summit

Summit Therapeutics plc Annual Report and Accounts

2014/15

Advancing therapies for the treatment of Duchenne Muscular Dystrophy and *C. difficile* Infection

Welcome to Summit Therapeutics plc

We are seeking to treat all boys afflicted with Duchenne Muscular Dystrophy ('DMD') with our pioneering utrophin modulation technology.

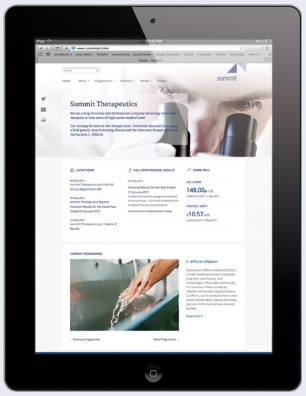
We are also advancing a highly selective novel antibiotic to treat *Clostridium difficile* Infection ('CDI').

Headquartered in Oxfordshire, UK, we have a clear strategy for generating value for shareholders.

Operational Review p.06

Duchenne Muscular Dystrophy ('DMD') p.12

C. difficile Infection ('CDI') p.14



Full details of our programmes can be found online at:
www.summitplc.com
@summitplc

Progress

Product development

Duchenne Muscular Dystrophy ('DMD') programme

- Completion of first DMD patient Phase 1b clinical trial of a utrophin modulator therapy with SMT C1100 shown to be well tolerated at all doses tested.
- Potential SMT C1100 activity in Phase 1b clinical trial with statistically significant reduction observed in the levels of three enzymes associated with muscle damage.
- Initiation of new Phase 1b clinical trial of SMT C1100 to evaluate impact of modified diet in DMD patients; all patients enrolled and dosing on-going with top-line data expected to be reported in Q3 2015.
- Plan to initiate Phase 2 open label clinical trial of SMT C1100 in H2 2015 and randomised placebo controlled Phase 2 clinical trial of SMT C1100 in early 2016.

C. difficile Infection ('CDI') programme

- Phase 2 Proof of Concept clinical trial on-going in US and Canada with enrolment and dosing of patients underway; top line data expected in H2 2015.
- SMT19969 designated as a Qualified Infectious Disease Product ('QIDP') by the US Food and Drug Administration.
- £1.9 million milestone payment received as part of the Wellcome Trust Translational Award.

Operational highlights

- Strengthening of the Board of Directors and Executive Management including the appointment of Mr Erik Ostrowski as Chief Financial Officer.
- US operations established through opening of Cambridge, Massachusetts office.
- Change of registered name to Summit Therapeutics plc in February 2015.

Financial highlights

- Cash and cash equivalents at 31 January 2015 of £11.3 million compared to £2.0 million at 31 January 2014.
- £22.0 million (£20.5 million net of costs) financing through the issue of new Ordinary Shares completed in March 2014.
- Loss for the year ended 31 January 2015 of £11.3 million compared to £6.1 million for the year ended 31 January 2014.

NASDAQ initial public offering

- Initial public offering of American Depositary Shares in the United States and listing on the NASDAQ Global Market completed in March 2015 (post period end).
- Gross proceeds of $39.3 million (£25.8 million) raised.

Contents

Creating Value

Summit is focused on developing high-quality and differentiated therapies to treat Duchenne Muscular Dystrophy and *C. difficile* Infection.

Our Business Model

Summit is focused on the discovery, development and commercialisation of novel medicines for diseases for which there are no existing or only inadequate therapies. Our goal is to become a fully integrated biopharmaceutical company.

Therapeutic Focus

Our therapeutic focus is on the genetic disease Duchenne Muscular Dystrophy ('DMD') and the infectious disease caused by the bacteria *Clostridium difficile*.

Summit is developing a pipeline of small molecule utrophin modulators for the treatment of DMD and a novel antibiotic for the treatment of *Clostridium difficile* Infection ('CDI').

Targeting Unmet Need

Summit is targeting two diseases that each represent attractive commercial opportunities if effective treatments are successfully developed.

DMD — DMD is a fatal muscle wasting disease and there is currently no approved disease modifying therapy applicable to all DMD patients.

CDI — CDI is a serious healthcare issue in hospitals and long-term care homes, and existing treatment options have limitations.

Maximising Value

Summit is focused on advancing its DMD and CDI programmes through clinical trials that seek to demonstrate their potential benefit in patients.

Our Strategy

Summit is seeking to treat all boys afflicted with DMD with our pioneering utrophin modulation technology. We are also advancing a highly selective novel antibiotic to treat CDI. The key elements of our business strategy are:

1 Rapidly advance lead product candidates

Summit is focusing its resources and business efforts on rapidly advancing the development of its lead product candidates for DMD and CDI. The lead DMD product candidate is the small molecule utrophin modulator SMT C1100, and the lead CDI product candidate is the highly selective novel antibiotic SMT19969. Summit plans to advance SMT C1100 and SMT19969 through patient clinical trials as quickly as possible in an effort to validate the potential clinical benefit of these two therapies.

2 Enhance leadership position in utrophin modulation

Summit's DMD programme is based on utrophin modulation, a scientific approach that has the potential to treat all DMD patients, regardless of the underlying mutation in the dystrophin gene. The concept of utrophin modulation for DMD was pioneered by Summit's co-founder and scientific advisor Professor Kay Davies at the University of Oxford. Summit plans to build on its existing knowledge, experience and intellectual property rights in this area to maintain and expand its leadership in the field of utrophin modulation.

3 Commercialise lead utrophin modulator therapy for DMD

Summit holds exclusive, worldwide commercialisation rights for SMT C1100. Summit's intention is to advance this utrophin modulator through clinical trials, and if it receives marketing approval, commercialise it initially in the United States and Europe by establishing a focused, specialised sales force. Outside of the United States and Europe, Summit will plan to evaluate the potential of entering into collaboration, distribution and other marketing arrangements with third parties to commercialise SMT C1100.

4 Maximise the commercial potential of CDI antibiotic

Summit plans to maximise the commercial opportunity for SMT19969 which is in development for the treatment of CDI. Summit may determine to develop SMT19969 independently and then commercialise the antibiotic directly in the United States and Europe, or seek third party collaborators to support the development and commercialisation of SMT19969. Summit intends to evaluate the relative merits of these approaches based on factors such as anticipated development costs, sales and marketing resource required, and proposed financial terms.

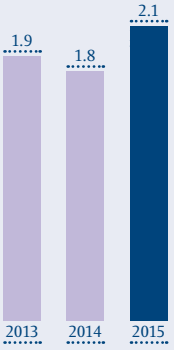
Key Performance Indicators

The Company's key performance indicators include a range of financial and non-financial measures.

Details about the progress of our drug programmes are included in the Chairman's Statement and Operational Review, and below are the other indicators considered pertinent to the business.

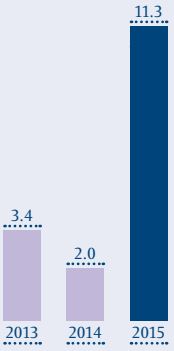
- Total other operating income primarily consists of income received from philanthropic, non-government and not-for-profit organisations, and patient advocacy groups.
- Increase in year-end cash held following an equity placing in March 2014 which raised net proceeds of £20.5 million.
- Increase in total research and development expenditure reflects the higher investment in the DMD and CDI clinical stage programmes.
- A number of patents were granted during the year and led to an increase in total patents granted.

£2.1m
Total other operating income



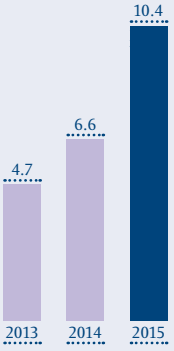
Increase: 16% since 2014

£11.3m
Year end cash held



Increase: 455% since 2014

£10.4m
Total research and development investment



Increase: 58% since 2014

163%
Increase in total patents granted

Increase: 163% since 2014

Turn to p.04 for the Chairman's Statement or p.06 for the Operational Review for further details on our progress

Chairman's Statement

"The Company has made good progress during the year and is well placed to achieve a number of important clinical milestones over the coming year. "

Frank Armstrong
Non-Executive Chairman

I am pleased to report that it has been a year of substantial progress that has seen Summit's lead product candidates' progress into clinical trials in patients, expansion of our operations into the United States and receipt of strong financial backing from investors that culminated in the successful NASDAQ initial public offering.

It is my belief that Summit is in a strong position to achieve a number of key clinical milestones in the coming year that have the potential to benefit patients and their families, along with our shareholders.

Programmes

Our novel utrophin modulation programme for the treatment of Duchenne Muscular Dystrophy ('DMD') provides Summit with the opportunity to treat all patients with this devastating muscle wasting condition. Utrophin modulation is a scientific approach that has the potential to slow or even stop progression of DMD and would be applicable to all DMD patients, regardless of the underlying genetic faults. It would also potentially be complementary to other disease modifying approaches in development that only target small sub-sets of DMD patients.

We are seeking to capitalise on this opportunity by developing a pipeline of utrophin modulator drugs. Summit has an established leadership position in this field of research, strengthened through our strategic alliance with the University of Oxford. This includes the research team of co-founder and scientific adviser Professor Kay Davies who pioneered utrophin modulation as a DMD treatment approach.

Our strategic ambition for the DMD programme is to independently develop a utrophin modulator drug through clinical trials and, if successful, commercialise it ourselves in the United States and Europe. We believe this is achievable as DMD is an orphan disease with a concentrated network of clinicians and patient advocacy groups that gives us the ability to retain the commercial value of this promising therapeutic approach.

Our lead utrophin modulator, SMT C1100, progressed into clinical trials in patients during 2014. Further clinical data is anticipated during 2015 as we work towards commencing a Phase 2 proof of concept efficacy trial that will seek to validate the potential of utrophin modulation as a new treatment paradigm for all DMD patients. Our earlier stage pipeline continues to advance in parallel as we seek to identify second and future generation utrophin-based therapies in order to maintain our leadership position in this research field.

Our novel antibiotic SMT19969 for the treatment of *C. difficile* infection ('CDI') has the potential to address another healthcare threat that is poorly served by current treatments. In 2014 an investigational new drug application ('IND') in the US was opened for SMT19969. SMT19969 has progressed into a Phase 2 proof of concept trial and with enrolment and dosing on-going, top-line data is expected to be reported in the second half of 2015. In addition, a separate open label Phase 2 trial is being undertaken that we anticipate will inform our future clinical development plans for this novel antibiotic.

Our strategic objective with SMT19969 is to maximise its commercial potential either independently or through establishing collaboration partnerships. The Board of Directors will continue to evaluate the relative merits of these options and seek to provide the greatest value for patients and our shareholders.

Operational

We were pleased to complete our NASDAQ initial public offering in March 2015. The offering has provided the Company with additional funds and increased access to a wider network of specialist healthcare investors. This new capital has enhanced our immediate ability to advance the development of our two product candidates and our earlier stage pipeline of utrophin modulators. The NASDAQ listing complements our listing on AIM, a market of the London Stock Exchange.

The Company expanded during the year to support the progression of our two clinical programmes. We now have operations in the United States through our office in Cambridge, Massachusetts. This physical presence in the United States will support greater interactions with academic, clinical and business leaders in our two areas of therapeutic development. The operations team in the UK and US continues to be strengthened to support our efforts of reaching key inflection points in our two programmes. In February 2015, the Company changed its name to Summit Therapeutics plc. This new name directly references our sector of business and I believe will help increase our profile and marketability with investors and the wider life sciences industry.

Board Update

I was pleased to welcome a number of new faces to the Board of Directors with Mr Leopoldo Zambeletti, Ms Valerie Andrews and Mr David Wurzer joining as Non-Executive Directors. They each have a wealth of experience in the global life sciences industry and will be of great assistance as we pursue our business strategy. In addition, Mr Jim Mellon stepped down from the Board, and I would like to thank him for his efforts during his time as a Non-Executive Director.

Summary & Outlook

The Company has made good progress and is well positioned to achieve a number of important clinical milestones over the coming year. I would like to thank all our shareholders for their continued support, which has been essential in the advancement of our two programmes. I would also like to thank all the patients and their families, and the doctors and nurses, who have been involved in our various clinical trials. Finally, I would like to thank all our staff for their continued dedication and commitment that has enabled the Company to progress over the last year. We are all excited about our future prospects as we look to meet the needs of patients and their families affected by two serious diseases.

Frank Armstrong, FRCPE, FFPM
Non-Executive Chairman

6 May 2015

Operational Review

Glyn Edwards
Chief Executive Officer

Erik Ostrowski
Chief Financial Officer

It has been a period of significant progress across all areas of the business. Summit's utrophin modulation programme for the treatment of Duchenne Muscular Dystrophy ('DMD') and novel antibiotic for the treatment of *C. difficile* infection ('CDI') have each advanced into patient clinical trials. The Company also achieved a significant milestone following the completion of a US initial public offering ('IPO') of shares on NASDAQ. This IPO has strengthened the financial resources of the Company and will support the future clinical development plans as Summit seeks to exploit the promise of its DMD and CDI programmes.

