patent position. The Group has filed a series of patents covering materials which are potentially of significant value to target markets, a number of which are currently being scaled up by its commercialisation partners.

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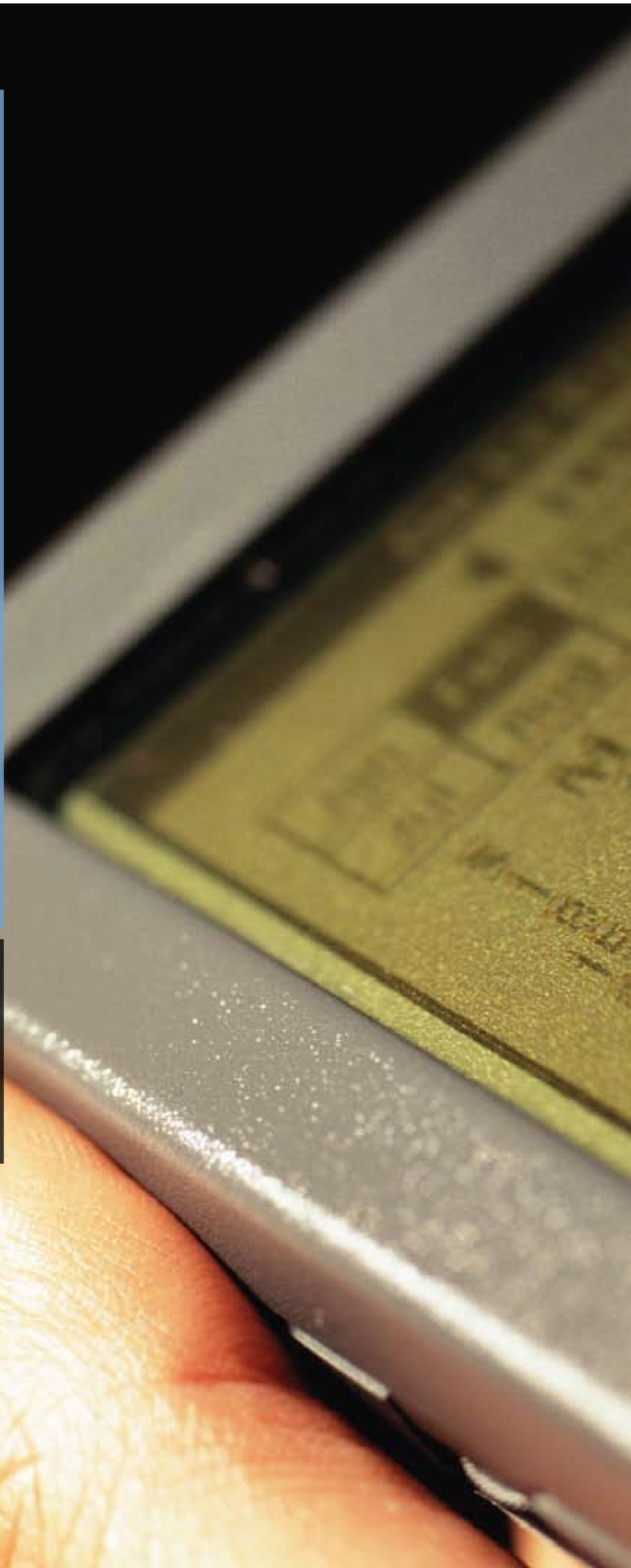


_Product development

We understand that successful commercialisation requires not only materials innovation, which is our speciality, but also manufacturing know-how and marketing expertise

Once we have identified market demand for a new material we engage with the leading industrial companies in the sector to construct mutually beneficial product development programmes. Our preferred engagement framework is one in which Ilika and its partners collaborate on a shared-risk, shared-reward basis.

This framework usually involves a commercialisation partner making a financial contribution towards Ilika's direct costs and sharing the potential financial rewards through a licencing agreement when the resulting product is commercialised.

At the early stages of a new customer relationship we may also carry out work on a contract basis, whereby Ilika receives greater up-front payments in return for assigning intellectual property rights to the customer. Most contract relationships mature into joint development relationships over the course of time.

Case study

A typical joint development programme is the one we are running with Ceramtec, a world-leading manufacturer of technical ceramics. Ilika and Ceramtec are working together to develop lead-free piezoelectric materials for use in sensor and actuator applications, such as those required to trigger air bags in automobiles.

_Product sales

For the healthcare market we have developed breakthrough biomedical products relying on expertise which operates at the boundary between the established disciplines of materials science and cell biology

This expertise is currently not widely found with larger potential commercialisation partners. Hence, in order to establish and service the market, we operate a facility in Sheffield to manufacture and package cell growth surfaces as well as to handle the relevant cell lines.

To complement our manufacturing capability, we have chosen distribution partners with specialist knowledge of our target markets to bring the products to market.

Case study

We manufacture our cell therapy products for burns treatment, MySkin® and CryoSkin®, at our Sheffield facility. In line with our strategy, we have appointed a specialist distributor, Sinclair Pharma, to sell these products on our behalf in the UK. We have adopted this policy because Sinclair Pharma can market our products cost-effectively within their wound-care portfolio.

Over the last 12 months we have successfully demonstrated our capabilities to a number of world leading multinational corporations, and have seen substantial growth in joint development and contract research revenues.

Chairman's statement

Jack Boyer
Chairman

Introduction

I am pleased to announce Ilika's results for the financial year ended 30 April 2011 after its first year as a listed AIM company, and to provide an update on the progress we have made in that time. At the time of the IPO, we set ourselves a number of objectives and it is gratifying to report that these have been achieved. Over the course of the year we have enjoyed considerable success, particularly in the energy and biomedical sectors, with both contract renewals with existing customers and new agreements entered into. Our focus has also been on Asia and the United States, where we have significantly increased our business initiatives.

Ilika's technology

Ilika's unique high throughput technology ('HTT') accelerates the discovery of new and patentable materials for identified end uses. This process enables hundreds of materials to be made in a single, automated, operation and subsequently tested for the necessary properties.

The production of a new material has traditionally been a slow and arduous process, taking between 7 and 10 years to move from an initial discovery through to the first commercial prototype. Experiments carried out by Ilika can be executed 10 to 100 times faster than by using conventional techniques.

The Group's primary strategy is to enter into joint development or licensing agreements with large multinational companies seeking to commercialise products developed using the intellectual property created through jointly funded programmes. Current commercialisation partners include Toyota, Shell, Johnson Matthey and CeramTec.

Financial results

I am pleased to report Ilika has delivered a good set of financial results. Total revenues for the year ending 30 April 2011, increased to approximately £1.5 million, 46 percent ahead of last year and there has also been a substantial increase in the level of grant funding for in-house R&D, shown as other operating income, which increased to approximately £0.4 million, 66 percent ahead of last year. Loss before tax for the year improved slightly and is in line with expectations. Our cash balances remain strong, totalling £2.8 million at 30 April 2011. At the year end, committed revenues including other operating income for the first half of 2011/2012 exceeded £0.7 million. This compares to a figure of £0.15 million for the first half of 2010/2011.

Review of the year

Over the last 12 months we have successfully demonstrated our capabilities to a number of world leading multinational corporations, and have seen substantial growth in joint development and contract research revenues. We have embarked on commercial

Expanding into growth

projects with three new customers, whilst continuing to build on our longer standing relationships.

In the energy sector, we renewed and extended the scope of our existing relationship with a major automotive corporation for the development of battery materials. The collaboration reinforces Ilika's position as a globally leading provider of materials expertise for the rapid development of next generation battery materials. We also entered into a contract with the Ministry of Defence for the identification and optimisation of next generation thermoelectric materials. These materials have the potential to increase significantly the efficiency of conventional engines and generators through the harvesting of waste heat.

We have also made progress in developing materials and have recently collaborated with Sigma Aldrich to work on the scale-up and commercialisation of next generation hydrogen storage materials. We firmly believe that this enterprise will become a vital component of the energy industry's efforts to develop consumer-friendly hydrogen storage materials for fuel cell and clean combustion technology.

Good progress has also been made in the electronics sector, when we signed an initial contract with a global electronics manufacturer in February 2011. The contract is to develop high throughput, screening technologies for the identification and optimisation of next generation electronic materials, in return for stage payments. In April 2011, we entered into a similar contract with another leading electronics manufacturer, this time to help develop its next generation of battery materials.

Our technical capabilities have received public sector recognition, in the form of grants awarded for the development of a range of materials. In July 2010, a consortium led by Altrika, our healthcare focused subsidiary, was awarded a £153,000 grant for the development of a treatment for full thickness skin wounds. In October 2010, Ilika was awarded an initial research and development grant by the Carbon Trust to undertake the scale up, synthesis and testing of high performing palladium alloy compositions for use in fuel cell vehicles. Palladium alloy electrocatalysts have the potential to be 70 percent cheaper than platinum catalysts on a cost/performance basis. A further grant of £173,000 towards this initiative was awarded in April 2011.

Since the financial year end, Ilika's wholly owned subsidiary Altrika made a significant medical breakthrough involving the collection and storage of adult stem cells. The Oristem® service offers a new, patented method of harvesting, isolating and storing stem cells from adult blood. It is a welcome move forwards from current forms of stem cell extraction which have been confined to neo-natal stem cells taken from umbilical cords, or more invasive sources such as fat tissue or bone marrow. It also offers a collection system that enables adults to be visited at home for blood samples to be taken.

People

We have an extremely strong and highly experienced Executive Board at Ilika, including Professor Brian Hayden, our Chief Scientific Officer and a founder of the Company. Alongside Brian sit Dr. Werner Braun and Professor Sir William Wakeham, whose wealth of experience will be fundamental in helping Ilika expand both in the UK and overseas. Clare Spottiswoode, who joined the Board at the time of the IPO, is also a great asset to the Company particularly in the energy sector as we continue to develop material solutions for this market.

I would like to take this opportunity to thank all of the team at Ilika for their continued energy and hard work and for their commitment to making it a world class company. I would also like to thank our strategic partners, distributors and advisers for their contribution to the development of the Company during the course of the financial year.

Outlook

Over the course of the last year, we have set the way for fully executing our IPO plan set out in 2010, and are on track to deliver future growth. Progress has been made across all 3 areas of Ilika's activities (energy, electronics and biomedical) and our expansion of business development activities has ensured that there is a broad pipeline of new opportunities ahead.

Our performance to date has met expectations, and we remain on track to deliver our predicted milestones. Ilika is committed to expanding its European and Asian activities and anticipates further business development opportunities in Asia on the back of the region's manufacturing-led recovery. The North American market also offers considerable opportunities for materials discovery and development, and we continue to pursue new opportunities there.

In summary, we look forward to continuing to achieve the goals set out at our IPO and to maintaining the growth that we have achieved thus far in this financial year. I look forward to reporting progress during the coming year and beyond.

Jack Boyer
Chairman
13 July 2011

markets

The forthcoming year will allow the Company to demonstrate the industrial robustness of some of its key products for energy conversion and storage, leading to commercial roll-out.

Chief Executive's review

Graeme Purdy
Chief Executive

Introduction

In this first full year since Ilika was admitted to the London Stock Exchange, the Company has pursued its strategy of being a partner of choice for the development of new materials designed to solve some of the world's most important needs, particularly in the cleantech sector.

The Company has continued to work with blue-chip partners, which are active in the energy, electronics and biomedical market sectors. The sector-split of revenue generated in the past year has consisted broadly of 70 percent in energy, 20 percent in electronics and 10 percent in biomedical.