Summit Overview

Summit is seeking to treat all boys afflicted with the fatal disease Duchenne Muscular Dystrophy using its pioneering utrophin modulation technology. Summit is also advancing a highly selective antibiotic to treat *Clostridium difficile* Infection.

Summit's DMD utrophin modulation programme is a treatment approach that is independent of the underlying mutations in the dystrophin gene that cause the disease and so has the potential to address the entire population of DMD patients. Summit has established a leadership position in the field of utrophin modulation. Summit is currently evaluating its most advanced product candidate, SMT C1100, in clinical trials in DMD patients and in parallel, Summit is also developing an earlier stage pipeline of second and future generation utrophin modulators.

Summit's CDI therapy is SMT19969, an orally administered small molecule antibiotic. SMT19969 is designed to selectively target *Clostridium difficile* bacteria without causing collateral damage to the gut flora of patients, and thereby reduce CDI recurrence rates, the key clinical issue in this disease.

NASDAQ Listing and Equity Offering

Summit successfully completed a US initial public offering on the NASDAQ Global Market issuing 3,967,500 American Depositary Shares ('ADSs') at an offering price of $9.90 per ADS in March 2015. Total gross proceeds were $39.3 million (£25.8 million). Each ADS represents five Ordinary Shares of 1.0 pence each in the capital of the Company. The ADSs trade on NASDAQ under the symbol 'SMMT' and this listing complements the listing of the Company's Ordinary Shares on AIM, a market of the London Stock Exchange that trade under the symbol 'SUMM'.

The NASDAQ listing was an important strategic event for Summit. The Company believes that it will provide greater access to the large number of specialist healthcare investors in the US, as well as increase liquidity in the trading of its shares.

The funds raised in the US IPO have strengthened the financial position of the Company and will support the on-going clinical development of its lead product candidates, SMT C1100 and SMT19969. The additional funds will also support the parallel development of its pipeline of future generation utrophin modulators as the Company seeks to maintain its leadership position in this field of DMD research.

Duchenne Muscular Dystrophy Programme

DMD is the most common and most severe form of muscular dystrophy. The disease predominately affects males and results in the progressive wasting of muscles throughout the body. DMD typically results in death by the time patients reach their late twenties. Patients with DMD are unable to produce dystrophin, a protein essential for maintaining healthy muscle function.

Utrophin is a naturally occurring protein that is functionally and structurally similar to dystrophin. Utrophin plays an active role in the development of new muscle fibres, both in foetal development and in the repair of damaged muscle fibres. Utrophin production is switched off in mature muscle fibres and replaced by production of dystrophin. Utrophin modulation has the potential to maintain the production of utrophin in all skeletal muscles, including the diaphragm, and the heart to compensate for the absence of functional dystrophin in DMD patients and so restore and maintain healthy muscle function. A key benefit of utrophin modulation is that it is independent of the underlying genetic fault in the dystrophin gene and so has the potential to treat the entire patient population.

SMT C1100 Clinical Trial Activities

Initial Phase 1b Clinical Trial in DMD Patients

SMT C1100 is an orally administered small molecule. In 2014, the Company completed a Phase 1b trial of SMT C1100 which was the first trial of a utrophin modulator to be conducted in DMD patients. This Phase 1b trial achieved its primary endpoint with SMT C1100 shown to be well tolerated at all doses tested. In addition, there was an excellent rate of patient compliance.

The Phase 1b was a non-placebo controlled trial that reported results that we believe are encouraging about the disease modifying potential of SMT C1100. The trial enrolled a total of 12 boys with DMD who were between the ages of 5 and 11 years old. After 10 days of dosing, a reduction was observed in the enzymes creatine kinase ('CK'), aspartate aminotransferase ('AST') and alanine aminotransferase ('ALT'). The levels of these three enzymes are typically low in healthy people but elevated in DMD patients due to the disease weakening their muscle cells and leads to the accumulation of the enzymes in the blood. When dosed with SMT C1100, there was a reduction in CK (10/11 patients), AST (11/12 patients) and ALT (12/12 patients). After dosing, the enzyme levels increased towards pre-dose levels. Summit believes that the lower levels of CK, AST and ALT compared to baseline potentially indicate a reduction in muscle damage and may be evidence of SMT C1100 activity.

These encouraging enzyme data on SMT C1100 were achieved with levels of drug uptake in the majority of patients that we believe can be improved on. In a Phase 1 healthy volunteer trial completed in 2012, higher blood plasma levels of SMT C1100 were achieved when the drug was dosed with food. In the Phase 1b trial, despite being administered with food, there was variability between patients with the majority having plasma levels that were similar to those of a fasted healthy volunteer. Initial evidence suggests that this may be due to the difference in diet of DMD patients and other disease related factors.

Phase 1b Modified Diet Clinical Trial

In December 2014 Summit received approval from the UK regulatory and ethics committee to initiate a new Phase 1b clinical trial in DMD patients. This new trial is a randomised, placebo controlled study that aims to increase the blood plasma levels of SMT C1100 compared to those observed in the previous open label Phase 1b trial by providing patients with specific dietary guidance recommending balanced proportions of fat, protein and carbohydrates. The trial is also evaluating the potential impact of SMT C1100 on enzyme biomarkers that are related to muscle health, and further evaluating the safety and tolerability of the drug.

The trial is now fully enrolled with 12 DMD patients between the ages of 5 and 13 years divided equally into three cohorts. The trial comprises three randomised 14-day treatment periods during which each patient will receive two different doses of SMT C1100 and a placebo control. There is a wash-out period of at least 14 days between each of the three treatment periods. Summit expects to report top-line data from this trial in the third quarter of 2015.

Future Clinical Trial Plans

If the Phase 1b modified diet trial is successful, Summit plans to initiate a Phase 2 open label trial in DMD patients designed to evaluate the longer-term effects of SMT C1100 on muscle health, function and safety. The Company's objective is to obtain regulatory approval for the Phase 2 open label trial in parallel with the on-going Phase 1b trial to minimise the time between completion and commencement of the two studies. Summit also plans to conduct a larger, multinational Phase 2 placebo controlled trial that is expected to include sites in the United States and Europe.

Second and Future Generation Utrophin Modulators

Summit is also developing a pipeline of second and future generation utrophin modulators as part of the Company's strategy to maintain its leadership position in the field of utrophin research. The second generation molecules are structurally related to SMT C1100, but are designed to have more favourable pharmacokinetic properties to achieve higher drug uptake. At the 19th World Muscle Society Congress, new preclinical data was unveiled on the second generation molecules which demonstrated that they had a positive benefit on utrophin protein expression and muscle function and health.

C. difficile Infection Programme

SMT19969 is a novel antibiotic being evaluated in patient clinical trials for the treatment of infections caused by the bacteria *Clostridium difficile*. SMT19969 is a novel class of antibiotic and is designed to selectively target *C. difficile* bacteria without causing collateral damage to the gut flora and thereby reduce CDI recurrence rates.

SMT19969 Clinical Trial Activities

In 2014 Summit opened an investigational new drug application and commenced a Phase 2 proof of concept clinical trial. This trial, named CoDIFy, is a double-blind, randomised active control trial evaluating the efficacy of SMT19969 against the current standard of care, the antibiotic vancomycin. CoDIFy is being conducted in the US and Canada and will enrol up to 100 patients with half the patients receiving ten days of dosing with SMT19969, and the remaining patients receiving ten days of dosing with vancomycin.

Operational Review continued

"This has been an important period that leaves the Company well positioned to deliver a number of key clinical development milestones."

The primary endpoint of the trial is sustained clinical response that is defined as clinical cure based on the resolution of diarrhoea at the test of cure visit on day 12 and no recurrence of CDI within 30 days after the end of treatment. The trial will examine a number of secondary endpoints including the safety and tolerability of SMT19969, and the impact of the antibiotic on the gut flora of patients. Top-line results from this trial are expected to be reported in the second half of 2015.

In addition to the Phase 2 proof of concept trial, Summit has commenced dosing in an exploratory, open-label Phase 2 clinical trial that is evaluating SMT19969 against the recently launched antibiotic fidaxomicin. This trial, being conducted in the UK, will generate further data intended to inform the design of future Phase 3 clinical trials of SMT19969. It is expected that top-line data from this trial will be reported in the first half of 2016.

QIDP Status and Patent Grant

In July 2014 SMT19969 was designated by the US Food and Drug Administration ('FDA') as a qualified infectious disease product ('QIDP'). This status recognises the serious threat posed by specific life-threatening pathogens, including *C. difficile,* and will confer a number of advantages that are intended to accelerate the development of new antibiotics. These include eligibility of Priority Review and Fast Track status and, if SMT19969 receives marketing approval from the FDA, a five year extension of market exclusivity. The QIDP incentives are provided under the Generating Antibiotics Incentives Now Act ('GAIN Act') that was signed into law by the US Government in 2012.

A key patent protecting the use of SMT19969 in the treatment of CDI was issued by the US Patent and Trademark Office post the year end.

Preclinical Activities

Positive data from a series of preclinical *in vivo* and *in vitro* efficacy studies were presented at the 54th ICAAC Conference in September 2014. The results show that SMT19969 demonstrated superiority over vancomycin by providing increased survival rates and prevention of recurrent disease, displaying superior *C. difficile* killing, and reduced toxin production.

Commenting on the data and profile of SMT19969, infectious disease expert and hospital epidemiologist Dale Gerding MD, Professor of Medicine, at Loyola University Stritch School of Medicine said, "*C. difficile* infection is associated with high levels of recurrent disease and, to reduce this, it is imperative that antibiotics which minimise impact on the natural bacterial flora of the gut are used. The gut flora and its protective role are typically disrupted in CDI patients. Antibiotics that have a targeted spectrum of activity, such as SMT19969, could allow restoration of the protective flora to happen sooner and so reduce disease recurrence. The results on SMT19969 are encouraging, and it warrants further evaluation in patient clinical trials."

The development of SMT19969 continues to be supported by £4.0 million Wellcome Trust Translational Award through to completion of the Phase 2 proof of concept clinical trial.

Operational Update

In June 2014 Summit established US operations with the opening of an office in Cambridge, Massachusetts. This expansion is intended to help support both clinical programmes, as each will have a significant proportion of their development undertaken in North America.

The operational and clinical development team has also been strengthened. Notably, Mr Erik Ostrowski was appointed the Company's Chief Financial Officer in June 2014. Prior to joining Summit, Erik held a senior management with the biotechnology company Organogenesis. He also had a successful career in healthcare investment banking, most recently with Leerink Partners. Erik works out of the Company's US office.

In February 2015, the Company received authority from shareholders to enable a change of registered name from Summit Corporation plc to Summit Therapeutics plc. The new identity directly references the Company's area of business. The Company believes this will help increase the marketability of the Company amongst specialist healthcare investors and improve its visibility within the wider life sciences industry.

Board Changes

There have also been a number of changes to the Board of Directors. Mr Leopoldo Zambeletti was appointed as a Non-Executive Director in May 2014. He is a highly respected and experienced investment banker and brings expertise in a range of areas, including mergers and acquisitions, equity financings, and product out-licensing. Ms Valerie Andrews joined the Board in September 2014 as a Non-Executive Director. She brings a broad set of commercial and legal skills from a career in the healthcare and life sciences industry that included most recently serving as General Counsel for the

NASDAQ listed company Vertex Pharmaceuticals Inc. In February 2015, Mr David Wurzer was appointed to the Board as a Non-Executive Director and brings extensive experience in financial and business matters related to the pharmaceutical and biotechnology industries having held a number of senior executive and board level positions. Ms Andrews and Mr Wurzer are both based in the US. Mr Jim Mellon stepped down as a Non-Executive Director in December 2014 due to the pressure of his other work responsibilities.

Financial Review

Other Operating Income

Other operating income increased by 16.5%, to £2.1 million during the year ended 31 January 2015 from £1.8 million for the year ended 31 January 2014. The £2.1 million in other operating income was comprised of £1.2 million in respect of income recognised from the Wellcome Trust in support of the CDI clinical programme and £0.9 million recognised in respect of funding received from Innovate UK (formerly the Technology Strategy Board) to support the development of our lead utrophin modulator SMT C1100.

There were no new sources of other operating income during the year.