Ilika stands out as a compelling enterprise in these markets because of the unique nature of the high throughput techniques which Ilika uses in order to make and test new materials. The high throughput technology platform, originally developed at the University of Southampton, has proven itself to be a versatile and effective method for developing new materials with reproducible and scalable properties. This capability has been further developed over the last year, strengthening the Company's global profile. The Company has continued to attract an international customer base resulting in 83 percent of its revenues coming from outside the UK.

Energy

Most analysts agree that the sources and carriers of energy for transport, domestic and industrial uses are set to become increasingly diverse. For example, in the transport sector, the ubiquitous use of petrol and diesel is being supplemented with compressed natural gas ('CNG'), liquefied petroleum gas ('LPG'), biofuel, electricity (stored in batteries) and hydrogen. For these new fuels to be attractive to the customer there are a number of basic conditions that have to be fulfilled: the fuels need to be cheap enough to compete with petrol and diesel; they need to contain sufficient energy within a manageable volume and weight; the conversion of energy from its stored form into vehicle motive power needs to be done easily and economically and finally, replenishing fuel on-board the vehicle needs to be a straightforward matter. Meeting the requirements of these basic conditions involves optimising the ability of materials to store and convert energy from one form to another and this is Ilika's focus in the energy market. In particular, Ilika has globally-recognised expertise in developing battery materials and materials for use in both storing hydrogen and converting it into electricity.

Batteries

Electric and hybrid vehicles have gained market share over the past 12 months. For instance, since 1 March 2011 the much-heralded Nissan LEAF has been on sale in the UK, with the first year's production allocation already sold out. Toyota has been broadening the roll-out of its hybrid drive-train concept, building on the success of its Prius and Auris ranges. These mass production vehicles

Addressing key unmet

have done much to persuade the motoring public that electric and hybrid vehicles are here to stay and they have created an appetite for sustained performance improvements. For instance, the Nissan LEAF has a range of 175km on the New European Driving Cycle and can be recharged from empty within 8 hours using the on-board charger. This is a good starting point, but clearly this range and recharge time will not satisfy the majority of road users. The best way to improve battery performance is to change the materials from which the battery is made and Ilika's technology can provide unique insights into how this can be achieved. Toyota and Ilika have been working together since 2008 to improve battery materials and current indications are that this effort is set to intensify in the coming period. In April 2011 Ilika announced that it had been successful in attracting a second collaboration partner for next generation battery development. Ilika has every confidence that it will be successful in maintaining its commercial momentum in this rapidly moving field.

Hydrogen

Hydrogen has an intrinsic advantage over batteries as an energy carrier because hydrogen can be processed to yield a higher energy density than is achievable with a battery. In other words, hydrogen can contain more energy than a battery of the same volume. In addition, hydrogen represents an attractive carrier of energy as its combustion or direct conversion to electricity via a fuel cell does not lead to the emission of carbon dioxide. However, hydrogen has not, to date, been as broadly adopted as batteries for energy storage. The main reasons for this are the difficulty in storing hydrogen, which is a light gas under atmospheric conditions, and the expense of methods for converting it to electricity. The main criteria for hydrogen storage for transport purposes, as outlined by the US Freedom Car Initiative, are to supply enough hydrogen to enable a driving range of approximately 500km, charge and recharge at near room temperature and provide hydrogen at rates fast enough for operation in automobiles.

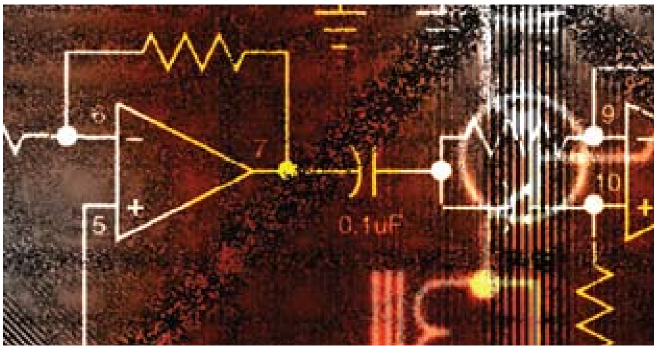
Current prototype applications use either very high pressure compressed hydrogen (approx. 700 bar) or cryogenically cooled liquid hydrogen. These methods consume a significant percentage of the energy content in their compression and conversion (15 percent and 30 percent respectively) and both raise safety concerns. By contrast, Ilika's storage solution is a solid metal hydride, which exists as a powder stored in a cylinder at moderate pressure (10 bar) and is stable at room temperature. When warmed to moderate temperatures, hydrogen is released for use as fuel.

The target weight percentage of hydrogen stored in such a material for it to be economically viable has been set at 6 percent by the US Department of Energy. Current commercially-available hydride materials can achieve up to 2.3 weight percent of hydrogen. In May 2011 Ilika announced a collaboration with Sigma Aldrich to verify and scale-up hydride materials that can potentially store up to 10 weight percent of hydrogen, reversibly. The work with Sigma Aldrich is designed to yield a robust and economically viable industrial process for the mass production of Ilika's material. Sigma Aldrich has negotiated a licence for commercialising the material, driving its initial market adoption.

needs

The Company has continued to attract an international customer base resulting in 83 percent of its revenues coming from outside the UK.

Chief Executive's review continued



Once the challenge of overcoming hydrogen storage is met, it can be used directly in a combustion engine to provide automotive power. Alternatively, hydrogen lends itself to being used as a fuel in fuel cells, which electro-catalytically convert hydrogen and oxygen to water and electricity. The current fuel cells used in automotive prototypes use a significant amount of platinum, which is a scarce precious metal. In June 2010 Ilika announced a collaboration with ITRI in order to further develop the cheaper catalyst formulations previously patented by Ilika. This product development project is being supported by the £173,000 grant awarded to Ilika by the Carbon Trust in April 2011. Samples of materials are currently being performance tested by an independent body, with a view to making them available to automotive companies for their assessment within this current financial year.

Thermoelectrics

Thermoelectric materials can be used to generate an electric current from a thermal gradient. As a result, they can be used to convert waste heat into electricity. Potential applications include energy recovery from the exhaust of a vehicle, perhaps feeding into the electrical storage system of a hybrid propulsion system, and also waste heat recovery from a generator set, increasing its efficiency. In October 2010 Ilika announced the award of a thermoelectric project by DSTL, the research arm of the UK's Ministry of Defence ('MOD'). This project is supporting the Company's endeavours in the development of efficient testing methods for screening thermoelectric materials and ultimately in the development of more efficient materials. After initial early adoption for MOD applications, the technology will be made available for a broader commercial roll-out.

Electronics

Piezoelectrics

Since November 2009 Ilika has been working together in a Joint Development Project with Ceramtec, one of the world's leading manufacturers of functional ceramics. Ceramtec's current product line includes piezoelectric devices, which are used for a broad range of sensor and actuator applications in the automotive and aerospace industries. The most commonly used piezoelectric material contains lead in its formulation, which has been banned under the EU's Restriction of Hazardous Substances ('RoHS') regulations. Those ceramic manufacturers selling lead-containing ceramics in the EU are doing so under an exemption, pending development of a replacement technology. The objective of the collaboration is to develop a lead-free piezoelectric. The expectation is that adoption of the developed material will be rapid, given the regulatory drivers in place.

Capacitors

One of the unique aspects of the technology platform used by Ilika is its ability to make a broad range of complex oxide structures. These materials are commonly used for a wide range of electronic components, including in capacitors, which are devices for storing an electronic charge in many different industrial and consumer electronics applications. This is an expanding area of business for Ilika and is expected to be a significant contributor to revenue in the current financial year.

Biomedical

Ilika operates a wholly-owned subsidiary, Altrika Ltd, which commercialises technology for biologically-functional medical (biomedical) devices.

At its facilities, located in Sheffield, UK, Altrika operates a high throughput lab for the rapid development of biologically active materials as well as a Human Tissue Authority ('HTA') approved clean room suite for the production of its Myskin® and Cryoskin® products. The clean room suite is validated to meet Good Manufacturing Practice ('GMP') requirements. Altrika is fully licenced by the HTA for the procurement, testing, processing, distribution and storage of human cells. In addition, Cryoskin® is licenced as a cell therapy by the Medicines and Healthcare products Regulatory Agency ('MHRA').

Over the past year, Myskin® and Cryoskin® have been used to successfully treat burns patients at most of the major burns units in the UK. Progress has been made in identifying key opinion leaders and distributors to support the roll out of these products into new jurisdictions, starting in the current financial year.

The $750 million acquisition of Advanced Bio-healing ('ABH') by Shire Pharmaceuticals in May 2011 demonstrated the intrinsic appeal of cell therapy in the chronic wounds sector.

In June 2011 Altrika announced the launch of a new service (Oristem®) with its partners Pharmacells and Vindon for the processing of adult blood in order to harvest and store adult stem cells. This new service offering leverages the existing facilities and licences which Altrika has in place for handling human cells. Extensive coverage of the launch of the service was published in the Financial Times, Mail on Sunday and Sunday Telegraph. Further extensions of Altrika's cell processing activities are planned in the forthcoming period.

Growth strategy

In line with the strategy stated this time last year, Ilika has deployed additional business development resources in the US and Asia. In the US, Ilika appointed the JGW Group to represent its interests in acquiring business in the US defence industry. In addition, the Company appointed a full time business development director based in California. In Japan, Ilika has appointed an additional business development resource focused on Altrika's offerings. These initiatives have broadened Ilika's commercial pipeline, supporting analyst's growth forecasts for the coming period.

Summary

Ilika has delivered strong revenue growth in the past year and expects this trend to continue in the current financial year. Altrika has proven itself to be a dynamic, innovative business in the rapidly-moving sector of cell therapy. Some recent high profile M&A deals have confirmed the intrinsic value of this sector.

Some important milestones have been achieved in the scale-up of materials protected by the Company's IP portfolio. The forthcoming year will allow the Company to demonstrate the industrial robustness of some of its key products for energy conversion and storage, leading to commercial roll-out.

Graeme Purdy
Chief Executive
13 July 2011

Board of Directors

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1. Jack Boyer
Chairman
Mr. Boyer joined Ilika as Chairman in 2004. He previously founded and was the CEO of Trident Components Group, a £280 million revenue pan-European engineering group. He has worked in investment banking at Goldman Sachs, management consulting at Bain & Co and been the CEO of manufacturing companies.

Mr. Boyer was educated at Stanford University (B.A. Hons), the London School of Economics (M.Sc.) and INSEAD (MBA). He currently leads the University of Southampton's corporate spin-out and intellectual property exploitation activities as Chair of Southampton Asset Management and is Chairman of early-stage companies involved in emerging technologies.

Mr. Boyer is a Board member of the User Panel of the Engineering and Physical Sciences Research Council ('EPSRC') and a Trustee of environmental and educational non-profit organisations.

2. Graeme Purdy
Chief Executive Officer
Graeme was appointed to head-up the Company from the beginning of May 2004, just before completion of the Company's seed round of funding.

Prior to joining Ilika, Graeme was Chief Operating Officer of a high-technology company in the Netherlands and before that worked internationally in a variety of technical and commercial roles for Shell. Graeme holds a Master's degree in Chemical Engineering from Cambridge and an MBA from INSEAD business school in France.