Research and Development Expenditure

Research and development expenses increased by £3.8 million, or 57.6%, to £10.4 million for the year ended 31 January 2015 from £6.6 million for the year ended 31 January 2014. This was primarily due to investment in the DMD programme, which increased by £1.8 million to £4.7 million from £2.9 million for the year ended 31 January 2014, and investment in the CDI programme which increased by £1.1 million to £3.2 million from £2.1 million for the year ended 31 January 2014. Other research and development expenses increased by £0.9 million during the period which is attributable to an increase in headcount within the DMD and CDI project teams.

General and Administration Expenditure

General and administration expenses increased by £2.5 million, or 128.7%, to £4.4 million for the year ended 31 January 2015 from £1.9 million for the year ended 31 January 2014. This increase included £0.7 million in milestone payments made to two US DMD patient groups as part of funding agreements entered into with these patient groups, an increase in staff related costs of £1.0 million, an increase of £0.5 million in share-based payment expense and a £0.3 million increase in legal and professional expenses.

Taxation

Our research and development tax credit increased by £0.7 million, or 113.7%, to £1.3 million for the year ended 31 January 2015 from £0.6 million for the year ended 31 January 2014. This was as a result of increased expenditure on research and development and a related increase in our research and development tax credit.

Losses

Loss before income tax was £12.7 million (2013/14: £6.7 million). Net loss for the year was £11.3 million (2013/14: £6.1 million) and 29 pence per share (2013/14: 30 pence per share) (adjusted for the share consolidation).

Cash Flows

The Group had a net cash inflow of £9.2 million for the year ended 31 January 2015 as compared to a net cash outflow of £1.3 million for the previous year.

Net cash used by operating activities increased by £5.4 million to £11.3 million for the year ended 31 January 2015 compared to £5.9 million for the year ended 31 January 2014. This was driven by an increase in research and development investment, as well as an overall increase in general and administration costs. Research and development tax credits received during the year increased by £0.3 million to £0.6 million.

Net cash inflow from financing activities increased by £16.0 million to £20.5 million for the year ended 31 January 2015 due to the receipt of net proceeds of £20.5 million from an equity placing completed in March 2014.

Financial Position

As at 31 January 2015, total cash and cash equivalents held were £11.3 million (2014: £2.0 million).

Headcount

Average headcount of the Group for the year was 23 (2014: 17). The increase in headcount is attributable to the increased activities within the DMD and CDI programmes and the establishment of the US office.

Share Capital

On 4 March 2014 the number of Ordinary Shares in issue increased to 821,228,226 following the placing of 338,461,560 1 pence Ordinary Shares. The equity placing raised net proceeds of £20.5 million.

During the period the Company completed a share capital reorganisation. This reduced the number of Ordinary Shares in issue through a 20 for 1 consolidation, a capital reduction with the cancellation of all Deferred Shares, and the reduction of the Company's share premium account. On 3 July 2014, prior to the share consolidation, 14 new Ordinary Shares of 1 pence value were issued to ensure that the number of shares in issue was exactly divisible by 20. The share consolidation took place on 3 July 2014 and resulted in the issued ordinary share capital totalling 41,061,412 shares of 1 pence each.

On 28 October 2014, the number of Ordinary Shares in issue increased to 41,117,697 following the exercise of 56,285 share options. The exercise of options raised net proceeds of £0.03 million.

Post Period Events

The Company's financial position was significantly strengthened post the period under review. On 5 March 2015 the Company announced a US IPO on the NASDAQ Global Market of 3,450,000 American Depositary Shares ('ADSs') at a price of $9.90 per ADS. On 18 March 2015, the underwriters exercised in full their over-allotment option to purchase an additional 517,500 ADSs on the same terms. Gross proceeds of $39.3 million (£25.8 million) were raised. Each ADS represents five Ordinary Shares, thus 19,837,500 Ordinary Shares were issued, which increased the issued share capital to 60,955,197 Ordinary Shares of 1 pence value.

Summary

This has been an important period that leaves the Company well positioned to deliver a number of key clinical development milestones. Looking forward Summit expects to report top-line data from our Phase 1b Modified Diet clinical trial of SMT C1100 in DMD patients in the third quarter of 2015, and top-line data from the Phase 2 proof of concept trial of SMT19969 in CDI in the second half of 2015.

Glyn Edwards
Chief Executive Officer

Erik Ostrowski
Chief Financial Officer

6 May 2015

Principal Risks and Uncertainties

Summit is a biopharmaceutical company and, in common with other companies operating in this field, is subject to a number of risks and uncertainties. The principal risks and uncertainties identified by Summit for the year ended 31 January 2015 are below. Further details of the risks and uncertainties for this period are included on the Company's Form 20-F that has been filed with the US Securities and Exchange Commission.

Risk	Description
Research & development	Summit's research and development activities are focused on the progression of its two lead product candidates, SMT C1100 for the treatment of DMD and SMT19969 for the treatment of CDI, as well as on the advancement of an early stage pipeline of future generation utrophin modulators for the treatment of DMD. The Company's ability to successfully develop its product candidates could be influenced by a number of factors, including its ability to demonstrate satisfactory safety and efficacy in clinical trials, delays in completing clinical trials which may cause the Company to incur additional costs, possible unforeseen events in connection with clinical trials, and experiencing delays or difficulties in the enrolment of patients into clinical trials. The Company's pipeline of future generation utrophin modulators is in the discovery or candidate optimisation stage of development. Summit's ability to identify and develop future generation utrophin modulators could be adversely affected by a number of factors including if potential development candidates are unable to demonstrate safety and efficacy in preclinical studies, as well as if the Company's strategic alliance with the University of Oxford is not maintained.
Commercial	Summit does not have any approved products and is heavily dependent on successfully commercialising its lead candidates, SMT C1100 for DMD and SMT19969 for CDI. There are a number of risks that could impair the Company's ability to commercialise these clinical stage candidates if they are approved, including its ability to effectively establish sales and marketing capabilities, its ability to enter into agreements with third parties, competition that may lead to third parties discovering, developing or commercialising products earlier or more successfully than the Company, and Summit's ability to achieve commercially reasonable rates for product reimbursement.
Regulatory	The Company operates in a heavily regulated industry and there are a number of risks that could affect the development and marketing of its product candidates. For example, if Summit is unable to obtain, or if there are delays in obtaining, required regulatory marketing approvals, the Company will not be able to commercialise its product candidates. Regulatory authorities also exercise authority to support expedited regulatory review of drug candidates for serious or life threatening conditions, such as Fast Track status, QIDP status, Breakthrough Therapy status and Priority Review status. However, such designations the Company has or may receive may not lead to faster development, nor assure marketing approval from the FDA. Summit could also be affected by changes to current and future legislation as it relates to regulatory matters.

Risk	Description
Intellectual property ('IP')	Summit's success depends in large part on its ability to obtain and maintain patent protection for its proprietary technology and products in the United States, Europe and other countries. If Summit is unable to obtain or maintain patent protection for its technology and products, or if the scope of the patent protection is not sufficiently broad, competitors could develop and commercialise similar technology and products which would materially affect the Company's ability to successfully commercialise its technology and products. Summit is exposed to additional IP risks, including infringement of intellectual property rights, involvement in lawsuits and the inability to protect the confidentiality of its trade secrets which could have an adverse effect on the success of the Company.
Financial	Summit has a limited operating history, has incurred significant losses since its inception and does not have any approved or revenue-generating products. The Company expects to incur losses for the foreseeable future, and there is no certainty that the business will generate a profit. The Company may not be able to raise additional funds that will be needed to support its product development programmes or commercialisation efforts, and any additional funds that are raised could cause dilution to existing investors.
Operational	Summit's future success depends on its ability to retain key executives, including the Chief Executive Officer, and to attract, retain and motivate qualified personnel. Summit expects to expand its operational capabilities, and there is a risk that the Company may encounter difficulties in managing this growth which could disrupt the business.

► Duchenne Muscular Dystrophy ('DMD')

Utrophin Modulation Programme

Duchenne Muscular Dystrophy ('DMD') is a fatal, genetic disease that leads to progressive wasting of muscles throughout the body.

♂ 1 in 5,000

X-linked disease with incidence of 1 in 5,000 male births

1 in 3 cases arising in patients with no family history

1 in 3

~250,000 Global patient population

Fatal condition

Average life expectancy in the late twenties

Utrophin modulation

Potential treatment approach to slow or stop disease progression

Utrophin modulation has the potential to treat all patients, regardless of the underlying genetic mutation

SMT C1100

Most advanced utrophin modulator that is currently being evaluated in patient clinical trials

Summit is advancing a pipeline of second and future generation utrophin modulators

DMD is the most common and severest form of muscular dystrophy. It is caused by different genetic mutations affecting the dystrophin gene on the X-chromosome, and therefore the disease predominantly affects males.

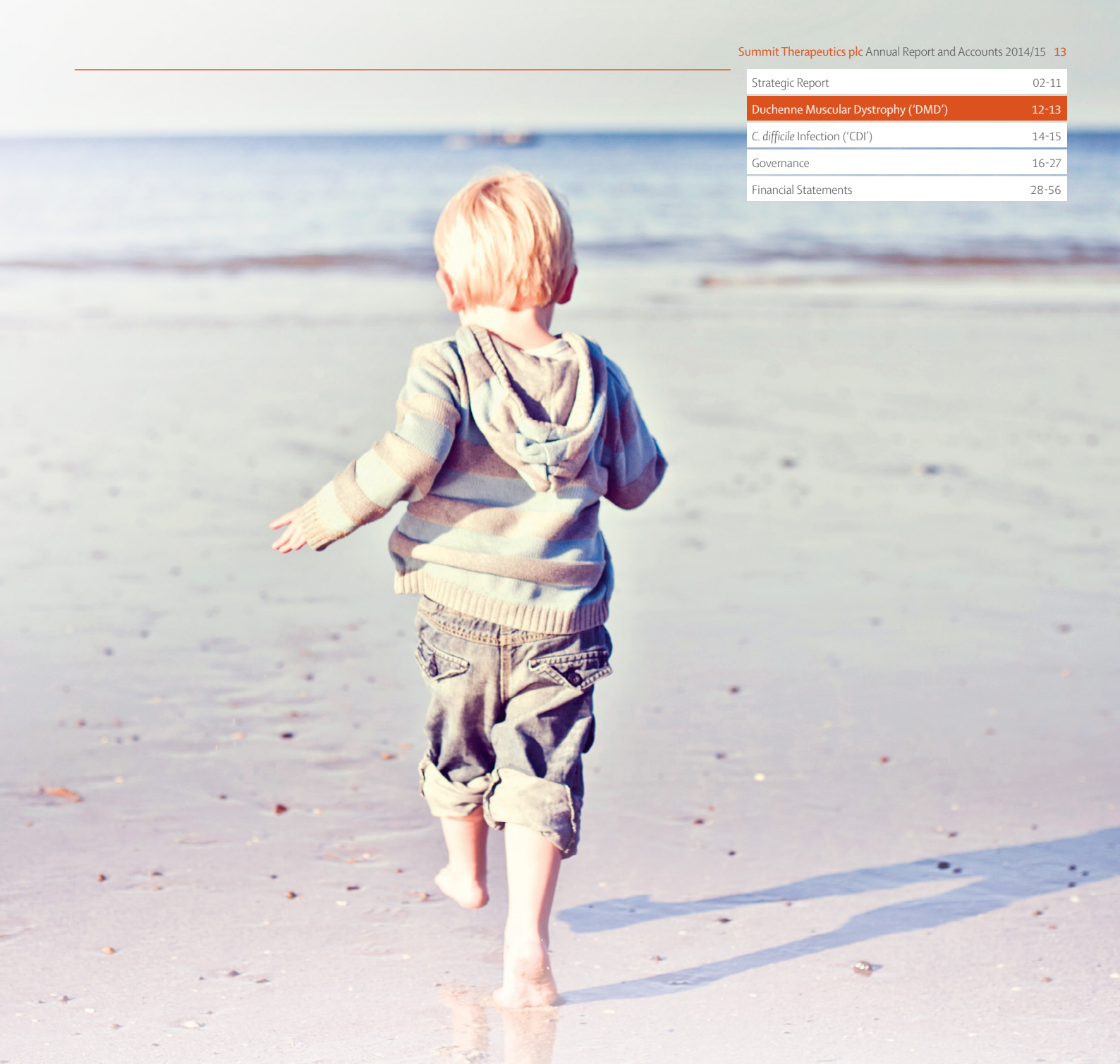
As a result of the genetic mutations, DMD patients are unable to produce dystrophin, a protein essential for maintaining healthy muscle function. Over time the muscles of DMD patients deteriorate and are infiltrated by fat and scar tissue, which is referred to as fibrosis, leading to the loss of ambulation, loss of respiratory and cardiac function, and ultimately death.

There are approximately 250,000 DMD patients globally with the estimated disease incidence reported in 2013 to be 1 in 5,000 male births. Approximately two thirds of DMD cases are due to inherited mutations, with the remainder being the result of spontaneous mutations in patients with no familial history of the disease.

Due to the relatively low number of patients with DMD, the disease is classified as a rare or orphan disease. In the US and Europe, there is legislation designed to assist and encourage companies to develop effective treatments for these diseases. These benefits include additional regulatory support, the potential for accelerated approval and a guaranteed period of market exclusivity.

Currently there is no approved therapy applicable to all DMD patients that seeks to alter the progression of the disease. Corticosteroids are prescribed to DMD patients from a young age to help treat symptoms of the disease although long-term use is associated with severe side effects and concerns over weight gain. Other treatments to manage the symptoms of the disease include regular physiotherapy, surgery and mechanical support such as wheelchairs and leg braces, and dietary supplements.

Regulatory authorities recognise the unmet medical need in DMD and the urgency in working towards making new treatments available as highlighted by the US Food and Drug Administration's willingness to explore the use of all potential pathways for the approval of DMD drugs, as appropriate.



Summit's utrophin modulation programme is a potential disease modifying approach to treat all DMD patients.

Utrophin is a naturally occurring protein that is functionally and structurally similar to dystrophin. The aim of utrophin modulation is to maintain the production of utrophin in all skeletal muscles, including the diaphragm, and the heart to compensate for the lack of functional dystrophin in DMD patients and restore and maintain healthy muscle function.

A significant advantage of utrophin modulation as a treatment approach for DMD is that it is independent of the underlying genetic mutation in the dystrophin gene. This means it has the potential to treat the entire population of DMD patients, which is in contrast to other DMD approaches such as exon skipping or nonsense mutation. These also seek to alter progression of the disease but only target relatively small subsets of the total patient population.

In addition, utrophin modulation has the potential to be complementary to these other treatment approaches.

Utrophin and dystrophin are proteins that perform a critical role in maintaining the proper function of muscle fibres, although their role is dependent on whether the fibre is in the development stage, mature, or in the process of being repaired. In healthy individuals and DMD patients, utrophin plays an active role in the development of new muscle fibres and in repairing damaged muscle fibres. As a fibre matures, utrophin production is switched off with dystrophin replacing utrophin to maintain muscle function in healthy individuals. In DMD patients, no functional dystrophin is produced leading to the muscles being damaged which results in continual muscle degeneration and regeneration, and ultimately progressive muscle wasting.

The concept of utrophin modulation as a treatment for DMD was based on the pioneering research of the Company's founder and scientific advisor Professor Kay Davies at the University of Oxford. Through gene manipulation, Professor Davies' research team showed it was possible to prevent DMD in models of the disease by continually maintaining the expression of utrophin protein. This led to the foundation of Summit's utrophin modulation programme that is using small molecule drugs designed to modulate the expression of this protein and protect muscle fibres against DMD.

Summit's most advanced utrophin modulator is SMT C1100, an orally administered drug being evaluated in a Phase 1b clinical trial in patients with DMD. If successful, Summit plans to conduct a Phase 2 open label trial and a larger, multinational Phase 2 placebo controlled trial. In parallel to the development of SMT C1100, Summit is advancing an earlier stage pipeline of second and future generation utrophin modulators in collaboration with the University of Oxford.

A Novel Antibiotic for CDI

Clostridium difficile Infection ('CDI') is a significant healthcare threat in hospitals, long-term care homes and increasingly in the wider community.

700,000

Up to 700,000 cases per year in the US

$4.8 billion annual acute care costs in the US

Responsible for ~14,000 deaths per year in the US

~14,000

Disease recurrence is the primary clinical issue

Recurrence risk: Up to 25% of CDI patients have a second episode, the risk rises to 65% after a third episode

SMT19969

Summit's novel antibiotic designed to selectively target C. *difficile* bacteria

Highly selective

In a Phase 1 healthy volunteer trial, SMT19969 had minimal impact on natural gut flora

QIDP status

US FDA grants Qualified Infectious Disease Product (QIDP) status to SMT19969

Clostridium difficile Infection ('CDI') is a bacterial infection of the colon that produces toxins causing inflammation of the colon, severe diarrhoea and can lead to death. CDI is a serious healthcare issue in hospitals, long-term care homes and, increasingly in the wider community.

In 2010 it was estimated that there were between 450,000 and 700,000 cases of CDI in the United States each year, while a separate European study in 2012 indicated that CDI may be underdiagnosed in approximately 25% of cases. The Center for Disease Control and Prevention ('CDC') has reported that CDI is responsible for approximately 14,000 deaths per year in the United States.

The economic impact of CDI is significant. A study published in 2012 estimated that acute care costs associated with CDI total $4.8 billion per in year in the United States alone.

The bacteria *Clostridium difficile*, or *C. difficile*, can be a harmless resident of the gastrointestinal tract ('GI tract') as part of the natural gut flora. The natural gut flora plays an important, protective role in the healthy function of the GI tract. CDI typically develops following the use of broad spectrum antibiotics that can cause widespread damage to the natural gut flora to create the ideal environment for the overgrowth of *C. difficile*.

The primary clinical issue associated with CDI is disease recurrence which is in contrast to other bacterial threats where drug resistance is the principal concern. In 2012, it was reported that up to 25% of patients with CDI suffer a second episode of the infection. The risk of further recurrence rises to 65% after a patient suffers a second episode of CDI. Each episode of recurrent disease is associated with greater disease severity and higher mortality rates.

The threat posed by CDI was highlighted in 2013 by the CDC who stated that *C. difficile* was one of three pathogens that pose an immediate public health threat and require urgent and aggressive action. In 2012, the Generating Antibiotics Incentives Now Act ('GAIN Act') became law in the United States. The goal of the GAIN Act is to encourage the development of new antibiotics that treat specific pathogens, including *C. difficile*, that cause serious and life threatening infections.

Existing treatment options for CDI have limitations. The current standard of care is vancomycin or off-label use of the metronidazole, both of which are broad spectrum antibiotics. While they can reduce levels of *C. difficile*, both antibiotics also cause significant collateral damage to the natural gut flora due to their broad spectrum of activity. It is this collateral damage to the natural gut flora that leaves patients vulnerable to recurrent CDI.

Summit is developing SMT19969 as an orally administered small molecule antibiotic for the treatment of CDI. SMT19969 is designed to selectively target C. *difficile* without causing widespread collateral damage to the gut flora and thereby potentially reduce CDI recurrence rates.

Based on preclinical studies conducted to date, Summit believes that SMT19969 is part of a novel structural class of antibiotics that is distinct from the major classes of marketed antibiotics. SMT19969 combines potential activity against *C. difficile*, including hyper virulent strains associated with more severe disease, with a minimal antibiotic effect against bacteria that comprise the natural gut flora. In preclinical efficacy studies SMT19969 was able to treat initial infection and prevent recurrent disease.

In a Phase 1 clinical trial conducted in healthy volunteers, SMT19969 was shown to be safe and well tolerated at all doses tested. It was also retained in the GI tract, the site of the infection, with systemic exposure close to or below the level of detection. SMT19969 was shown to be highly selective with a minimal impact observed on the key bacterial groups that comprise the natural gut flora. The exception was total clostridia, the bacterial family that *C. difficile* is a member of, with levels falling to levels below detection mid-way through dosing. Although no *C. difficile* was detected in the healthy volunteers, these data are consistent with data from Summit's preclinical studies and support the highly selective antibiotic effect of SMT19969.

SMT19969 is being evaluated in a Phase 2 proof of concept clinical trial in patients with CDI. The study, named CoDIFy, is being conducted in the United States and Canada and is evaluating the efficacy of ten days of dosing with SMT19969 compared to the standard of care vancomycin.

The FDA has designated SMT19969 as a qualified infectious disease product ('QIDP'). The QIDP incentives are provided through the GAIN Act and this designation provides for priority review by the FDA, eligibility for fast-track status and an additional five years of marketing exclusivity in the United States upon approval by the FDA.

The development of SMT19969 is being supported through to completion of the Phase 2 trial by a prestigious £4.0 million Translational Award from the Wellcome Trust.

Board of Directors

Frank Armstrong, FRCPE, FFPM
Non-Executive Chairman

Dr Armstrong (58) has served as a member of the Board of Directors since November 2012 and Non-Executive Chairman since June 2013. Prior to this, Dr Armstrong led Medical Science and Innovation at Merck Serono, the biopharmaceutical division of Merck KGaA, from 2010 to 2011. Dr Armstrong was also Head of Worldwide Product Development at Bayer AG from 1998 to 2001 and held various positions at ICI plc and Zeneca plc, now AstraZeneca plc, from 1985 to 1988. Dr Armstrong has served as the Chief Executive Officer at five biotechnology companies, including Fulcrum Pharma, CuraGen, which was acquired by Celldex Therapeutics Inc, Bioaccelerate, Provensis and Phoqus. Dr Armstrong is the Non-Executive Chairman of the Boards of Directors of Xceleron Ltd, Cardiorentis AG and RedX Pharma plc. He is a Non-Executive Director on the Boards of Actino Pharma and Juniper Pharmaceuticals Inc (formerly Columbia Laboratories Inc), which is listed on NASDAQ, and a Member of the Strategic Advisory Board of HealthCare Royalty Partners, and a Senior Advisor at Phase 4 Partners. Dr Armstrong received an honours degree in Biochemistry and an MBChB in Medicine from the University of Edinburgh in Scotland. Dr Armstrong is a Fellow of the Royal College of Physicians of Edinburgh and a Fellow of the Faculty of Pharmaceutical Physicians.

Glyn Edwards
Chief Executive Officer

Mr Edwards (59) has served as Summit's Chief Executive Officer and a member of the Board of Directors since April 2012. Prior to joining the Company, Mr Edwards served as interim Chief Executive Officer of the BioIndustry Association, a UK trade organisation, from November 2011 to June 2012, and Chief Executive Officer at Antisoma plc, a publicly traded biotechnology company specialising in the development of novel drugs for the treatment of cancer from 1998 to 2011. Mr Edwards also previously served as Vice President of Business Development at Therapeutic Antibodies Ltd. Mr Edwards received a BSc in Biochemistry from Bristol University and a MSc in Economics from the London Business School.

Barry Price, PhD
Non-Executive Director

Dr Price (71) has served as a member of the Board of Directors since September 2006. Dr. Price spent 28 years with the Glaxo Group of companies, where he held several executive positions including Managing Director of Glaxochem Ltd from 1993 to 1995 and Research Director of Glaxo Group Research from 1989 to 1993. Dr Price also served as a Non-Executive Director of Shire plc, a biopharmaceutical company that is listed on the London Stock Exchange and NASDAQ, from 1996 to 2009 during which time he was involved in developing the company into one of the UK's largest life sciences companies. Dr Price has previously held directorships at Chiroscience plc, Celltech Group plc, Pharmagene plc, Antisoma plc, and BioWisdom Ltd.

Professor Stephen Davies
Non-Executive Director

Professor Davies (65) has served as a member of the Board of Directors since November 2013 and previously served as a member of our Board of Directors from 2004 to February 2013. Professor Davies has been a professor at the University of Oxford since 1996 and was appointed Waynflete Professor of Organic Chemistry and Fellow of Magdalen College in 2006. Professor Davies' areas of expertise include medicinal and asymmetric chemistry and he has published extensively and received numerous awards in his field. Professor Davies co-founded Summit, as well as other University of Oxford spin-out companies. He was the founder and Non-Executive Chairman of MuOx Ltd, OxRay Ltd, and Scientific Research Capital Ltd. He is the Non-Executive Chairman of OxStem Ltd and is a Non-Executive Director of Isis Innovation plc. Professor Davies received a BA in Chemistry from the University of Oxford, a DPhil in Organic Chemistry from the University of Oxford, and a DSc. in Organic Chemistry from the University of Paris.

Leopoldo Zambeletti
Non-Executive Director

Mr Zambeletti (46) has served as a member of our Board of Directors since May 2014. Mr. Zambeletti has served as an independent strategic advisor to life sciences companies since 2013, focusing on mergers and acquisitions, out-licensing deals, and financing strategy. Prior to this, Mr Zambeletti worked in investment banking for 19 years, during which time he led the European Healthcare Investment teams at JP Morgan and at Credit Suisse. He is a Non-Executive Director of Nogra Pharma Ltd, an Irish biotechnology company, and of Advanced Accelerator Applications, a Swiss nuclear diagnostics and therapeutics company. Mr Zambeletti began his career as an accountant at KPMG. He received his degree in Business Administration from Università Bocconi, Milan.