3. Professor Brian Hayden
Chief Scientific Officer
Brian is currently on secondment to Ilika from the University of Southampton, where he is professor of Physical Chemistry. He is a pioneer of surface science and has a strong track record in running successful industrial collaborations. Brian has published in excess of 100 papers in the fields of surface science, surface electrochemistry and fundamental aspects of heterogeneous catalysis and electrocatalysis. He is a Fellow of the Royal Society of Chemistry and regular speaker at conferences.

4. Stephen Boydell
Finance Director
Stephen qualified as a Chartered Accountant with Deloittes in 1996, he held a number of positions at Hays plc and then AGI Media before becoming Finance Director of a successful Guernsey based group of companies. He was instrumental in the restructuring of that group and the subsequent successful sale to a competitor. Stephen studied Economics at Nottingham University.

5. Dr. Werner Braun
Non-Executive Director
Having received a PhD in plasma and laser physics from the Technical University in Munich for research work performed at the Max Planck Institute for Plasma Physics, Dr. Braun initially worked for Messer Griesheim before joining Biotronik as VP of Marketing and Sales.

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Over a period of 14 years, Dr. Braun played a key role in growing Biotronik from an early stage company to a global provider of medical devices for use in cardiology and cardiosurgery. Following spells as General Manager of Chiron Adatomed and VP of Marketing and Sales for Medtronic Europe, Middle East and Africa, Dr. Braun returned to Biotronik in 2001 to become Managing Director, further developing the company's market expansion to become Europe's largest privately-held medical device company in the cardiovascular arena.

6. Clare Spottiswoode CBE
Non-Executive Director

Ms. Spottiswoode's career started as an economist with the Treasury before establishing her own software company. She is perhaps best known for her role as Director General of Ofgas between 1993 and 1998 where she oversaw the transformation of the gas industry from a monopoly, which controlled the whole gas supply chain, into a deregulated, competitive industry.

In November 2006 she was appointed as the Policyholder Advocate for Aviva, and is responsible for ensuring that around 1 million With-Profits policyholders receive a fair share of the £5-6 billion inherited estate. The deal has now been completed and policyholders received around 70 percent of the estate, which was more than double the only previous reattribution settlement. Ms. Spottiswoode currently chairs Gas Strategies Limited which has done a recent management buy-out from Standard and Poors, and is a Non-Executive Director of Energy Solutions, a US Nuclear waste company and Tullow Oil, a FTSE50 Company.

Awarded a CBE for services to industry in 1999, she holds degrees from Cambridge and Yale Universities in Maths and Economics and has an honorary doctorate from Brunel.

7. Professor Sir William Wakeham
Non-Executive Director

Professor Sir William Wakeham retired as Vice-Chancellor of the University of Southampton in September 2009 after 8 years in that position. He studied Physics at Exeter University at both undergraduate and doctoral level. In 1971 he took up a lectureship in the Chemical Engineering Department at Imperial College London and became Head of Department in 1988. By 1999 he was Pro-Rector (Research), Deputy Rector and Pro-Rector (Resources) at Imperial College. He oversaw the College's merger with a series of medical schools and stimulated its entrepreneurial activities.

He is a Fellow of the Royal Academy of Engineering and its International Secretary, a Fellow of the Institution of Chemical Engineers, the Institution of Engineering and Technology, and the Institute of Physics. He holds a higher doctorate from Exeter University, and honorary degrees from Lisbon University, Exeter and Southampton Solent University and is a Fellow of Imperial College London. He is a Council Member of the Engineering and Physical Sciences Research Council and Chair of Its Audit Committee. He was knighted in the Queen's Birthday Honours 2009 for services to Chemical Engineering and Higher Education.

The AIM listing on 14 May 2010, raised £4.4 million, after expenses, to enable the Group to follow through its strategy of portfolio scale-up in preparation for a systematic roll-out of products incorporating Ilika's materials over the medium and long term.

Financial review

Stephen Boydell
Finance Director

Ilika plc was incorporated on 12 March 2010 with a view to the acquisition of Ilika Technologies Limited and its subsidiary, Altrika Limited, ('the Limited Group') and subsequent AIM listing. The acquisition and subsequent AIM listing occurred on 14 May 2010. The comparative financial information set out in these statements does not constitute the Company's statutory accounts for the period ended 30 April 2010. The accounting policies and the IFRS conversion details are set out in the non-statutory accounts of Ilika Technologies Limited for the year ended 30 April 2010, which is available on the Company's website.

Revenue for the year ended 30 April 2011 was £1.54 million (£1.06 million for 2009/10), supplemented by £0.36 million of grant income (£0.22 million for 2009/10).

Revenues relate to the payments made by Ilika's partners for research and development activities. The majority of these payments are associated with the development of materials for applications in energy storage and conversion, but projects in the electronics sector have increased significantly in the year.

Grant funding was received from the Carbon Trust and the Technology Strategy Board ('TSB') to support a number of the Group's programmes for energy conversion, energy storage and biomedical applications.

Administration expenses in the year increased by around £0.25 million in comparison to the year to 30 April 2010. This increase is primarily due to the expenses incurred in preparation for listing and the ongoing costs of being a publicly listed company, with amongst other new costs, stock exchange listing and regulatory fees and the appointments of nominated advisors and company registrars.

The AIM listing on 14 May 2010, raised £4.4 million, after expenses, to enable the Group to follow through its strategy of portfolio scale-up in preparation for a systematic roll-out of products incorporating Ilika's materials over the medium and long term. Investment in equipment in the year was £0.67 million (£0.12 million for 2009/10) which has increased the Group's high-throughput capacity enabling the expected revenue growth to be achieved. As at 30 April 2011, the Group's cash position was £2.8 million.

Steve Boydell
Finance Director and Company Secretary
13 July 2011

Directors' report

The Directors present their report and the audited financial statements for Ilika plc ('Ilika') and its subsidiaries ('the Group') for the year ended 30 April 2011.

Principal activities
The principal activity of Ilika and the Group is the discovery and development of novel materials for the energy, electronics and biomedical sectors.

Business review
A detailed review of the business, its results and future direction is included in the Chairman and Chief Executive's Statement.

Directors
The Directors who served on the Board of Ilika during the year and to the date of this report were as follows:

Executive
Mr. S. Boydell (FD and Company Secretary) appointed 6 May 2010.
Prof. B.E. Hayden (CSO) appointed 6 May 2010.
Mr. G. Purdy (CEO) appointed 6 May 2010.

Non-Executive
Mr. J.B. Boyer (Chairman) appointed 6 May 2010.
Dr. W. Braun appointed 6 May 2010.
Ms. C. Spottiswoode CBE appointed 6 May 2010.
Prof. Sir W. Wakeham appointed 6 May 2010.

Details of the Directors' remuneration and share options are shown in note 4 of these accounts.

The Group maintained Directors' and officers' liability insurance cover throughout the period.

Principal risks and uncertainties
Commercial risk
The Group is subject to competition from competitors who may develop more advanced and less expensive alternative technology platforms, both for existing materials and for those materials currently under development. The Group is largely dependent on its partners to commercialise the end-products containing the Group's materials.

Financial risk
The Group is reliant on a small number of significant customers and partners. Termination of these agreements could have a material adverse affect on the Group's results or operations or financial condition. The Group expects to incur further operating losses as progress on development programmes continue. There can be no assurance that the Group will ever achieve significant revenues or profitability.

Intellectual property risk
The Group faces the risk that intellectual property rights necessary to exploit research and development efforts may not be adequately secured or defended. The Group's intellectual property may also become obsolete before the products and services can be fully commercialised.

Regulatory risk
The Group's materials and products are subject to various European and other legislative and regulatory requirements. Regulatory issues could lead to delays in development which take time and investment to resolve.

Post balance sheet events
There were no significant events of note which have occurred after the year ended 30 April 2011, to the date of this report.

Supplier payment policy
It is the Group's policy to settle debts with its creditors on a timely basis, taking best advantage of the terms and conditions offered by each supplier. As at 30 April 2011, the number of creditor days outstanding for the Group was 21 (2010: 41 days).

Financial instruments
The Group's principal financial instrument comprises cash and this is used to finance the Group's operations. The Group has various other financial instruments such as trade credit facilities that arise directly from its operations. The Group places deposits surplus to short-term working requirements with a range of reputable UK based banks and building societies. These balances are placed at fixed rates of deposit with maturities between 1 and 9 months. See note 17 for IFRS7 disclosure regarding financial instruments.

Results and dividends
The Consolidated Statement of Comprehensive Income for the year is set out on page 26. The Group's loss for the financial year after taxation was £3,047,000 (2010: £3,132,000).

The Directors do not recommend the payment of a dividend.

Charitable and political donations
The Group made no charitable or political donations during the year (2010: Nil).

Research and development costs
In accordance with the policy outlined in note 1, the Group incurred research and development expenditure of £1,167,000 in the year (2010: £1,145,000). Commentary on the major activities is given in the Chairman's Report and Chief Executive Report.

Auditors
All the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's Auditors for the purposes 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.

Directors' report

A resolution to reappoint BDO LLP will be proposed at the next Annual General Meeting.

Substantial shareholdings

On 30 June 2011 the Company had been notified of the following holdings of more than 3 percent or more of the issued share capital of the Company.

Shareholder	No. of Ordinary Shares	Percent shareholding
IP Group	6,637,861	18.2
St Peter Port Capital	6,018,924	16.5
Nomura International	6,018,924	16.5
Mackin Holdings Inc	4,117,647	11.3
Southampton Asset Management	3,799,900	10.4
Artemis	2,670,741	7.3
Nortrust Nominees	1,830,991	5.0
Wyvern	1,598,039	4.4
Southern Fox	1,533,186	4.2

Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union. 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 Company and of the profit or loss of the Group and Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market ('AIM').

In preparing these 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;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of 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.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

By order of the Board

Graeme Purdy
Chief Executive
13 July 2011

Corporate governance statement

The Board is accountable to the Company's shareholders for good corporate governance and it is the objective of the Board to attain a high standard of corporate governance. As an AIM-quoted company full compliance with The Principles of Good Governance and Code of Best Practice (2006) ('the Combined Code') is not a formal obligation. The Company has not sought to comply with the full provisions of the Combined Code, however it has sought to adopt the provisions that are appropriate to its size and organisation and establish frameworks for the achievement of this objective. This statement sets out the corporate governance procedures that are in place.

Board of Directors

On 6 May 2010 the Board of Directors ('the Board') was appointed and consists of a Non-Executive Chairman, 3 Executive Directors and 3 Non-Executive Directors.

The responsibilities of the Non-Executive Chairman and the Chief Executive Officer are clearly divided. The Chairman is responsible 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. Prior to each Board meeting, Directors are sent an agenda and Board papers for each agenda item to be discussed. Additional information is provided when requested by the Board or individual Directors.

The Chief Executive Officer has the responsibility for implementing the strategy of the Board and managing the day to day business activities of the Group through his chairmanship of the Executive Committee.

The Non-Executive Directors bring relevant experience from different backgrounds and receive a fixed fee for their services and reimbursement of reasonable expenses incurred in attending meetings.

The Board retains full and effective control of the Group. This includes responsibility for determining the Group's strategy and for approving budgets and business plans to fulfil this strategy. The full Board ordinarily meets bi-monthly.

The Company Secretary is responsible to the Board for ensuring that Board procedures are followed and that the applicable rules and regulations are complied with. All Directors have access to the advice and services of the Company Secretary, and independent professional advice, if required, at the Company's expense. Removal of the Company Secretary would be a matter for the Board.

Performance evaluation

The Board has a process for evaluation of its own performance which is carried out annually.