Valerie Andrews
Non-Executive Director

Ms Andrews (55) has served as a member of the Board of Directors since September 2014. Most recently, Ms Andrews served from May 2011 until May 2014 as General Counsel at Vertex Pharmaceuticals Inc, a biopharmaceutical company focused on small molecule therapies for cystic fibrosis and other indications. From 2002 to May 2011, Ms Andrews served in various legal roles at Vertex, including as Deputy General Counsel and Chief Compliance Officer. Prior to joining Vertex, Ms Andrews was an Executive Director of Licensing for Massachusetts General Hospital and Brigham and Women's Hospital from September 2001 to March 2002. From 1989 to 2001, Ms Andrews served as a corporate lawyer at Hill & Barlow PC, where she became a partner in 1997. In her professional roles, Ms Andrews has garnered expertise in many areas including strategic transactions, corporate governance, risk management, and compliance. Ms Andrews has served as a Non-Executive Director of Juniper Pharmaceuticals Inc (formerly Columbia Laboratories Inc), since 2005. Ms Andrews received a BA in Chemistry and Psychology from Duke University and a JD from Boston College.

David Wurzer
Non-Executive Director

Mr Wurzer (56) has served as a member of the Board of Directors since February 2015. Mr Wurzer is currently the Executive Vice President and Chief Investment Officer at Connecticut Innovations, a state-funded venture capital fund, where he previously served as Senior Managing Director and Managing Director. Prior to joining Connecticut Innovations in November 2009, Mr Wurzer served as Executive Vice President, Treasurer and Chief Financial Officer at CuraGen Corporation from 1997 to 2008. He also held numerous positions at Value Health Inc from 1991 to 1997, including Senior Vice President, Treasurer and Chief Financial Officer. Mr Wurzer is a Non-Executive Director on the boards of Response Genetics and Special Diversified Opportunities Inc, and from 2010 to 2012 he was a Non-Executive Director on the board of DUSA Pharmaceuticals. Mr Wurzer is a Certified Public Accountant and began his career with Coopers & Lybrand, which is now part of PricewaterhouseCoopers. He received a BBA from the University of Notre Dame.

► Governance

Directors' Report

For the year ended 31 January 2015

The Directors present their report and the audited financial statements for Summit Therapeutics plc ('Summit') and its subsidiaries (the 'Group') for the year ended 31 January 2015.

Directors

The Directors who were in office during the year and up to the date of signing the financial statements, unless stated, were:

Executive

Glyn Edwards, MBE	Chief Executive Officer

Non-Executive

Frank Armstrong, FRCPE, FFPM	Chairman
Barry Price, PhD	Non-Executive Director
Professor Stephen Davies	Non-Executive Director
Jim Mellon	Non-Executive Director (resigned 3 December 2014)
Leopoldo Zambeletti	Non-Executive Director (appointed 30 May 2014)
Valerie Andrews	Non-Executive Director (appointed 18 September 2014)
David Wurzer	Non-Executive Director (appointed 20 February 2015)

Details of the Directors' interests, share options and service contracts are shown in the Directors' Remuneration Report (pages 22 to 24).

The Company maintained Directors' and officers' liability insurance cover throughout the year.

Biographical details of the Directors are available on pages 16 to 17.

Company Secretary

Melissa Strange was appointed as Company Secretary on 3 September 2014 following the resignation of Raymond Spencer.

Principal risks and uncertainties

For a discussion of the principal risks and uncertainties which face Summit please see pages 10 to 11.

Results and dividends

The Consolidated Statement of Comprehensive Income for the year is set out on page 28.

The Group's loss for the financial year after taxation and other comprehensive losses was £11,301,000 (2013/14: £6,093,000).

The Directors do not recommend the payment of a dividend (2014: nil).

Financial information

The Group produces detailed budgets and cash flow projections on an annual basis for approval by the Board. These are updated during the year to meet the changing needs of the business. Detailed management accounts are produced on a monthly basis, with all significant variances investigated promptly. The management accounts are reviewed and commented on by the Board at the bi-monthly Board meetings and are reviewed on a monthly basis by the management team.

Financial Key Performance Indicators ('KPIs')

For a review of the Group's KPIs please see page 3.

Research and development

Details of the Group's key research and development programmes can be found in the Strategic Report and the detailed programme sections. Further information is also available on the Company website, www.summitplc.com.

Post Balance Sheet Events

The Company changed its name to Summit Therapeutics plc from Summit Corporation plc on 19 February 2015 following shareholder approval.

On 5 March 2015, the Company announced an initial public offering on the NASDAQ Global Market issuing 3,450,000 American Depositary Shares ('ADSs') at a price of $9.90 per ADS. On 18 March 2015, the underwriters exercised in full their over-allotment option to purchase an additional 517,500 ADSs on the same terms. Each ADS represents five Ordinary Shares of 1 pence each in the capital of the Company, thus 19,837,500 Ordinary Shares were issued. Total gross proceeds of $39.3 million (£25.8 million) were raised.

On 23 March 2015, the number of Ordinary Shares in issue increased to 60,982,581 Ordinary Shares of 1 pence each following the exercise of options over 27,384 shares. The issue of shares raised net proceeds of £13,026.

All new Ordinary Shares issued rank *pari passu* with existing Ordinary Shares.

Financial instruments and management of liquid resources

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 has a policy, which has been consistently followed, of not trading in financial instruments. The Group places deposits surplus to short-term working capital requirements with a range of reputable UK and US-based banks and building societies. These balances are placed at fixed rates of deposit with maturities between one month and three months. The Group's treasury policy is reviewed annually. See Note 15 'Financial instruments' in the Notes to the Financial Statements for IFRS 7 disclosure regarding financial instruments.

Substantial shareholdings

On 24 April 2015 the Company had been notified of the following holdings of more than 3% or more of the issued share capital of the Company.

As at 24 April 2015	Holding	%
Lansdowne Partners	15,727,170	25.8
Robert Keith	5,114,816	8.4
Point72 Asset Management	3,856,105	6.3
Richard Griffiths and controlled undertakings	3,207,575	5.3

On 20 February 2015 the Company was notified by Galloway Limited that it was interested in 1,758,972 Ordinary Shares, which at the time represented 4.28% of the Ordinary Shares then in issue. No notifications have been received of a change in Galloway Limited's percentage interest; a holding of 1,758,972 Ordinary Shares now represents a holding of less than 3% of the issued ordinary shares. Galloway Limited holds the shares on behalf of Jim Mellon.

Annual General Meeting

The AGM will be held in July 2015 and further details will be provided to shareholders in advance of the meeting.

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors for the year. A resolution to reappoint them will be proposed at the forthcoming AGM.

Disclosure and information to auditors

Each of the current Directors hereby confirms that:

(a) So far as he or she is aware, there is no relevant audit information of which the auditors are unaware; and

(b) he or she has taken all reasonable steps to ascertain any relevant audit information and to ensure that the auditors are aware of such information.

On behalf of the Board

Glyn Edwards
Chief Executive Officer

6 May 2015

Corporate Governance Report

For the year ended 31 January 2015

The Board believes in the importance of corporate governance and is aware of their responsibility for overall corporate governance, and for supervising the general affairs and business of the Company and its subsidiaries.

The Company is listed on the Alternative Investment Market ('AIM') of the London Stock Exchange and is subject to the continuing requirements of the AIM Rules. Although Summit is not required to comply with the UK Corporate Governance Code by virtue of being an AIM-listed company, the Board seeks to apply the highest corporate governance principles as far as practicable given the Company's size and nature of its business. This section provides general information on the Group's adoption of corporate governance.

The Company's securities are also listed in the United States on the NASDAQ Global Market. Summit's status as a foreign private issuer requires the Company to comply with various corporate governance practices under the Sarbanes-Oxley Act of 2002, as well as related rules subsequently implemented by the US Securities and Exchange Commission (the 'SEC'). In addition NASDAQ rules permit foreign private issuers to follow home country practice in lieu of the NASDAQ corporate governance standards, subject to certain exemptions and except to the extent that such exemptions would be contrary to US federal securities law. The Company intends to take all actions necessary to maintain compliance as a foreign private issuer under the applicable corporate governance requirements.

The Board

At 31 January 2015, the Board comprised five Non-Executive Directors, and one Executive Director.

During the year the following Board changes took place: on 30 May 2014 Mr Leopoldo Zambeletti joined the Board and Ms Valerie Andrews joined on 18 September 2014, both as Non-Executive Directors. On 3 December 2014 Mr Jim Mellon stepped down from the Board.

Post the year, Mr David Wurzer joined the Board on 20 February 2015 as Non-Executive Director.

Directors' biographies are on pages 16 and 17.

The Board is responsible to the shareholders for the proper management of the Group and meets regularly to set the overall direction and strategy of the Group, to review scientific, operational and financial performance, and to advise on management appointments. The Board has also convened by telephone conference during the year to review the strategy and activities of the business. All key operational and investment decisions are subject to Board approval. The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

There is a clear separation of the roles of Chief Executive Officer and Non-Executive Chairman. 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 the Non-Executive Directors are properly briefed on matters. 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.

The Board considers there to be sufficient independence on the Board and, that all the Non-Executive Directors are of sufficient competence and calibre to add strength and objectivity to the Board, and bring considerable experience in scientific, operational and financial development of biopharmaceutical products and companies.

All of the Directors are subject to election by shareholders at the first Annual General Meeting ('AGM') after their appointment to the Board and the Board has adopted a policy that all Non-Executive Directors will seek annual re-election by shareholders. Executive Directors will continue to seek re-election at least once every three years.

Performance Evaluation

The Board has a process for evaluation of its own performance, that of its committees and individual Directors, including the Chairman. These evaluations are carried out at least annually.

Board Committees

During the year to 31 January 2015 the Board assumed direct responsibility for carrying out the functions typically delegated to the Audit Committee and Remuneration Committee and specific meetings were held to discuss relevant items that would have been discussed by the Committees.

The Board established the following Board Committees on 20 February 2015 and the detailed charters for each of the committees can be found on the Group website at www.summitplc.com.

Audit Committee

The members of the Audit Committee are Mr David Wurzer, Mr Leopoldo Zambeletti and Ms Valerie Andrews. Mr David Wurzer is the chair of the Audit Committee. The responsibilities of the committee include the following:

- Monitoring the integrity of the financial statements of the Group.
- Reviewing accounting polices, accounting treatment and disclosures in the financial reports.
- Reviewing the Group's internal financial controls and risk management systems.
- Overseeing the Group's relationship with external auditors, including making recommendations to the Board as to the appointment or re-appointment of the external auditors, reviewing their terms of engagement, and monitoring the external auditors' independence, objectivity and effectiveness.

The Board has determined that Mr David Wurzer is an 'audit committee financial expert' as required by NASDAQ and that all members of the committee meet the requirements for independence under current NASDAQ and US Securities and Exchange Commission rules and regulations.

Remuneration Committee

The members of the Remuneration Committee are Dr Frank Armstrong, Ms Valerie Andrews and Professor Stephen Davies. Dr Frank Armstrong is the chair of the Remuneration Committee. The responsibilities of the committee include the following:

- Determining and agreeing with the Board on the remuneration policy for all Directors.
- Within the terms of the agreed policy, determining the total individual remuneration package for Executive Directors.
- Overseeing the evaluation of executive officers.
- Determining bonuses payable under the Group's cash bonus scheme.
- Determining the vesting of awards under the Group's long-term incentive plans and exercise of share options.

The Directors' Remuneration Report is presented on pages 22 to 24.

Nominations and Corporate Governance Committee

The members of the Nominations and Corporate Governance Committee are Dr Frank Armstrong, Professor Stephen Davies, Dr Barry Price, Ms Valerie Andrews, Mr Leopoldo Zambeletti and Mr David Wurzer. Dr Frank Armstrong is the chair of the Nominations and Corporate Governance Committee. The responsibilities of the committee include the following:

- Identifying individuals qualified to become members of the Board of Directors.
- Recommending Directors to be appointed to the Committees.
- Overseeing the annual evaluation of the Board and its Committees.
- Reviewing and making recommendations to the Board on Board leadership structure.
- Reviewing and making recommendations to the Board on management succession planning.
- Developing and recommending to the Board appropriate corporate governance principles.

Attendance at Board meetings

The Directors attended the following bi-monthly Board meetings during the year:

Attendance	Board
Frank Armstrong	6/6
Glyn Edwards	6/6
Barry Price	6/6
Jim Mellon	5/5
Professor Stephen Davies	6/6
Leopoldo Zambeletti	4/4
Valerie Andrews	3/3

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 Board reviews the effectiveness of these systems annually 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 administrative function. Instead there is a detailed monthly review and authorisation of transactions by the Chief Financial Officer and Chief Executive Officer.

A comprehensive budgeting process is completed once a year and is reviewed and approved by the Board. The Group's results, compared with the budget, are reported to the Board on a bi-monthly basis and discussed in detail.

The Group maintains appropriate insurance cover in respect of actions taken against the Directors because of their roles, as well as against material loss or claims against 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.

Relations with shareholders

The Board recognises the importance of communication with its shareholders to ensure that its strategy and performance is understood and that its remains accountable to shareholders. Our website, www.summitplc.com, has a section dedicated to investor matters and provides useful information for the Company's owners. The Board as a whole is responsible for ensuring that a satisfactory dialogue with shareholders takes place, while the Chairman and Chief Executive Officer ensure that the views of the shareholders are communicated to the Board as a whole. The Board ensures that the Group's strategic plans have been carefully reviewed in terms of their ability to deliver long-term shareholder value. Fully audited Annual Reports are published, and Interim and Quarterly Results statements notified via Regulatory Information Service announcements. All financial reports and statements are available on the Company's website. Shareholders are welcome to attend the Group's AGM, where they have the opportunity to meet the Board. All shareholders will have at least 21 days' notice of the AGM at which the Directors will be available to discuss aspects of the Group's performance and question management in more detail.

Directors' Remuneration Report

For the year ended 31 January 2015

This report sets out the remuneration policy operated by Summit in respect of the Executive and Non-Executive Directors. The functions and responsibilities of the Remuneration Committee were previously discharged by the Board. No Director is involved in discussions relating to their own remuneration.

Unaudited Information

Remuneration policy for Executive Directors

The Remuneration Committee sets the remuneration policy that aims to align Executive Director remuneration with shareholders' interests and attract and retain the best talent for the benefit of the Group.

The remuneration of the Executive Director during the year 2014/15 is set out below:

Basic salary

Basic salaries are reviewed annually and revised salaries take effect from the start of the financial year. The review process is managed by the Remuneration Committee with reference to market salary data, and the Executive's performance and contribution to the Company during the year.

Bonuses

Annual bonuses are based on achievement of Company strategic and financial targets, and personal performance objectives.

The Non-Executive Directors believe that bonuses are an incentive to achieve the targets and objectives, and represent an important element of the total compensation awards to the Executive Director; they have established that the annual bonus potential will be 100% for the Executive Director. On 21 January 2015 the Chief Executive Officer was awarded a bonus representing 65% of his gross basic salary.

Longer Term Incentives

In order to further incentivise the Executive Director and employees, and align their interests with shareholders, the Company granted new share options during the year under the existing Company share option plan. The share options will vest subject to the performance conditions detailed in note (vi) to the table on page 24 of this report. The Company has the ability to grant additional options subject to a cap, as previously agreed with shareholders, of up to 15% of total issued share capital in any ten year period.

Pension

The Group operates a defined contribution pension scheme which is available to all employees. The assets of the scheme are held separately from those of the Company in independently administered funds.

Other benefits

Other benefits provided are life assurance and private medical insurance.

The Company does not offer a company car allowance for any member of staff.

Executive Directors' service contracts and termination provisions

The service contracts of Executive Directors are approved by the Board and are one-year rolling contracts. The service contract may be terminated by either party giving six months' notice to the other. It is also the Company's policy that contractual termination payments should not exceed the Director's current salary, benefits and bonus entitlements for the notice period. The details of the Directors' contracts are summarised below:

	Date of contract	Notice period
Glyn Edwards	4 April 2012	6 months

Non-Executive Directors' service contracts and remuneration

The remuneration of the Non-Executive Directors is determined by the Remuneration Committee, with regard to market comparatives, and independent advice is sought to ensure parity is maintained with similar businesses.

The Non-Executive Directors do not receive any pension, or bonus or benefits from the Company. The contracts of the Non-Executive Directors are reviewed by the Board annually. Current contracts are summarised below:

	Date of contract
Frank Armstrong	6 June 2013
Barry Price	8 August 2013
Professor Stephen Davies	19 December 2013
Leopoldo Zambeletti	16 April 2014
Valerie Andrews	20 November 2014
David Wurzer	18 February 2015

Non-Executive Directors have contracts which will continue until terminated by mutual agreement of the parties but can be terminated without notice by either party.

Audited Information
Directors' remuneration

The Directors received the following remuneration during the year:

	Salaries and fees £	Taxable benefits £	**Emoluments 2014/15 £**	Pension contributions £	**Total 2014/15 £**	Emoluments 2013/14 £	Pension contributions £	Total 2013/14 £
Executive								
Glyn Edwards	330,000	951	**330,951**	10,000	**340,951**	180,817	9,000	189,817
Non-Executive								
Barry Price	25,000	–	**25,000**	–	**25,000**	27,083	–	27,083
Jim Mellon [1]	20,834	–	**20,834**	–	**20,834**	22,917	–	22,917
Frank Armstrong [2]	50,000	–	**50,000**	–	**50,000**	8,333	–	8,333
Professor Stephen Davies	25,000	–	**25,000**	–	**25,000**	6,354	–	6,354
Leopoldo Zambeletti [3]	16,763	–	**16,763**	–	**16,763**	–	–	–
Valerie Andrews [4]	9,236	–	**9,236**	–	**9,236**	–	–	–
	476,833	951	**477,784**	10,000	**487,784**	245,504	9,000	254,504

(1) Resigned from the Board on 3 December 2014
(2) Includes £25,000 paid to Dr. Frank M. Armstrong Consulting Limited
(3) Joined the Board on 30 May 2014
(4) Joined the Board on 18 September 2014

Directors' share options

Aggregate emoluments disclosed above do not include any amounts for the value of options to acquire Ordinary Shares in the Company granted to or held by the Directors. Details of these options are as follows:

Director	Date of grant	At 1 February 2014	Granted during the period	Cancelled during the period	**At 31 January 2015**	Price per share (p)	Date from which exercisable	Expiry date
Glyn Edwards	10-May-12	227,500	–	–	**227,500**	60.0	Note (i)	10-May-22
	10-May-12	657,500	–	–	**657,500**	60.0	Note (ii)	10-May-22
	31-Jan-13	72,973	–	–	**72,973**	20.0	Note (iii)	31-Jan-23
	18-Dec-13	300,000	–	–	**300,000**	185.0	Note (iv)	18-Dec-23
	18-Dec-13	76,364	–	–	**76,364**	20.0	Note (v)	18-Dec-23
	15-Jul-14	–	600,000	–	**600,000**	126.0	Note (vi)	15-Jul-24
		1,334,337	600,000	–	**1,934,337**			
Barry Price	07-Apr-11	25,000	–	(11,019)	**13,981**	65.0	Note (vii)	07-Apr-21
	18-Dec-13	25,000	–	–	**25,000**	185.0	Note (iv)	18-Dec-23
	15-Jul-14	–	25,000	–	**25,000**	126.0	Note (vi)	15-Jul-24
		50,000	25,000	(11,019)	**63,981**			
Frank Armstrong	18-Dec-13	75,000	–	–	**75,000**	185.0	Note (iv)	18-Dec-23
	15-Jul-14	–	37,500	–	**37,500**	126.0	Note (vi)	15-Jul-24
		75,000	37,500	–	**112,500**			
Professor Stephen Davies	18-Dec-13	25,000	–	–	**25,000**	185.0	Note (iv)	18-Dec-23
	15-Jul-14	–	25,000	–	**25,000**	126.0	Note (vi)	15-Jul-24
		25,000	25,000	–	**50,000**			
Leopoldo Zambeletti	23-Jun-14	–	25,000	–	**25,000**	148.0	Note (viii)	23-Jun-24
		–	25,000	–	**25,000**			
Valerie Andrews	23-Dec-14	–	25,000	–	**25,000**	137.0	Note (ix)	23-Dec-24
		–	25,000	–	**25,000**			

Directors' Remuneration Report continued

For the year ended 31 January 2015

Directors' share options (continued)

Notes

(i) Full vesting will occur where the average closing share price of our Ordinary Shares on AIM is equal to or greater than 220 pence for the two months preceding the third anniversary of the date of the grant, 25% where the average closing share price is 140 pence and pro-rated where the average closing share price is between 141 pence and 219 pence. The options will lapse if the performance condition relating to our average closing share price is not met by the third anniversary of the date of grant.

(ii) The options are split into four tranches with varying performance conditions attached and will only vest if the average closing share price of our Ordinary Shares on AIM is equal or greater than the specified condition in any period of 60 consecutive calendar days, ending on or before the fifth anniversary of the date of grant. Details of the tranches are as follows: 207,500 with a performance condition based on an average closing share price of 400 pence; 200,000 with a performance condition based on an average closing share price of 600 pence; 150,000 with a performance condition based on an average closing share price of 800 pence; and 100,000 with a performance condition based on an average closing share price of 1,000 pence. The options will lapse if the performance condition is not met by the fifth anniversary of the date of grant.

(iii) These options were awarded under our bonus incentive. They vested and became exercisable on 31 July 2013.

(iv) These options vest in full subject to (i) completion of Phase 2 proof of concept trials in both the Duchenne muscular dystrophy and *Clostridium difficile* infection programmes or the third anniversary of the date of the grant, whichever is sooner and (ii) the average closing share price of our Ordinary Shares on AIM being equal or greater than 277.5 pence in any period of 30 consecutive days ending on or before the third anniversary of the date of grant.

(v) These options vested and became exercisable on 18 June 2014. These options were awarded as a bonus for the fiscal year ended 31 January 2014 representing 70% of Mr. Edwards' gross basic salary for that fiscal year.

(vi) These options will vest if the average closing share price of our Ordinary Shares on AIM is equal to or greater than 189 pence in any period of 30 consecutive days during the period from the date of the grant to the third anniversary of the date of the grant. Once vested, 25% of the options can be exercised on or after the second anniversary of the date of grant and all of the options, if vested, can be exercised on or after the third anniversary of the date of grant. These options will lapse if the performance condition relating to our average closing share price is not met by the third anniversary of the date of the grant.

(vii) These options were capable of vesting and exercise on or after 8 April 2014 subject to the meeting of performance conditions relating to our share price. In order to vest in full, the average closing share price of our Ordinary Shares on AIM would have had to exceed 300 pence over the two months ending 7 April 2014. If the performance conditions were not satisfied in full, or in part, the options would lapse in respect of those option shares that did not vest. The performance period has now passed and, accordingly, 13,981 options have vested and 11,019 options have lapsed since 31 January 2014.

(viii) These options vest in full subject to (i) completion of Phase 2 proof of concept trials in both the Duchenne muscular dystrophy and *Clostridium difficile* infection programmes or the third anniversary of the date of grant, whichever is sooner and (ii) the average closing share price of our Ordinary Shares on AIM being equal or greater than 221.3 pence in any period of 30 consecutive days ending on or before the third anniversary of the date of grant.

(ix) These options vest if the average closing share price of our Ordinary Shares on AIM is equal or greater than 205.5 pence in any period of 30 consecutive days during the period from the date of the grant to 18 September 2017. Once vested, 25% of the options can be exercised on or after 18 September 2016 and all of the options, if vested, can be exercised on or after 18 September 2017. These options will lapse if the performance condition is not met by 18 September 2017.

Directors' shareholdings

The Directors who served during the period, together with their beneficial interests in the shares of the Company, are as follows:

Director	**Ordinary Shares at 31 January 2015**	Ordinary Shares at 31 January 2014
Executive		
Glyn Edwards	**233,333**	203,333
Non-Executive		
Frank Armstrong	**10,192**	2,500
Barry Price	**75,730**	75,730
Professor Stephen Davies	**584,981**	584,981
Jim Mellon	**2,442,307***	2,250,000
Leopoldo Zambeletti	**–**	–
Valerie Andrews	**–**	–
	904,236	3,116,544

* Jim Mellon resigned from the Board on 3 December 2014 and his Ordinary Shareholding is at that date.

The market price of the Company's Ordinary Shares at 31 January 2015 was 127.5 pence per share. During the year from 1 February 2014, the closing market price of the Company's Ordinary Shares has ranged from 103.5 pence to 220.0 pence (adjusted for the share consolidation).

On behalf of the Board

Frank Armstrong, FRCPE, FFPM
Non-Executive Chairman

6 May 2015

Statement of Directors' Responsibilities

For the year ended 31 January 2015

The Directors are responsible for preparing the Annual Report and the Group and Parent Company, Summit Therapeutics plc 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 prepared the Group financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union, and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Parent Company financial statements respectively; and
- prepare the Group and Parent Company financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Parent Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the Company and Group website, www.summitplc.com. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

Glyn Edwards
Chief Executive Officer

6 May 2015

Independent Auditors' Report

To the Members of Summit Therapeutics plc

Report on the Group financial statements

Our opinion

In our opinion, Summit Therapeutics plc's Group financial statements (the 'financial statements'):

- give a true and fair view of the state of the Group's affairs as at 31 January 2015 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ('IFRSs'); as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

Summit Therapeutics plc's financial statements comprise:

- the Consolidated Statement of Financial Position as at 31 January 2015;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as issued by the International Accounting Standards Board ('IASB').