Board Committees

As appropriate, the Board has delegated certain responsibilities to Board Committees as follows:

i) Audit Committee

The Audit Committee currently comprises Clare Spottiswoode CBE (Chairman), Professor Sir William Wakeham and Jack Boyer.

The Committee monitors the integrity of the Group's financial statements and the effectiveness of the audit process. The Committee reviews accounting policies and material accounting judgements. The Committee also reviews, and reports on, reports from the Group's auditors relating to the Group's accounting controls. It makes recommendations to the Board on the appointment of auditors and the audit fee. It has unrestricted access to the Group's auditors. The Committee keeps under review the nature and extent of non-audit services provided by the external auditors in order to ensure that objectivity and independence are maintained.

ii) Remuneration Committee

The Remuneration Committee currently comprises Dr. Werner Braun (Chairman), Clare Spottiswoode CBE and Jack Boyer. It is responsible for making recommendations to the Board on remuneration policy for executive directors and the terms of their service contracts, with the aim of ensuring that their remuneration, including any share options and other awards, is based on their own performance and that of the Group generally.

iii) Nomination Committee

The Nomination Committee currently comprises Jack Boyer (Chairman), Professor Sir William Wakeham and Dr. Werner Braun. It is responsible for providing a formal, rigorous and transparent procedure for the appointment of new Directors to the Board and reviewing the performance of the Board each year.

Attendance at Board meetings and committees

The Directors attended the following Board and committees meetings during the year:

Attendance	Board	Audit	Remuneration
Mr. S. Boydell	6/6	–	–
Mr. J.B. Boyer	6/6	2/2	1/1
Dr. W. Braun	6/6	–	1/1
Prof. B.E. Hayden	5/6	–	–
Mr. G. Purdy	6/6	–	–
Ms. C. Spottiswoode	6/6	2/2	1/1
Prof. Sir W. Wakeham	6/6	1/2	–

All of the members of the Board were appointed on 6 May 2010, at which time the Nomination Committee was appointed. No further appointments of Directors have been made since that date and therefore no Nomination Committee meetings were held in the year. The Nomination Committee will convene its first meeting on 13 July 2011 to review the performance of the Board since flotation.

Corporate governance statement

Risk management and internal control

The Board is responsible for the systems of internal control and for reviewing their effectiveness. The internal controls are designed to manage rather than eliminate risk and provide reasonable but not absolute assurance against material misstatement or loss. The Audit Committee reviews the effectiveness of these systems primarily by discussion with the external auditor and by considering the risks potentially affecting the Group.

The Group does not consider it necessary to have an internal audit function due to the small size of the administration function. Instead there is a detailed Director review and authorisation of transactions. The annual audit by the Group auditor, which tests a sample of transactions, did not highlight any significant system improvements in order to reduce risk.

The Group maintains appropriate insurance cover in respect of actions taken against the Executive Directors because of their roles, as well as against material loss or claims of the Group. The insured values and type of cover are comprehensively reviewed on a periodic basis.

Corporate social responsibility

The Board recognises the growing awareness of social, environmental and ethical matters and it endeavours to take into account the interest of the Group's stakeholders, including its investors, employees, suppliers and business partners, when operating the business.

Employment

The Board recognises its legal responsibility to ensure the well-being, safety and welfare of its employees and maintain a safe and healthy working environment for them and for its visitors. A Health and safety report is reviewed at each Board meeting and policies and procedures are independently reviewed to ensure compliance with best practice.

By order of the Board

Steve Boydell
Finance Director and Company Secretary
13 July 2011

Corporate social responsibility statement

Ilika recognises the importance of approaching its responsibilities to corporate social responsibility ('CSR') in a co-ordinated and committed fashion and we aim to ensure our approach to creating business growth manages environmental and social issues whilst delivering value for the Company and continued benefit for society. This statement acknowledges our ambition to include CSR in all parts of our business.

Overall responsibility for developing and implementing our CSR policies on social, ethical and environmental matters and for reviewing their effectiveness lies ultimately with the Ilika Board. The Board will regularly review the scope of the Company strategy and report regularly to stakeholders to ensure we remain focused on the material issues for the business.

Ilika's policies and procedures, including those relating to social, environmental, health and safety, employment and ethical matters, are reviewed by the management team regularly and are communicated to all employees through the staff handbook, email communications and regular company meetings. The management team will report to the Board every 6 months to ensure that the Board are fully apprised of the status of the Company's efforts in this area.

The Main areas of CSR at Ilika are:

> Health and Safety.
> Environment and sustainability.
> Employee rights.
> Values and ethics.
> Contribution to society.

Health and Safety

We recognise our responsibility to ensure the well-being, safety and welfare of our employees and to maintain a safe and healthy working environment for all of our employees and visitors. We understand that health and safety has positive benefits for the Company and that a commitment to a high level of safety makes good business sense. As a business function, health and safety must continually progress and adapt to change.

Health and safety is considered at the highest level in the Company with the ultimate responsibility resting with the Board. Update reports are presented to the Board at each Board meeting and a full report is presented annually. Policies and procedures are independently reviewed to ensure compliance with best practice and with the relevant health and safety legislation.

Environment and sustainability

Ilika is committed to achieving a real and sustainable positive impact on the broader community by adopting environmentally responsible policies. We believe that it is essential that both as a Company and as individuals we should operate in an environmentally conscious manner. Our objective is to minimise the impact of our business activity on the environment wherever possible. This includes ensuring that our suppliers do likewise and that we proactively encourage others with whom we interact to consider environmental matters.

We recognise our impact on the environment comes from:

> Electricity to heat, cool and power laboratory and office equipment.
> Gas for heating.
> Business travel by air, road and rail.
> Water in laboratories and offices used for a variety of purposes.
> Resources such as paper.
> Waste including paper, plastic, chemicals and other laboratory waste and consumable IT equipment.

Our objectives are to:

> Consider environmental issues in all of our decision making processes.
> Evaluate future energy usage to see how we can use low energy systems.
> Advise staff on the efficient use of energy and other utilities.
> Avoid unnecessary travel on business by the use of video conferencing and telephone communication where possible.
> Use the most environmentally friendly mode of transport, where necessary, consistent with business needs.
> Encourage use of bicycles by offering our employees access to the HMRC Workcycle scheme
> Reduce overall the resources we use.
> Promoting waste minimisation by recycling or finding other uses of by-products whenever economically viable.
> Reduce our letters and correspondence by using alternative electronic mechanisms.
> Using either recycled or FSC paper for all hard copy correspondence, wherever possible.
> Consider environmental criteria when choosing services and goods.
> Develop relationships with suppliers and contractors so that we all recognise our environmental responsibilities.
> Fundamentally Ilika will reduce its impact on the environment and ask that its employees, suppliers and customers do likewise.

Corporate social responsibility statement

Employee rights

Ilika adheres to all legislation relating to employment rights and equal opportunities, with particular reference to non-discrimination on the basis of ethnic origin, religion, gender, age, marital status, disability or sexual orientation. However, Ilika's policies go beyond the legal requirements and the Company acknowledges its moral rights to provide a safe and dignified working environment.

We ensure that we maintain the highest level of integrity with regard to employees, customers and all others with whom we interact. We recognise the value that our employees create for the business and our commitment to training and personal development, together with remuneration policies, are designed to reward achievement and emphasise the importance of retaining staff.

Ilika will not tolerate discrimination, bullying or any other kind of harassment within our business community. The concept of 'mutual respect' will be one of our guiding principles. Employees are expected to abide by Company rules and to be honest and considerate in their various roles.

Internal procedures have been established to report grievances or suspected inappropriate behaviour to other individuals or organisations. Equally the Company will treat dishonest actions and accusations seriously; this may result in disciplinary action in accordance with company rules and disciplinary procedures.

Ethics and values

Ilika supports the principles of the Universal Declaration of Human Rights through its business practices This means that it supports freedom from torture, unjustified imprisonment without fair trial and any other oppression. In addition, Ilika supports the right of any individual to have freedom of expression and religion, political representation or in respect of any other matter. Accordingly, Ilika will not support or work with organisations which fail to uphold basic human rights within their influence, which are involved in the manufacture or transfer to an oppressive regime, or are involved in the manufacture of equipment used in the violation of human rights. Neither will Ilika work with organisations which are involved in the funding or carrying out of terrorist activities.

Ilika will not provide support or work with organisations which do not conform to the most widely accepted standards for minimum labour rights or which do not cover the use of under-age or forced labour.

Ilika does not give or receive any bribes, extra contractual gratuities, inducements, facilitation fees or similar payments. Any gifts, whether in cash or kind, received by employees or the Company in the course of normally accepted business entertainment are accepted subject to the prior written approval of the management.

Ilika does not donate (including sponsorship, subscriptions or provision of employee time or facilities) to any political party or similar organisation.

Contribution to society

Ilika accepts and acknowledges that we have a corporate responsibility towards society not only by paying taxes and creating and maintaining jobs but also by using our unique research skills to develop knowledge, skills and products which will ultimately benefit society.

Ilika actively supports and encourages the study of science at all levels from pre GCSE through to degree level. We do this by sponsoring posters, hosting annual visits by groups of A level students and offering 6 month and 12 month placements to Masters students.

Independent auditor's report to the members of Ilika plc

We have audited the financial statements of Ilika plc for the year ended 30 April 2011 which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the parent company balance sheet, the consolidated cash flow statement, the parent company cash flow statement, the consolidated statement of changes in equity, the parent company statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRSs') as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 Group's and the parent company's affairs as at 30 April 2011 and of the Group's loss for the year then ended;
> the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
> the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; 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 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.

Kim Hayward (senior statutory auditor)

For and on behalf of

BDO LLP, statutory auditor
Southampton
United Kingdom
13 July 2011

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

Consolidated statement of comprehensive income

	Notes	Year ended 30 April 2011 £	2010 £
Revenue	2	**1,544,766**	1,060,872
Cost of sales		**(936,511)**	(644,384)
Gross profit		**608,255**	416,488
Administrative expenses		**(4,148,002)**	(3,899,100)
Other operating income	5	**357,014**	215,000
Operating loss	3	**(3,182,733)**	(3,267,612)
Financial income	6	**38,239**	9,686
Financial expense	7	**(9,458)**	(6,448)
Loss before tax		**(3,153,952)**	(3,264,374)
Taxation	8	**106,468**	132,823
Loss for period/total comprehensive income attributable to owners of parent		**(3,047,484)**	(3,131,551)
Loss per share	9		
Basic		**(0.08)**	(25.81)
Diluted		**(0.08)**	(25.81)

Consolidated balance sheet

	Notes	As at 30 April 2011 £	2010 £
ASSETS			
Non-current assets			
Intangible assets	10	**61,794**	66,738
Property, plant and equipment	11	**2,006,479**	2,068,129
Total non-current assets		**2,068,273**	2,134,867
Current assets			
Inventory	12	**34,135**	–
Trade and other receivables	13	**748,081**	614,110
Current tax receivable	8	**122,733**	132,823
Other financial assets – bank deposits	14	**1,500,000**	–
Cash and cash equivalents	15	**1,303,924**	792,418
Total current assets		**3,708,873**	1,539,351
Total assets		**5,777,146**	3,674,218
Issued capital and reserves attributable to owners of parent			
Issued share capital	18	**383,548**	121,339
Share premium		**4,169,909**	–
Capital restructuring reserve		**6,486,077**	6,479,728
Retained earnings		**(6,418,196)**	(3,945,196)
Total equity		**4,621,338**	2,655,871
LIABILITIES			
Current liabilities			
Trade and other payables	16	**1,125,631**	1,000,157
Non current liabilities			
Other payables	16	**30,177**	18,190
Total liabilities		**1,155,808**	1,018,347
Total equity and liabilities		**5,777,146**	3,674,218

These financial statements were approved and authorised for issue by the Board of Directors on 13 July 2011.

Mr. J.B. Boyer
Chairman

Consolidated cash flow statement

	Year ended 30 April 2011 £	Year ended 30 April 2010 £
Cash flows from operating activities		
Loss before tax	(3,153,952)	(3,264,374)
Adjustments for:		
Amortisation	11,742	21,594
Depreciation	731,599	764,327
Equity-settled share-based payments	601,622	816,179
Loss/(profit) on disposal of property, plant and equipment	605	(183)
Loss on disposal of intangible assets	298	–
Net financial income	(28,782)	(3,238)
Operating cash flow before changes in working capital, interest and taxes	(1,836,868)	(1,665,695)
Increase in trade and other receivables	(128,770)	(297,152)
Increase in inventory	(34,135)	–
Increase in trade and other payables	103,712	151,673
Cash utilised by operations	(1,896,061)	(1,811,174)
Tax received	116,558	150,078
Net cash flow from operating activities	(1,779,503)	(1,661,096)
Cash flows from investing activities		
Interest received	33,038	9,686
Purchase of intangible assets	(7,298)	(11,078)
Sale of property, plant and equipment	1,013	1,141
Purchase of property, plant and equipment	(603,466)	(121,368)
Increase in other financial assets	(1,500,000)	–
Net cash used in investing activities	(2,076,713)	(121,619)
Cash flows from financing activities		
Proceeds from issuance of Ordinary Share capital	5,175,611	–
Share issue costs	(764,282)	–
Capital element of finance leases	(34,149)	(19,060)
Interest element of finance leases	(9,458)	(6,448)
Net cash from financing activities	4,367,722	(25,508)
Net increase/(decrease) in cash and cash equivalents	511,506	(1,808,223)
Cash and cash equivalents at the start of the period	792,418	2,600,641
Cash and cash equivalents at the end of the period	1,303,924	792,418

Consolidated statement of changes in equity

	Share capital £	Share premium account £	Capital restructuring reserve £	Profit and loss account £	Total attributable to equity holders of parent £
As at 30 April 2009	121,339	–	5,663,549	(813,645)	4,971,243
Share-based payment	–	–	816,179	–	816,179
Loss and total comprehensive income	–	–	–	(3,131,551)	(3,131,551)
As at 30 April 2010	121,339	–	6,479,728	(3,945,196)	2,655,871
Share option exercise	21,039	360	(20,789)	–	610
Share-based payment	–	–	27,138	574,484	601,622
Issue of shares	241,170	4,933,831	–	–	5,175,001
Expenses of share issue	–	(764,282)	–	–	(764,282)
Loss and total comprehensive income	–	–	–	(3,047,484)	(3,047,484)
As at 30 April 2011	**383,548**	**4,169,909**	**6,486,077**	**(6,418,196)**	**4,621,338**

Share capital
The share capital represents the nominal value of the equity shares in issue.

Share premium account
When shares are issued, any premium paid above the nominal value is credited to the share premium reserve.

Capital restructuring reserve
The capital restructuring reserve arises on the accounting for the share for share exchange. It represents the difference between the value of the issued equity instruments of Ilika Technologies Limited immediately before the share for share exchange and the equity instruments of Ilika plc along with the shares issued to effect the share for share exchange.

Profit and loss account
The retained earnings reserve records the accumulated profits and losses of the Group since inception of the business.

Notes to the consolidated financial statements

1 Accounting policies

Basis of preparation

The financial statements have been prepared on the basis of the accounting policies which apply for the financial year to 30 April 2011 and in accordance with the recognition and measurement criteria of IFRS adopted by the European Union.

Ilika plc was incorporated on 12 March 2010 and so the comparative financial information set out in these statements does not constitute the Company's statutory accounts for the period ended 30 April 2010 as explained under the capital restructuring section below. The accounting policies and the IFRS conversion details are set out in the non-statutory accounts of Ilika Technologies Limited for the year ended 30 April 2010, which is available on the Company's website.

Going concern

The financial statements are prepared on a going concern basis which the Directors believe continues to be appropriate. The Group meets its day to day working capital requirements through existing cash resources which, at 30 April 2011, amounted to £2,803,924. The Directors have prepared projected cash flow information for the period ending 12 months from the date of their approval of these financial statements. On the basis of this cash flow information the Directors believe that the Group will be able to continue to trade for the foreseeable future.

Capital restructuring

Ilika plc was incorporated as a vehicle for flotation on AIM in order to acquire, in a share for share exchange, Ilika Technologies Limited. These financial statements consolidate the results and financial position of Ilika Technologies Limited and its subsidiaries, through capital restructuring accounting as required by IFRS 3 Revised 'Business Combinations'. This means that the Group financial statements account for the share for share exchange as if Ilika Technologies Limited was the acquirer and Ilika plc the acquired entity. As a result of this, the comparative financial information and the financial information up to 30 April 2010 relates to the consolidated financial information of Ilika Technologies Limited.

On 6 May 2010, Ilika plc acquired, in a share for share exchange, Ilika Technologies Limited. As part of the share for share exchange agreement, the share options and warrants in Ilika Technologies Limited were transferred to Ilika plc on the same terms as previously held. There was no change in the fair value of the share options on the date of transfer because the terms of the new share option agreements were the same as the old share options. The warrant reserve in Ilika Technologies Limited was eliminated as a result of the exchange agreement as the warrants had a nil fair value at the date of transfer.

Southampton Asset Management Limited ('SAM') exercised 2,099,900 options immediately prior to admission at an exercise price of £0.01 per share. This amount was in excess of the amount payable under the terms of the original option agreement held in Ilika Technologies Limited and therefore a compensating payment of £20,789, reflecting the additional amount paid by SAM, was made to SAM and charged to the capital restructuring reserve.

Ilika plc was admitted to AIM on 14 May 2010. 10,147,059 Ordinary Shares were issued for a total consideration of £5,175,001. The premium arising on the issue of these shares was £4,933,831. Total issue costs incurred were £764,282. These costs have been written off against the share premium account.

4,000 options were exercised by option holders after admission at an exercise price of £0.10 per share.

(a) New standards, amendments to standards or interpretations adopted early

In the current year, there were no new or revised standards or interpretations that have been adopted and affected the amounts reported in the financial statements.

(b) New standards, amendments to standards or interpretations not yet applied

The following standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the Group's future financial statements:

International Accounting Standards (IAS/IFRS)		Effective date for periods commencing
IFRS 1	First-time adoption of International Financial Reporting Standards (amendment)	1 July 2010
IFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (amendments)	1 July 2011
IFRS 7	Disclosures – Transfers of Financial Assets (amendments)	1 July 2011
IFRS 9	Financial Instruments	1 January 2013
IAS 12	Deferred tax: Recovery of Underlying Assets (amendments)	1 January 2012
IAS 24	Related Party Disclosure (revised)	1 January 2011

1 Accounting policies (continued)

International Financial Reporting Interpretations (IFRIC)	Effective date for periods commencing
IFRIC 14 The limit on a defined benefit asset, minimum funding requirements and their interaction	1 January 2011
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments	1 April 2010

No other new standards or amendments are expected to have an effect on the Group.

The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial information.

Revenue
Revenue comprises the fair value for the sale of goods and services, net of value added tax and is recognised as follows:

Sales of goods
Sales of equipment and skin based products are recognised when products are delivered to a customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

Sales of services
Sales of research and development services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Leases
Where a Group Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as property, plant and equipment and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the consolidated income statement, and the capital element which reduces the outstanding obligation for future instalments. All other leases are accounted for as "operating leases" and the rental charges are charged to the consolidated income statement on a straight line basis over the life of the lease.

Financial income and financial expense
Financial income and financial expense is recognised in the income statement as it accrues, using the effective interest method.

Pension and other post retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Share-based payment transactions
The Group issues equity-settled share-based payments to all employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of market-based and non-market based vesting conditions.

The fair value of market-based options granted by the Group is measured by use of the stochastic valuation model taking into account the following inputs: the exercise price of the option; the life of the option; the market price on the date of grant of the option; the expected volatility of the share price; the dividends expected on the shares; and the risk free interest rate for the life of the option.

The fair value of non market-based options granted by the Group is measured by use of the Black-Scholes pricing model taking into account the following inputs: the exercise price of the option; the life of the option; the market price on the date of grant of the option; the expected volatility of the share price; the dividends expected on the shares; and the risk free interest rate for the life of the option. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Notes to the consolidated financial statements

1 Accounting policies (continued)

Research and development expenditure

Expenditure on the research phase is charged to the income statement in the period in which it is incurred. Development expenditure on new products is capitalised only once the criteria specified under IAS 38, Intangible Assets, have been met. Prior to and during the year ended 30 April 2011, no development expenditure satisfied the necessary conditions of IAS 38.

Taxation

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the profit and loss statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Leasehold improvements	lease term
Plant, machinery and equipment	3–5 years
Fixtures & fittings	3–5 years

Inventory

Inventory comprises the Group's cell bank from which the Cryoskin® product is derived. Inventory is valued at the lower of cost and net realisable value. Consumable stock items have been written off as an expense in the year incurred.

Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Intangible assets

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised to administrative expenses using the straight line method over their estimated useful lives (1–3 years).

Intellectual property

Acquired intellectual property is included at cost and is amortised to administrative expenses on a straight-line basis over its useful economic life of 15 years.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. The Group's financial assets are all classified as loans and receivables and carried at amortised cost. The Group's financial liabilities are all classified as 'other' liabilities which are carried at amortised cost. Cash and cash equivalents comprise cash balances and call deposits.

1 Accounting policies (continued)

Government grants
Grants that compensate the Group for expenses incurred are recognised in the income statement on a systematic basis in the same periods in which the expenses are recognised. Grant revenue is disclosed within other operating income.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held on call with the bank.

Key sources of estimation uncertainty
The preparation of the Group's financial statements, in accordance with IAS 1, Presentation of Financial Statements, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities at the date of the Group's financial statements. The Group's estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

> Depreciation of property, plant and equipment
Depreciation is provided in the consolidated financial statements so as to write-down the respective assets to their residual values over their estimated useful lives and as such, the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown above in the policy note for depreciation.

> Amortisation lives
Intangible assets are recorded at their fair value at acquisition date and are amortised on a straight-line basis over their estimated useful economic lives from the time they are available for use. Any change in the estimated useful economic lives could affect the future results of the Group; however, no changes were made in the year.

> Revenue recognition
The Group's revenue substantially comprised revenues from the provision of research and development services. The contacts set out defined deliverables the achievement of which trigger milestone payments. Judgement is used to determine the stage of completion and the point at which revenue is recognised.

> Share-based payments
The critical accounting estimates, assumptions and judgements underpinning the valuation of the option awards are disclosed in note 22.

> Taxation
The current tax receivable is the expected tax receivable on the expenditure for the period using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years. The ultimate receivable may vary from the amounts provided and is dependent upon negotiations with the relevant tax authorities.

2 Segment reporting
IFRS 8 requires the Group to report on operating segments on the same basis as that used by the chief operating decision maker to assess the performance of the business segments and to allocate resources accordingly. For management purposes, the Group is organised by market category and operational information is presented to the chief operating decision maker in the following market categories; Energy, Electronics, Biomedical and Products and recharges.