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 25, 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) ('ISAs (UK & Ireland)'). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matter

We have reported separately on the company financial statements of Summit Therapeutics plc for the year ended 31 January 2015.

Sam Taylor (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

6 May 2015

(a) The maintenance and integrity of the Summit Therapeutics plc website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated Statement of Comprehensive Income

For the year ended 31 January 2015

	Note	Year ended 31 January 2015 £000	Year ended 31 January 2014 (restated) £000
Other operating income[1]	6	**2,148**	1,844
Operating expenses			
Research and development[2]	6	**(10,417)**	(6,611)
General and administration[2]	6	**(4,442)**	(1,942)
Total operating expenses		**(14,859)**	(8,553)
Operating loss		**(12,711)**	(6,709)
Finance income		**51**	9
Loss before income tax		**(12,660)**	(6,700)
Income tax	8	**1,297**	607
Loss for the year	9	**(11,363)**	(6,093)
Loss for the year attributable to owners of the Parent	9	**(11,363)**	(6,093)
Other comprehensive income			
Exchange differences on translating foreign operations		**62**	–
Total comprehensive loss for the year attributable to owners of the Parent		**(11,301)**	(6,093)
Basic and diluted loss per Ordinary Share from continuing operations (post consolidation and subdivision[3])	9	**(29)p**	(30)p

(1) As discussed in Note 1, 'Basis of accounting' the Group reclassified £1,375,000 from revenue to other operating income. This change had no effect on the Group's operating loss or loss for the year.

(2) The Group has reclassified costs previously disclosed separately on the face of the Consolidated Statement of Comprehensive Income to 'general and administration' and 'research and development' expense lines as appropriate. See Note 6 for a breakdown.

(3) Basic and diluted loss per Ordinary Share from continuing operations have been adjusted retrospectively to reflect the effect of the share consolidation and subdivision on 3 July 2014 (Note 18).

The accompanying notes form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Financial Position

At 31 January 2015

	Note	31 January 2015 £000	31 January 2014 £000
ASSETS			
Non-current assets			
Goodwill	10	**664**	664
Intangible assets	11	**3,483**	3,493
Property, plant and equipment	12	**55**	43
		4,202	4,200
Current assets			
Trade and other receivables	13	**2,630**	431
Current tax receivable		**1,299**	634
Cash and cash equivalents		**11,265**	2,030
		15,194	3,095
Total assets		**19,396**	7,295
LIABILITIES			
Non-current liabilities			
Deferred tax liability	17	**(664)**	(664)
		(664)	(664)
Current liabilities			
Trade and other payables	14	**(3,721)**	(1,852)
Provisions for other liabilities and charges	16	**(45)**	(17)
		(3,766)	(1,869)
Total liabilities		**(4,430)**	(2,533)
Net assets		**14,966**	4,762
EQUITY			
Share capital	18	**411**	10,075
Share premium account		**24,101**	40,177
Share-based payment reserve		**2,597**	1,636
Merger reserve		**(1,943)**	(1,943)
Special reserve		**19,993**	–
Currency translation reserve		**62**	–
Accumulated losses reserve		**(30,255)**	(45,183)
Total equity		**14,966**	4,762

The accompanying notes form an integral part of these Consolidated Financial Statements.

The financial statements on pages 28 to 49 were approved by the Board of Directors and signed on its behalf by

Glyn Edwards
Chief Executive Officer

6 May 2015

Consolidated Statement of Cash Flows

For the year ended 31 January 2015

	Note	Year ended 31 January 2015 £000	Year ended 31 January 2014 £000
Cash flows from operating activities			
Loss before income tax		**(12,660)**	(6,700)
		(12,660)	(6,700)
Adjusted for:			
Finance income		**(51)**	(9)
Foreign exchange loss		**78**	18
Depreciation		**23**	17
Amortisation of intangible fixed assets		**10**	9
Profit on disposal of property, plant and equipment		**–**	(14)
Movement in provisions	16	**28**	(133)
Research and development expenditure credit		**(39)**	(29)
Share-based payment		**961**	226
Adjusted loss from operations before changes in working capital and provisions		**(11,650)**	(6,615)
Increase in trade and other receivables		**(2,200)**	(65)
Increase in trade and other payables		**1,867**	465
Cash used by operations		**(11,983)**	(6,215)
Taxation received		**658**	346
Net cash used in operating activities		**(11,325)**	(5,869)
Investing activities			
Proceeds from disposal of property, plant and equipment		**–**	102
Purchase of property, plant and equipment		**(35)**	(37)
Purchase of intangible assets		**–**	(10)
Interest received		**51**	9
Net cash generated by investing activities		**16**	64
Financing activities			
Proceeds from issue of share capital		**22,000**	4,663
Transaction costs on share capital issued		**(1,482)**	(207)
Exercise of share options		**26**	–
Net cash generated from financing activities		**20,544**	4,456
Increase/(decrease) in cash and cash equivalents		**9,235**	(1,349)
Cash and cash equivalents at beginning of year		**2,030**	3,379
Cash and cash equivalents at end of year		**11,265**	2,030

The accompanying notes form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

Year ended 31 January 2015

Year ended 31 January 2015

Group	Share capital £000	Share premium account £000	Share-based payment reserve £000	Merger reserve £000	Special reserve £000	Currency translation reserve £000	Accumulated losses reserve £000	Total £000
At 1 February 2014	10,075	40,177	1,636	(1,943)	–	–	(45,183)	4,762
Loss for the year from continuing operations	–	–	–	–	–	–	(11,363)	(11,363)
Currency translation adjustment	–	–	–	–	–	62	–	62
Total comprehensive loss for the year	–	–	–	–	–	62	(11,363)	(11,301)
New share capital issued	3,384	18,616	–	–	–	–	–	22,000
Transaction costs on share capital issued	–	(1,482)	–	–	–	–	–	(1,482)
Cancellation of Deferred Shares	(13,048)	–	–	–	13,048	–	–	–
Reduction of share premium account	–	(33,236)	–	–	33,236	–	–	–
Elimination of losses	–	–	–	–	(26,291)	–	26,291	–
Share options exercised	–	26	–	–	–	–	–	26
Share-based payment	–	–	961	–	–	–	–	961
At 31 January 2015	**411**	**24,101**	**2,597**	**(1,943)**	**19,993**	**62**	**(30,255)**	**14,966**

Year ended 31 January 2014

Group	Share capital £000	Share premium account £000	Share-based payment reserve £000	Merger reserve £000	Accumulated losses reserve £000	Total £000
At 1 February 2013	8,788	33,686	1,410	(1,943)	(39,090)	2,851
Loss for the year from continuing operations	–	–	–	–	(6,093)	(6,093)
Total comprehensive expense for the year	–	–	–	–	(6,093)	(6,093)
New share capital issued	1,287	6,698	–	–	–	7,985
Transaction costs on share capital issued	–	(207)	–	–	–	(207)
Share-based payment	–	–	226	–	–	226
At 31 January 2014	**10,075**	**40,177**	**1,636**	**(1,943)**	**(45,183)**	**4,762**

Share capital and premium

When shares are issued, the nominal value of the shares is credited to the share capital reserve. Any premium paid above the nominal value is credited to the share premium reserve. Summit Therapeutics plc (formerly Summit Corporation plc) shares have a nominal value of 1 pence per share.

Share-based payment reserve

The share-based payment reserve arises as the expense of issuing share-based payments is recognised over time (share option grants). The reserve will fall as share options vest and are exercised, and the impact of the subsequent dilution of earnings crystallises, but the reserve may equally rise or might see any reduction offset, as new potentially dilutive share options are issued.

Merger reserve

The merger reserve brought forward relates to the difference between the nominal value of Summit (Oxford) Limited arising from the Group reconstruction in 2004, accounted for using the merger method of accounting under UK GAAP; and the amount arising through application of S131 CA85, which is equal to the difference between nominal and fair value of shares issued in business combinations using the acquisition method of accounting.

Accumulated losses reserve

The accumulated losses reserve records the accumulated profits and losses less any subsequent elimination of losses, of the Group since inception of the business. Where businesses or companies are acquired, only the profits or losses arising from the date of acquisition are included.

Special reserve

The special reserve was created during the consolidation and subdivision of the Company's share capital as part of a capital reorganisation completed in September 2014. It represents the net balance of the cancellation of the Deferred Shares, the reduction of the share premium account and elimination of current losses from the accumulated deficit. See Note 18 for more information.

Currency translation reserve

The currency translation reserve records the foreign exchange difference that arises on the translation of the US subsidiary, Summit Therapeutics Inc.

Notes to the Financial Statements

For the year ended 31 January 2015

1. Basis of accounting

The principal accounting policies adopted by Summit Therapeutics plc (formerly Summit Corporation plc) and its subsidiaries ('the Company' or 'the Group') in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as endorsed by the European Union and IFRIC interpretations and the Companies Act 2006 applicable to Companies reporting under IFRS. The Consolidated Financial Statements have been prepared on a going concern basis and under the historical cost convention.

Going concern

The financial information in these financial statements has been prepared on a going concern basis which assumes that the Group will continue in operational existence for the foreseeable future.

After review of the future operating costs of the business in conjunction with the cash held at 31 January 2015 and the proceeds received following completion of a fundraise in March 2015, management are confident about the Group's ability to continue as a going concern.

Use of estimates

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are disclosed in Note 2, 'Critical accounting estimates and judgements'.

Reclassification within the Consolidated Financial Statements

In the preparation of the financial statements the Group determined that £1,375,000 of income received in the year ended 31 January 2014 from philanthropic, non-government and not for profit organisations and patient advocacy groups, including income received from the Wellcome Trust, should be reclassified from revenue to other operating income. As described below, in our revised accounting policy for other operating income, we consider that such arrangements are most similar to government grants and, accordingly, this income is recognised as other operating income in accordance with International Accounting Standard 20, 'Accounting for Government Grants and Disclosure of Government Assistance'. This change is considered immaterial to the Consolidated Financial Statements taken as a whole and has no effect on the Group's operating loss or loss for the year or for the comparative period.

A summary of the principal accounting policies is set out below.

Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Group and entities controlled by the Group made up to the reporting date. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiary undertakings acquired or disposed of in the year are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations

The cost of an acquisition is measured as the fair value of the assets exchanged, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired together with liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable net assets is recorded as goodwill. Goodwill is not amortised but is reviewed for impairment at least annually and more frequently whenever there is an indication of impairment.

Intangible assets

In-process research and development that is separately acquired as part of a company acquisition or in-licensing agreement is capitalised even if they have not yet demonstrated technical feasibility, which is usually signified by regulatory approval. The intangible asset relating to intellectual property rights for the utrophin programme capitalised as part of the acquisition of MuOx Limited in November 2013 is considered to be not yet available for use. As such, it will not be subject to amortisation and will be tested for impairment at least annually or whenever there is an indicator of impairment. Amortisation will commence when either products underpinned by the intellectual property rights or the rights themselves become available for use.

Other intangible assets, comprising patents are amortised in equal instalments over their useful estimated lives as follows:

All patents (once filed):	Over the period of the relevant patents (assumed to be 20 years).

1. Basis of accounting (continued)

Impairment of assets

At each year end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units is charged pro rata to the other assets in the cash generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. See Note 11 for details.

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Cost comprises the purchase price plus any incidental costs of acquisition and commissioning. Depreciation is calculated to write-off the cost, less residual value, in equal annual instalments over their estimated useful lives as follows:

Leasehold improvements	Over the period of the remaining lease
Laboratory equipment	3-10 years
Office and IT equipment	3-5 years

The residual value, if not insignificant, is reassessed annually.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources will be required to settle the obligation, and where a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, the expected future cash flows will be discounted using a pre-tax discount rate, adjusted for risk where it is inherent in a specific liability.

Other operating income

Other operating income primarily consists of amounts received from philanthropic, non-government and not for profit organisations, and patient advocacy groups, including income received from the Wellcome Trust. Because IFRS does not provide specific accounting guidance for the treatment of amounts received from such organisations, the Group has applied the guidance in International Accounting Standard 8, 'Accounting Policies Changes in Accounting Estimates and Errors,' and the Group considers that such arrangements are most similar to government grants. Accordingly, these amounts are recognised as other operating income in accordance with International Accounting Standard 20, 'Accounting for Government Grants and Disclosure of Government Assistance,' at the same time as the underlying expenditure is incurred, provided that there is reasonable assurance that the Group will comply with the conditions of such awards. The monies received through these means are held as deferred income in the Consolidated Statement of Financial Position and are released to the Consolidated Statement of Comprehensive Income as the expenditure is incurred.