The Group's activities originate from the production, design and development of high throughput methods of material synthesis, characterisation and screening. The Group has commercialised skin-based products, details of which are given below.

Energy
The Group has materials development programmes in the battery, fuel cell and hydrogen storage sectors.

Electronics
The Group's technology can be applied to a wide range of electronic materials. The Group is initially focusing on piezoelectric and memory materials.

Biomedical
In 2009, the Group incorporated a subsidiary to handle all of its biomedical products and development programmes. The biomedical business is built on the Group's biopolymer technology.

Notes to the consolidated financial statements

2 Segment reporting (continued)

Details of the revenues from external customers by operating segment are given below:

Turnover	Year ended 30 April 2011 £	Year ended 30 April 2010 £
Analysis by class of business:		
Energy	1,101,448	869,977
Electronics	291,546	42,000
Biomedical	151,772	148,895
	1,544,766	1,060,872

Turnover	Year ended 30 April 2011 £	Year ended 30 April 2010 £
Analysis by geographical market:		
By destination		
Belgium	155,117	179,381
United Kingdom	259,184	89,435
Germany	84,015	42,000
Japan	1,028,450	689,556
North America	18,000	60,500
	1,544,766	1,060,872
Analysed as:		
Rendering of services	1,479,526	972,477
Sales of goods	65,240	88,395
	1,544,766	1,060,872

In the period to 30 April 2011, the Biomedical class of business turnover can be analysed as £65,240 for sale of skin based products and £86,482 for research and development services. All revenues associated with the energy and electronics class of business are for research and development services.

A number of customers individually account for more than 10 percent of the total turnover of the group. The revenues from these companies are indicated below on a segment basis:

Turnover	Year ended 30 April 2011 £	Year ended 30 April 2010 £
Customer 1	820,919	689,556
Customer 2	155,117	180,421
Customers less than 10 percent	125,412	–
Energy Total	1,101,448	869,977
Customer 3	174,457	–
Customers less than 10 percent	117,089	42,000
Electronics Total	291,546	42,000
Customers less than 10 percent	151,772	148,895
Biomedical total	151,772	148,895
	1,544,766	1,060,872

The chief operating decision maker only reviews turnover by operating segment then reviews expenses and profit on an aggregate basis. Therefore the segmental loss before tax information, along with the segmental total assets and liabilities information has not been split out in this note.

The loss before tax per the management accounts is the same as the loss before tax on the consolidated statement of comprehensive income with the exception of the share-based payment expense which is only calculated as a year end adjustment. For details of the calculation see note 20. The total assets and liabilities per the management accounts are the same as the consolidated balance sheet with the exception of the period end tax adjustment.

3 Operating loss

This is arrived at after charging:	Year ended 30 April 2011 £	2010 £
Research and development expenditure in the year	1,166,761	1,145,360
Depreciation	731,599	764,327
Amortisation of intangible assets	11,742	21,594
Auditors remuneration:		
Fees payable to the Group's auditor for the audit of the Group's accounts	15,000	4,750
Fees payable to the Group's auditor for other services:		
– The Audit of the Group's subsidiaries	5,000	2,500
– Other assurance services – interim review	10,000	–
– Tax services	6,745	9,555
– Reporting accountant fees in relation to the flotation and other non-recurring services	118,420	23,718
Operating lease rentals	174,000	174,119
Share-based payment charge	601,622	816,179
Foreign exchange differences	617	–

4 Employees

The average number of employees during the year, including executive directors, was:

	Year ended 30 April 2011 Number	2010 Number
Administration	9	9
Materials synthesis	21	17
	30	26

Staff costs for all employees, including Executive Directors, consist of:

	Year ended 30 April 2011 £	2010 £
Wages and salaries	1,577,637	1,235,823
Social security costs	138,896	129,426
Share-based payment expense	601,622	816,179
Pension costs	94,480	76,741
	2,412,635	2,258,169

Notes to the consolidated financial statements

4 Employees (continued)

The directors costs consist of:

	Basic salary £	Fees £	Benefits in kind £	Bonus £	Total short-term benefits £	Pension £	Share-based payment expense £	Total £
Year to 30 April 2011								
G. Purdy	**150,197**	**–**	**418**	**24,000**	**174,615**	**27,707**	**199,366**	**401,688**
S. Boydell	**92,722**	**–**	**267**	**10,500**	**103,489**	**20,101**	**29,879**	**153,469**
B. Hayden	**50,000**	**–**	**–**	**–**	**50,000**	**–**	**99,167**	**149,167**
J. Boyer	**59,835**	**–**	**–**	**–**	**59,835**	**–**	**200,633**	**260,468**
W. Braun	**27,417**	**2,500**	**–**	**–**	**29,917**	**–**	**13,244**	**43,161**
W. Wakeham	**29,917**	**–**	**–**	**–**	**29,917**	**–**	**12,509**	**42,426**
C. Spottiswoode	**29,637**	**–**	**–**	**–**	**29,637**	**–**	**10,880**	**40,517**
	–	**–**	**–**	**–**	**–**	**–**	**2,278**	**2,278**
	–	**–**	**–**	**–**	**–**	**–**	**736**	**736**
	439,725	**2,500**	**685**	**34,500**	**477,410**	**47,808**	**568,692**	**1,093,910**
Year to 30 April 2010								
G. Purdy	122,760	–	365	36,828	159,953	12,276	154,292	326,521
A. Marrocco	14,841	–	65	–	14,906	1,228	90,824	106,958
S. Boydell	46,836	–	71	9,373	56,280	3,832	–	60,112
J. Boyer	40,920	–	–	–	40,920	–	199,946	240,866
W. Braun	20,460	–	–	–	20,460	–	26,371	46,831
K. Seifert	–	–	–	–	–	–	26,371	26,371
R. Penning De Vries	–	24,510	–	–	24,510	–	–	24,510
W. Wakeham	10,230	–	–	–	10,230	–	–	10,230
B. Hayden	2,917	31,739	–	–	34,656	–	56,698	91,354
	258,964	56,249	501	46,201	361,915	17,336	554,502	933,753

Benefits in kind include critical illness cover.

The unapproved share options of the Directors under the 'Ilika plc Executive Share Option Scheme 2010' are set out below:

	2011 Number
G. Purdy	**1,800,000**
J. Boyer	**1,800,000**
B. Hayden	**900,000**
S. Boydell	**205,200**
W. Braun	**115,200**
W. Wakeham	**115,200**
C. Spottiswoode	**100,200**

The approved share options of the Directors in Ilika plc exchanged from share options in Ilika Technologies Limited. For further details see note 22.

	2011 Number
G. Purdy	**760,700**
S. Boydell	**90,000**

4 Employees (continued)

The unapproved share options of the Directors in Ilika plc exchanged from share options in Ilika Technologies Limited. For further details see note 22.

	2011 Number
G. Purdy	136,200
J. Boyer	540,200
W. Braun	20,000
B. Hayden	59,300

No options have lapsed in the period.

5 Other operating income

	Year ended 30 April	
	2011 £	2010 £
Grant income	356,867	210,457
Sundry other income	147	4,543
	357,014	215,000

6 Financial income

	Year ended 30 April	
	2011 £	2010 £
Income from short-term deposits	38,001	9,686

7 Financial expense

	Year ended 30 April	
	2011 £	2010 £
Interest on:		
Finance leases	9,458	6,448

8 Taxation

(a) Tax on profit from ordinary activities

There is no taxation charge due to the losses incurred by the Group during the year. The taxation credit represents R&D tax credit claims as follows:

	Year ended 30 April	
	2011 £	2010 £
Current tax on loss for the year	(122,733)	(132,823)
Adjustments to prior period	16,265	–
	106,468	(132,823)

Notes to the consolidated financial statements

8 Taxation (continued)

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is different to the standard rate of corporation tax in the UK of 28 percent. The differences are reconciled below:

	2011 £	2010 £
Loss on ordinary activities before tax	**(3,153,952)**	(3,264,374)
Loss on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 28 percent	**(883,107)**	(914,025)
Effects of:		
Expenses not deductible for corporation tax	**29,576**	13,348
Other temporary differences not recognised	**169,138**	191,332
Property, plant and equipment temporary differences not recognised	**32,318**	228,589
R&D relief	**(2,619)**	5,583
Origination of unrecognised tax losses	**531,961**	342,350
Under provision in previous years	**16,265**	–
Total tax credit for the year	**(106,468)**	(132,823)

Unrecognised deferred taxation

There are tax losses available for carry forward against future trading profits of approximately £8,269,000 (2010: £6,228,000). A deferred tax asset in respect of these losses of approximately £1,710,000 (2010: £1,736,000) has not been recognised in the accounts, as the full utilisation of these losses in the foreseeable future is uncertain.

9 Earnings per share

Earnings per Ordinary Share have been calculated using the weighted average number of shares in issue during the relevant financial periods. The weighted average number of equity shares in issue and the earnings, being profit after tax, are as follows:

	Year ended 30 April	
	2011 Number	2010 Number
Weighted average number of equity shares	**38,354,759**	121,339

	£	£
Earnings, being profit after tax	**(3,047,484)**	(3,131,551)

	£	£
Loss per share	**(0.08)**	(25.81)

The loss attributable to Ordinary Shareholders and weighted average number of Ordinary Shares for the purpose of calculating the diluted earnings per Ordinary Share are identical to those used for basic earnings per share. This is because the exercise of share options would have the effect of reducing the loss per Ordinary Share and is therefore not dilutive under the terms of IAS 33. At 30 April 2011 there were 18,338,316 options outstanding (2010: 46,049 options outstanding) as detailed in notes 18 and 22. Following the share for share exchange, there is no effect on the earnings per share.

10 Intangible assets

	Software licences £	Intellectual property £	Total £
Cost			
As at 30 April 2009	22,808	75,000	97,808
Additions	11,078	–	11,078
As at 30 April 2010	33,886	75,000	108,886
Additions	7,298	–	7,298
Disposals	(18,824)	–	(18,824)
As at 30 April 2011	**22,360**	**75,000**	**97,360**
Amortisation			
As at 30 April 2009	6,804	8,750	24,846
Provided for the year	16,594	5,000	21,594
As at 30 April 2010	23,398	18,750	42,148
Provided for the year	6,742	5,000	11,742
Disposals	(18,324)	–	(18,324)
As at 30 April 2011	**11,816**	**23,750**	**33,566**
Net book value			
As at 30 April 2010	10,488	56,250	66,738
As at 30 April 2011	**10,544**	**51,250**	**61,794**

The amortisation charge of £11,742 (2010: £21,594) is included within administrative expenses

11 Property, plant and equipment

	Leasehold improvements £	Plant, machinery and equipment £	Fixtures and fittings £	Total £
Cost				
As at 30 April 2009	351,667	3,071,608	158,032	3,581,307
Additions	20,000	100,235	1,133	121,368
Disposals	–	(1,568)	–	(1,568)
As at 30 April 2010	371,667	3,170,275	159,165	3,701,107
Additions	16,232	648,161	6,972	671,365
Disposals	–	(69,251)	–	(69,251)
As at 30 April 2011	**387,899**	**3,749,185**	**166,137**	**4,303,221**
Depreciation				
As at 30 April 2009	262,069	544,336	62,856	869,261
Provided for the year	95,310	633,303	35,714	764,627
Disposals	–	(610)	–	(610)
As at 30 April 2010	357,379	1,177,029	98,570	1,632,978
Provided for the year	16,154	683,224	32,221	731,599
Disposals	–	(67,835)	–	(67,835)
As at 30 April 2011	**373,533**	**1,792,418**	**130,791**	**2,296,742**
Net book value				
As at 30 April 2010	14,288	1,993,246	60,595	2,068,129
As at 30 April 2011	**14,366**	**1,956,767**	**35,346**	**2,006,479**

The net book value of fixtures and fittings includes an amount of £7,187 (2010: £15,812) and plant, machinery and equipment includes an amount of £68,622 (2010: £20,871) in respect of assets held under finance lease contracts.

Notes to the consolidated financial statements

11 Property, plant and equipment (continued)

Commitments for capital expenditure

	Year ended 30 April	
	2011 £	2010 £
Contracted but not provided for	43,771	–

12 Inventory

	As at 30 April	
	2011 £	2010 £
Inventory	34,135	–

Inventory comprises the Group's cell bank from which the Cryoskin® product is derived.

13 Trade and other receivables

	As at 30 April	
	2011 £	2010 £
Trade receivables	68,052	87,891
Prepayments and accrued income	445,642	368,888
Other receivables	234,387	157,331
	748,081	614,110

14 Other financial assets – bank deposits

	As at 30 April	
	2011 £	2010 £
Amounts receivable within one year: Sterling fixed rate deposits of greater than three months' maturity at inception	1,500,000	–

15 Cash and cash equivalents

	As at 30 April	
	2011 £	2010 £
Current bank accounts	184,201	492,418
Short-term deposits	1,119,723	300,000
	1,303,924	792,418

16 Trade and other payables

Current

	As at 30 April	
	2011 £	2010 £
Trade payables	217,672	328,281
Other payables	19,700	3,584
Other taxes and social security costs	42,205	33,143
Lease purchase agreements	40,823	19,060
Accruals and deferred income	805,231	616,089
	1,125,631	1,000,157

16 Trade and other payables (continued)

Non current

	As at 30 April 2011 £	As at 30 April 2010 £
Lease purchase agreements	**30,177**	18,190

Lease purchase agreements

	As at 30 April 2011 £	As at 30 April 2010 £
Amounts payable		
Within one year	**40,823**	19,060
In 1 year to 2 years	**22,633**	18,190
In 2 years to 5 years	**7,544**	–
	71,000	37,250

Lease purchase agreements are secured on the related assets and carry interest at fixed rates. The total amount payable under leases as at 30 April 2011 was £87,738 (2010: £50,982)

17 Financial instruments

The Group's principal financial instruments comprise, lease financing arrangements, cash and short-term deposits as well as other various items arising from its operations such as trade receivables and trade payables which are shown in the table below. The main purpose of these instruments is to finance the Group's working capital requirements as well as funding its capital expenditure programmes. The Group does not enter into derivative transactions such as interest rate swaps or forward exchange contracts.

	As at 30 April 2011 £	As at 30 April 2010 £
Financial Assets		
Loans and receivables		
Trade receivables	**68,052**	87,891
Accrued income	**303,405**	88,173
Other receivables	**234,387**	157,331
Current bank accounts	**184,201**	492,418
Bank deposits	**1,500,000**	–
Short-term deposits	**1,119,723**	300,000
Total loans and receivables	**3,409,768**	1,125,813
Financial Liabilities		
Other financial liabilities		
Trade payables	**217,672**	328,281
Other payables	**19,700**	3,582
Other taxes and social security costs	**42,205**	–
Lease purchase agreements	**71,000**	37,250
Accruals	**358,258**	547,312
Total other financial liabilities	**708,835**	916,425

The risks associated with these financial instruments are set out below.

Foreign currency risk

The Group buys goods and services in currencies other than Sterling. The Group's non-Sterling liabilities and cash flows can be affected by movements in exchange rates. These transactions are not significant and therefore no forward exchange contracts have been entered into. It is Group policy not to engage in any speculative trading in financial instruments. Any risk is mitigated by sales transactions being denominated in Sterling.

Notes to the consolidated financial statements

17 Financial instruments (continued)

Credit risk

The Group's credit risk is attributable to its trade receivables and banking deposits. The Group places its deposits with reputable financial institutions to minimise credit risk. The maximum exposure to credit risk for each period is the amount disclosed above as total loans and receivables. For the periods above there were no trade receivables which were past due or impaired. Risk is further mitigated through the use of credit limits, but also through the nature of the customers, who, for the most part, are large multinationals. There is no bad debt provision.

Liquidity risk

The Group's policy is to maintain adequate cash resources to meet liabilities as they fall due. With the exception of its hire purchase liabilities, which are disclosed in note 16, all other Group payable balances fall due for payment within one year. Cash balances are placed on deposit for varying periods with reputable banking institutions to ensure there is limited risk of capital loss. The Group does not maintain an overdraft facility.

Interest rate risk

The main risk arising from the Group's financial instruments is interest rate risk. The Group placed deposits surplus to short-term working capital requirements with a variety of reputable UK-based banks and building societies. These balances are placed at floating rates of interest and deposits have maturities of one to nine months. The Group's cash and short-term deposits are set out in note 15.

Fixed-rate financial liabilities comprise 3 finance leases, 2 of which expire in April 2012 and the 3rd in August 2013. They have a weighted average interest rate of 13.5 percent. The maturity profile is detailed in note 16. Floating-rate financial assets comprise cash on deposit and cash at bank. Short-term deposits are placed with banks for periods of up to 9 months and are categorised as floating-rate financial assets. Contracts in place at 30 April 2011 had a weighted average period to maturity of 91 days and a weighted average annualised rate of interest of 1.52 percent.

Interest rate risk sensitivity analysis

It is estimated that a change in base rate to zero would have increased the Group's loss before taxation for the year to 30 April 2011 by approximately £16,000 (2010: £9,000).

It is estimated that an increase in base rate by 1 percent would decrease the Group's loss before taxation for the year to 30 April 2011 by approximately £33,500 (2010: £11,000)

There is no difference between the book and fair value of financial assets and liabilities.

Capital management

The primary aim of the Group's capital management is to safeguard the Group's ability to continue as a going concern, to support its businesses and maximise shareholder value. The Group monitors its capital structure and makes adjustments as and when it is deemed necessary and appropriate to do so using such methods as the issuing of new shares. At present, other than finance leases, all funding is raised by equity. See note 1 for the fundraising that occurred during the year.

18 Share capital

	As at 30 April	
	2011 £	2010 £
Authorised		
36,573,359 Ordinary Shares of £0.01 each	**365,734**	1,582
1,781,400 Convertible Preference Shares of £0.01 each	**17,814**	238
Allotted, called up and fully paid		
36,573,359 Ordinary Shares of £0.01 each	**365,734**	1,035
1,781,400 Convertible Preference Shares of £0.01 each	**17,814**	178
	383,548	1,213

The comparative information disclosed above is in respect of the Ilika Technologies Limited as explained in note 1, capital restructuring.

18 Share capital (continued)

Share Rights

The Ordinary Share and preference shares rank pari passu in all respects other than:

> The profits which the Group may determine to distribute in respect of any financial period shall be distributed only among the holders of the Ordinary Shares. The preference shares shall not entitle the holders of them to any share in such distributions
> On a return of capital or assets on a liquidation, reduction of capital or otherwise the surplus assets of the Group remaining after payment of its obligations shall be applied:
  - First, in paying to the holders of the preference shares the amount paid thereon, being the amount equal to the par value of the preference shares excluding any premium
  - Secondly, the balance of such surplus assets shall belong to and be distributed amongst the holders of the Ordinary Shares

The preference share holders have the right, at any time, to convert the preference shares held to the same number of Ordinary Shares.

Share options and warrants

Employee related share options are disclosed in note 22. In addition to these, there were 107,300 non-employee share options over Ordinary Shares of £0.01 at the year end. The Company's brokers also have a warrant to subscribe to 130,100 Ordinary Shares of £0.01.

10,147,059 warrants to subscribe to Ordinary Shares of £0.01 were issued on 14 May 2010 to investors who subscribed to the placing as one warrant for each share subscribed and the Company's brokers were issued with a warrant to subscribe to 392,157 Ordinary Shares of £0.01.

19 Operating leases

The total future minimum rent payable under non-cancellable operating leases is as follows:

	As at 30 April	
	2011 £	2010 £
Property		
Within 1 year	10,217	–
In 1 to 2 years	–	50,753
In 2 to 5 years	366,204	471,784
	376,421	522,537

20 Pensions

The Group operates a defined contribution group personal pension scheme. The pension cost charge for the period represents contributions payable by the Group to the scheme and amounted to £94,480. (2010: £76,741).

21 Related party transactions

The Directors consider that no one party controls the Group.

During the year ended 30 April 2011, the Group incurred costs of £294,248 (2010: £251,529) with the University of Southampton in connection with research and development activities. The University of Southampton is the controlling shareholder of Southampton Asset Management Limited, which has an interest in the Group. At 30 April 2011, the amount unpaid in respect of these costs was £8,488. (2010: £15,239).

During the year ended 30 April 2011, the Group incurred costs of £nil (2010: £5,000) with IP Group plc, a shareholder in the Group in connection with non-executive recruitment fees. At 30 April 2011, the amount unpaid in respect of these costs was £nil (2010: £nil).

During the year ended 30 April 2011, the Group paid consultancy fees of £nil (2010: £35,000) directly to Prof. B. Hayden, a Director of the Group. At 30 April 2011, the amount unpaid in respect of these costs was £nil (2010: £nil). The Group also incurred fees from the University of Southampton in respect of Prof. B. Hayden. These amounts are included in the £294,248 shown above.

Notes to the consolidated financial statements

22 Share-based payments expense and share options

Share-based payment expense

The Group has recognised an expense to the consolidated statement of comprehensive income representing the fair value of outstanding equity-settled share-based payment awards to employees.

The Group has calculated the fair market value of options with market based performance conditions using the stochastic valuation model. Previous options with no market based performance conditions have been valued using the Black-Scholes model.

Those fair values were charged to the consolidated statement of total comprehensive income over the relevant vesting periods adjusted to reflect actual and expected vesting levels.

The Group has incentivised and motivated staff through the grant of share options under the Enterprise Management Incentive ('EMI') scheme and through unapproved share option schemes.

On 14 May 2010, options in the Ilika Technologies Limited share option scheme were exchanged for options in Ilika plc. 1 option in Ilika Technologies Limited was exchanged for 100 options in Ilika plc with the option price in Ilika plc shares being one one hundredth of the price in Ilika Technologies shares.

Black-Scholes valuation

	Weighted Average Exercise Price		Number	
	2011 £	2010 £	2011	2010
Outstanding:				
At start of the period	**34.95**	33.09	**22,676**	21,776
100 for 1 exchange	**0.3495**	–	**2,244,944**	–
Exercised during the period	**0.1000**	–	**(4,000)**	–
Granted during the period	**–**	80.00	**–**	900
At the end of the period	**0.3499**	34.95	**2,263,600**	22,676

The exercise price of options outstanding at the end of the period ranged between £0.10 and £2.4283 and their weighted average contractual life was 4.9 years (2010: 5.9 years). These share options are exercisable and must be exercised within 10 years from the date of grant.

At 30 April 2011 the following share options were outstanding in respect of the approved share options exchanged:

Date of grant	Number of shares	Period of option	Exercise price per share
19 May 2004	375,000	10 years	£0.10
29 June 2004	219,700	10 years	£0.10
9 June 2005	139,500	10 years	£0.10
30 March 2006	15,200	10 years	£0.10
14 May 2007	156,100	10 years	£0.80
15 January 2008	70,400	10 years	£1.00
2 February 2009	138,000	10 years	£0.80
1 December 2009	90,000	10 years	£0.80

4,000 of these options were exercised in the year.

22 Share-based payments expense and share options (continued)

At 30 April 2011 the following share options were outstanding in respect of the unapproved share options exchanged:

Date of grant	Number of shares	Period of option	Exercise price per share
29 June 2004	273,100	10 years	£0.10
1 December 2005	280,000	10 years	£0.10
8 May 2006	115,500	10 years	£0.10
11 July 2007	195,500	10 years	£0.80
30 August 2007	151,600	10 years	£0.10
11 November 2008	40,000	10 years	£2.4283

No options were exercised in the year.

The following information is relevant in the determination of the fair value of options granted under the equity-settled share-based remuneration schemes under the Black-Scholes method.

	Year to 30 April 2010
Equity-settled:	
Weighted average share price at date of grant/£	49.50
Exercise Price/£	80
Weighted average contractual life/years	9.7
Expected volatility	30%
Expected dividend yield	0%
Risk free interest rate	0.5%

The volatility has been based on the annualised average of the standard deviations of the daily historical continuously compounded returns of the share price of three companies listed on the AIM which have a broadly similar technology risk profile to the Group. The risk free rate was assumed to be the yield to maturity on a UK Gilt strip with the term to maturity equal to the expected life of the option.

Stochastic valuation

	Weighted average exercise price		Number	
	2011 £	2010 £	2011	2010
Outstanding:				
At start of the period	–	–	–	–
Granted during the period	0.51	–	5,365,400	–
Lapsed during the period	0.51	–	(13,300)	–
At the end of the period	0.51	–	5,352,100	–

The exercise price of options outstanding at the end of the period was £0.51 and their weighted average contractual life was 10 years.

Ilika plc Executive Share Option Scheme 2010

At 30 April 2011 the following share options were outstanding in respect of the Ilika plc Executive Share Option Scheme 2010:

Date of grant	Number of shares	Period of option	Exercise price per share
14 May 2010	151,300	10 years	£0.51

Notes to the consolidated financial statements

22 Share-based payments expense and share options (continued)

Members of staff in the Group have options in respect of Ordinary Shares in Ilika plc, conditional upon the achievement of a 10 percent increase in the Company's share price above that of the TechMARK All share price index over a three year period. 13,300 options lapsed in the year due to employees leaving the Company. At a meeting of the Remuneration Committee on 13 July 2011, it was agreed that the performance criteria applicable to these options be amended to reflect a series of financial and commercial milestones.

Ilika plc unapproved share options

At 30 April 2011 the following share options were outstanding in respect of Ilika plc unapproved share options:

Date of grant	Number of shares	Period of option	Exercise price per share
14 May 2010	5,200,800	10 years	£0.51

Directors, Non-Executive Directors and founders of the Group were granted a total of 5,200,800 options in respect of Ordinary Shares in Ilika plc. These options vest in 4 tranches. The first Tranche of 825,000 options were granted on the 14 May 2010 with no performance conditions attached. The remaining 3 Tranches of 1,458,600 options are conditional upon the achievement of a 10 percent increase in the Company's share price above that of the TechMARK All share price index in each of the three years subsequent to the flotation. At a meeting of the Remuneration Committee on 13 July 2011, it was agreed that the performance criteria applicable to the options granted under tranche 2 should be waived. Furthermore, it was agreed that the performance criteria application to the options granted under tranches 3 and 4 be amended to reflect a series of financial and commercial milestones.

No options were exercised or lapsed in the year.

The following information is relevant in the determination of the fair value of options granted under the equity-settled share-based remuneration schemes operated by the Group under the stochastic valuation model.

Expected Term. This is the most likely estimate of the period from grant until the exercise date. For these options, the assumption of an expected term of part way between vesting and lapse for each option/tranche.
Expected Volatility. The normal approach is to look at the historical volatility of the share price over the most recent period that is generally commensurate with the expected award term. However, this approach is not possible here given that the options were granted on the date of the Company's admission to the London Stock Exchange. In such cases, IFRS 2 allows the consideration of the historical volatility of other similar entities to determine a proxy for the Company's volatility. Similar entities, for the purpose of calculating volatility, have been chosen as the constituents of the Company's comparator Index. Volatility for each of these companies has been calculated over both 3 and 6 years resulting in median volatilities of 46.7 percent and 42.3 percent respectively. A proxy volatility of 45 percent (being midway between these 2 figures) has been used for valuing these options.
Expected Dividend Yield: as the Company does not pay, and is not currently expected to pay any dividends, the dividend yield has been set to zero.
Risk-free Rate: calculated based on UK Gilts with a term commensurate with the expected term.

The charge for the prior period had been calculated on the basis that the Group floated in May 2010.

	2011 £	2010 £
Share-based payment expense:		
Black-Scholes calculation	27,138	813,179
Stochastic valuation	574,484	–
	601,622	813,179

Company balance sheet of Ilika plc

	Notes	As at 30 April 2011 £	2010 £
ASSETS			
Non current assets			
Investments in subsidiary undertaking	24	121,339	–
Current assets			
Trade and other receivables	25	4,378,517	–
Cash at bank and cash equivalents		–	0.01
Total net assets		4,499,856	0.01
Equity			
Issued share capital	26	383,548	0.01
Share premium	26	4,149,120	–
Retained earnings	26	(41,011)	–
LIABILITIES		4,491,657	0.01
Current liabilities			
Trade and other payables		8,199	–
Total liabilities		8,199	–
Total equity and liabilities		4,499,856	0.01

The notes on pages 50 and 51 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 13 July 2011.

Mr. J.B. Boyer
Chairman

Company cash flow statement

	Year ended 30 April 2011 £	Year ended 30 April 2010 £
Cash flows from operating activities		
Loss before tax	(642,633)	–
Adjustments for:		
Equity settled share-based payments	601,622	–
Operating cash flow before changes in working capital, interest and taxes	(41,011)	–
Increase in trade and other receivables	(4,378,517)	–
Increase in trade and other payables	8,199	–
Cash utilised by operations	(4,411,329)	–
Cash flows from financing activities		
Proceeds from issuance of Ordinary Share capital	5,175,611	0.01
Share issue costs	(764,282)	–
Net cash from financing activities	4,411,329	0.01
Net increase in cash and cash equivalents	–	0.01
Cash and cash equivalents at the start of the period	–	–
Cash and cash equivalents at the end of the period	–	0.01

Company statement of changes in equity

	Share capital £	Share premium account £	Retained earnings £	Total attributable to equity holders £
As at 30 April 2010	–	–	–	–
Share exchange with Ilika Technologies	121,339	–	–	121,339
Share option exercise	21,039	(20,429)	–	610
Issue of shares	241,170	4,933,831	–	5,175,001
Expenses of share issue	–	(764,282)	–	(764,282)
Share-based payment	–	–	601,622	601,622
Loss and total comprehensive income	–	–	(642,633)	(642,633)
As at 30 April 2011	383,548	4,149,120	(41,011)	4,491,657

Share capital
The share capital represents the nominal value of the equity shares in issue.

Share premium account
When shares are issued, any premium paid above the nominal value is credited to the share premium reserve.

Retained earnings
The retained earnings reserve records the accumulated profits and losses of the Company since inception of the business.

Notes to the consolidated financial statements

23 Accounting polices

Basis of preparation

These financial statements have been prepared in accordance with IFRSs adopted by the European Union.

Ilika plc was incorporated on 12 March 2010.

No Directors report has been presented and the Directors responsibilities in respect of these financial statements are set out on page 20.

Taxation

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Related party transactions

During the year the company made recharges of costs to Ilika Technologies Limited of £551,325 and to Altrika Limited of £123,187. In addition the funds raised from the flotation of the Company were transferred to Ilika Technologies Limited. The balances outstanding at 30 April 2011 for Ilika Technologies limited was £4,243,351 and for Altrika Limited was £123,187.

Share-based payments

The critical accounting estimates, assumptions and judgements underpinning the valuation of the option awards are disclosed in note 22.

Financial instruments

The accounting policy relating to financial instruments is disclosed in note 1.

Profit of the parent company

Loss in the year

No profit and loss account is presented for the Company as permitted by Section 408 of the Companies Act 2006. The Company's loss for the year was £642,633 (2010: £nil).

Directors' remuneration

The remuneration of the Directors is disclosed in note 4.

Auditors' remuneration

Auditors' remuneration is disclosed in Note 3.

24 Investment in subsidiary undertaking

Investments in Group undertakings are stated at cost.

On 6 May 2010, Ilika plc acquired, in a share for share exchange, Ilika Technologies Limited. Ilika Technologies Limited (Incorporated in the UK) made a loss for the year of £1,893,139 and had net assets as at 30 April 2011 of £1,030,437.

Shares in Group undertakings (at cost)	2011 £
At 6 May 2010 and 30 April 2011	**121,339**

Ilika Technologies Limited has a wholly owned subsidiary, Altrika Limited (Incorporated in the UK) which made a loss for the year of £511,712 and had net liabilities as at 30 April 2011 of £779,319.

25 Trade and other receivables

	As at 30 April 2011 £	2010 £
Prepayments	7,404	–
Other debtors	4,575	
Amounts due from subsidiary undertakings	4,366,538	–
	4,378,517	–

26 Share capital

	As at 30 April 2011 £	2010 £
Authorised		
36,573,359 Ordinary Shares of £0.01 each (2010: 1 Ordinary Share of £0.01)	365,733	0.01
1,781,400 Convertible Preference Shares of £0.01 each (2010: nil)	17,814	–
	383,547	0.01
Allotted, called up and fully paid		
36,573,359 Ordinary Shares of £0.01 each (2010: 1 Ordinary Share of £0.01)	365,733	0.01
1,781,400 Convertible Preference Shares of £0.01 each (2010: nil)	17,814	–
	383,547	0.01

On 6 May 2010, the Company issued 10,352,500 Ordinary Shares and 1,781,400 Convertible Preference Shares in consideration for the entire issued share capital of Ilika Technologies on a ratio of 100:1 shares. On 6 May 2010, the Company issued 2,099,900 Ordinary Shares pursuant to the exercise of a number of the non-employee options.

On 14 May 2010, Ilika plc was admitted to AIM. This initial public offering comprised of the issue of 10,147,059 Placing Shares at 51 pence per share together with 10,147,059 Placing Warrants. The net proceeds, after transaction costs, were approximately £4,350,000.

Share Rights

The Ordinary Share and preference shares rank pari passu in all respects other than:

- The profits which the Group may determine to distribute in respect of any financial period shall be distributed only among the holders of the Ordinary Shares. The preference shares shall not entitle the holders of them to any share in such distributions
- On a return of capital or assets on a liquidation, reduction of capital or otherwise the surplus assets of the Group remaining after payment of its obligations shall be applied:
  - First, in paying to the holders of the preference shares the amount paid thereon, being the amount equal to the par value of the preference shares excluding any premium
  - Secondly, the balance of such surplus assets shall belong to and be distributed amongst the holders of the Ordinary Shares

The preference share holders have the right, at any time, to convert the preference shares held to the same number of Ordinary Shares.

Corporate directory

Company number:	7187804
Directors	
Executive:	Graeme Purdy Stephen Boydell Brian Hayden
Non-Executive:	Jack Boyer (Chairman) Dr. Werner Braun Clare Spottiswoode Prof. William Wakeham
Secretary:	Stephen Boydell
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