Other operating income also includes grant income from the government and government agencies. Grant related income is also recognised as other operating income in accordance with IAS 20, 'Accounting for Government Grants and Disclosure of Government Assistance', at the same time as the underlying expenditure is incurred.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the year end date. All differences are taken to the Consolidated Statement of Comprehensive Income.

Assets and liabilities of subsidiaries that have a functional currency different from the presentation currency (Pound Sterling), if any, are translated at the closing rate at the date of each statement of financial position presented. Income and expenses are translated at average exchange rates. All resulting differences are recognised in other comprehensive income (loss), if any.

Employee benefits

All employee benefit costs, notably holiday pay, bonuses and contributions to Company or personal defined contribution pension schemes are charged to the Consolidated Statement of Comprehensive Income on an accruals basis.

Leased assets

Costs in respect of operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term. Assets relating to lease incentives are depreciated over the life of the lease and are included in property, plant and equipment as leasehold improvements.

Research and development

All ongoing research expenditure is currently expensed in the period in which it is incurred. Due to the regulatory environment inherent in the development of the Group's products, the criteria for development costs to be recognised as an asset, as set out in IAS 38 'Intangible Assets', are not met until a product has received regulatory approval and it is probable that future economic benefit will flow to the Group. The Group currently has no qualifying expenditure.

Cash and cash equivalents

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

Notes to the Financial Statements

For the year ended 31 January 2015

1. Basis of accounting (continued)

Share-based payments

In accordance with IFRS 2 'Share-based Payment', share options are measured at fair value at their grant date. The fair value for the majority of the options is calculated using the Black-Scholes formula and charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the expected vesting period. For those options issued with vesting conditions other than remaining in employment (for example, those conditional upon the Group achieving certain predetermined financial criteria) either a Monte-Carlo model or a Hull White trinomial lattice model have been used. At each year end date, the Group revises its estimate of the number of options that are expected to become exercisable. This estimate is not revised according to estimates of changes in market based conditions.

Current taxation

Income tax is recognised or provided at amounts expected to be recovered or paid using the tax rates and tax laws that have been enacted or substantively enacted at the year end date.

Research and development tax credits not received at the year end date are included as current assets within the Consolidated Statement of Financial Position.

Amounts receivable under the Research and Development Expenditure Credit are included within other operating income in the Consolidated Statement of Comprehensive Income with a corresponding asset included as current asset within the Consolidated Statement of Financial Position.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the Consolidated Statement of Financial Position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill;
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- Investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Financial instruments

The Group holds financial assets and liabilities in the respective categories 'Loans and receivables' and 'Financial liabilities measured at amortised cost'. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to the debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the year end date, which are classified as non-current assets. Other liabilities consist of trade and other payables, being balances arising in the course of normal business with suppliers, contractors and other service providers, and borrowings, being loans and hire purchase funds advanced for the refit of leasehold premises and the purchase of laboratory equipment, fixtures and fittings. Loans and receivables, and other liabilities are initially recorded at fair value, and thereafter at amortised cost, if the timing difference is deemed to impact the fair value of the asset or liability.

The Group assesses at each year end date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

The Group does not hold or trade in derivative financial instruments.

Warrants

Warrants issued by the Group are recognised and classified as equity when upon exercise, the Company would issue a fixed amount of its own equity instruments (Ordinary Shares) in exchange for a fixed amount of cash or another financial asset.

Consideration received, net of incremental costs directly attributable to the issue of such new warrants, is shown in equity. Such warrants are not re-measured at fair value in subsequent reporting periods.

2. Critical accounting estimates and judgements

The preparation of the Consolidated Financial Statements requires the Group to make estimates and judgements that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. The Group bases its estimates and judgements on historical experience and various other assumptions that it considers to be reasonable. Actual results may differ from these estimates under different assumptions or conditions.

Other operating income

Other operating income primarily consists of amounts received from philanthropic, non-government and not for profit organisations and patient advocacy groups, including the Wellcome Trust. Because IFRS does not provide specific accounting guidance for the treatment of amounts received from such organisations, the Group has applied the guidance in International Accounting Standard 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', and the Group considers that such arrangements are most similar to government grants. Accordingly, these amounts are recognised as other operating income in accordance with International Accounting Standard 20, 'Accounting for Government Grants and Disclosure of Government Assistance,' at the same time as the underlying expenditure is incurred, provided that there is reasonable assurance that the Group will comply with the conditions of such awards.

Under the terms of the various arrangements with such organisations, should the Group successfully commercialise its products, the Group has agreed to enter into certain revenue sharing agreements, under which those organisations will be entitled to a share of the cumulative net revenue that the Group or its affiliates receive from exploiting the relevant IP or products. These royalties will be recognised as a reduction in revenue in line with any potential future sales made by the Group. In addition, should certain millstones be achieved, the Group will be obligated to make the milestone payments to certain such organisations. Both potential and future royalty and milestone payment obligations are disclosed as a contingent liability in Note 16 of our Consolidated Financial Statements.

Recognition of research expenditure

The Group recognises expenditure incurred in carrying out its research and development activities in line with the management's best estimation of the stage of completion of each separately contracted study or activity. This includes the calculation of research and development accruals at each period to account for expenditure that has been incurred. This requires estimations of the full costs to complete each study or activity and also estimation of the current stage of completion. In all cases, the full cost of each study or activity is expensed by the time the final report or where applicable, product, has been received.

Share-based payment

The Group measures share options at fair value at their grant date in accordance with IFRS 2, 'Share-based Payment.' The Group calculates the fair value of the share option using either the Black-Scholes model, or for options with performance conditions, a simulation model. The Group charges the fair value to the Consolidated Income Statement over the expected vesting period. In the case of options that are issued below market value, the fair value will be higher than an option granted at market value, and the Group recognises a larger charge for such options in the Consolidated Income Statement.

Business combinations

On November 22, 2013 the Group acquired 100% of the share capital of MuOx Limited, a University of Oxford spin-off company which holds exclusive rights to early stage utrophin modulators and core biological screening technology. IFRS 3, 'Business Combinations', requires an entity to identify whether a transaction is the acquisition of a business or an asset. The Group has considered the guidance in IFRS 3 and concluded that the transaction was the acquisition of a business (Note 11).

The MuOx transaction was concluded through a number of agreements with the selling shareholders as detailed in Note 11. Certain of these agreements require additional payments for research services and research outcomes. These payments and potential payments have been assessed using the indicators in IFRS 3 to determine if the payments are additional consideration, employee compensation or research services. All such payments were assessed as either employee compensation or research services and will be expensed in the post-acquisition period as incurred.

The estimation of fair value of assets acquired and liabilities assumed in this business combination is considered to be a significant source of measurement uncertainty.

The rights to intellectual property acquired have been recognised at fair value at the acquisition date (Note 11), estimated using a cash flow model.

Impairment

The Group reviews annually whether there is any indication that Intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 1, and if there is any indication then further tests are undertaken to determine the potential impact on the carrying value of the assets. The recoverable amounts of cash generating units have been determined based on value-in-use calculations which will be incurred in selling it. These calculations require the use of estimates; the estimates used in impairment testing as at 31 January 2015 and 31 January 2014 are presented in Note 11.

Classification of equity fundraise costs

Due to the nature of an equity fundraise, including the Initial Public Offering ('IPO') on the NASDAQ Global Market announced by the Company in March 2015, new shares are issued to investors to raise additional capital and, along with existing shares, become admitted to a listing on a stock exchange. Judgement is required in assessing whether the associated expenditure is directly attributable to the issue of shares and whether it meets the criteria to be offset against the share premium account.

Notes to the Financial Statements

For the year ended 31 January 2015

3. Changes to accounting policies

During the year ended 31 January 2015 the following new standards, amendments to standards or interpretations became effective for the first time. The adoption of these interpretations, standards or amendment to standards were either not relevant for the Group or have not led to any significant impact on the Group's financial statements.

International Accounting Standards (IAS/IFRS)		Effective Date
IFRS 10	Consolidated Financial Statements	1 January 2014
IAS 32	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2014
IAS 36	Disclosures – Recoverable Amount of Impaired Assets	1 January 2014
IAS 39	Financial Instruments – Recognition and Measurement on Novation of Derivatives	1 January 2014

International Financial Reporting Interpretations (IFRI)		Effective Date
IFRIC 21	Levies	1 January 2014

The International Accounting Standards Board ('IASB') and the International Financing Reporting Interpretations Committee ('IFRIC') have issued the following standards and interpretations to be applied to financial statements with periods commencing on or after the following dates:

International Accounting Standards (IAS/IFRS)		Effective Date
IAS 19	Employee Benefits (amendments)	1 July 2014
IFRS 11	Joint Arrangements	1 January 2016
IAS 16	Property Plant and Equipment (amendments)	1 January 2016
IFRS 10	Consolidated Financial Statements (amendments)	1 January 2016
IAS 28	Investments in Associates and Joint Ventures (amendments)	1 January 2016
IAS 27	Separate Financial Statements (amendments)	1 January 2016
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IFRS 15	Revenue from Contracts with Customers	1 January 2017
IFRS 9	Financial Instruments	1 January 2018

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Group.

4. Segmental reporting

The Summit Group comprises nine legal entities, of which three are trading. These included the eight subsidiary companies and the Group holding company, Summit Therapeutics plc (formerly Summit Corporation plc). The Group operates in one reportable segment: Drug Development. The chief operating decision-maker has been identified as the Executive Management Team including the Chief Executive Officer and the Chief Financial Officer. The Executive Management Team reviews the consolidated operating results regularly to make decisions about the financial and organisational resources and to assess overall performance.

The Drug Development segment covers Summit's research and development activities carried out by the Group, primarily comprising the DMD and the CDI programmes (see pages 12 to 15 for more details).

The corporate and other activities of Summit Therapeutics plc and Summit (Oxford) Limited comprise the costs incurred in providing the facilities, finance, human resource and information technology services which are incurred by the main segment of the Group.

Substantially all of the Group's assets are held in the UK.

5. Directors and employees

The average monthly number of employees of the Group, including Executive Directors, during the year was:

	31 January 2015	31 January 2014
Technical, research and development	**12**	7
Corporate and administration	**11**	10
	23	17

The Parent Company had no employees in the current or previous financial years.

Their aggregate remuneration comprised:

	31 January 2015	31 January 2014
Wages and salaries	**2,772**	1,191
Social security costs	**223**	146
Other pension costs	**77**	77
Share-based payment	**961**	226
	4,033	1,640

The Directors are of the opinion that the chief operating decision-maker has been identified as the Executive Management Team including the Chief Executive Officer and the Chief Financial Officer. The Executive Management Team reviews the consolidated operating results regularly to make decisions about the financial and organisational resources and to assess overall performance.

The aggregate amounts of key management compensation are set out below:

	Year ended 31 January 2015 £000	Year ended 31 January 2014 £000
Short term employee benefits	**758**	355
Post-employment benefits	**34**	22
Share-based payment	**603**	182
	1,395	559

In respect of Directors' remuneration, the Company has taken advantage of the permission in paragraph 6(2) of Statutory Instrument 2008/410 to omit aggregate information that is capable of being ascertained from the detailed disclosures in the audited section of the Directors' Remuneration Report on pages 22 to 24, which form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 January 2015

6. Loss before income tax

	Note	Year ended 31 January 2015 £000	Year ended 31 January 2014 (restated) £000
Other operating income			
Income recognised in respect of the Wellcome Trust		**1,169**	1,375
Grant income[1]		**860**	307
Other income[1]		**79**	133
Research and development credit		**40**	29
		2,148	1,844
Research and development			
Employee benefit expense	5	**1,690**	868
Share-based payment expense		**256**	38
Programme related costs		**7,869**	5,013
Amortisation of intangible assets	11	**10**	9
Other research and development costs		**592**	683
		10,417	6,611
General and administration			
Employee benefit expense	5	**1,382**	546
Share-based payment expense		**705**	188
Foreign exchange loss		**(91)**	18
Depreciation of property, plant and equipment	12	**23**	17
Operating lease rentals		**33**	117
Other general and administration costs		**2,390**	1,056
		4,442	1,942

(1) Included in other income are amounts recognised from the arrangements with philanthropic, non-government and not for profit organisations and patient advocacy groups, in support of the DMD programme. Grant income includes amounts received from Innovate UK (formerly the Technology Strategy Board). The Group has complied with all the conditions attached to these awards.

7. Auditors' remuneration

Services provided by the Group's auditors

During the year the Group obtained the following services from the Group's auditors at the cost detailed below:

	Year ended 31 January 2015 £000	Year ended 31 January 2014 £000
Fees payable to the Company's auditor and its associates for the audit of the Parent Company and Consolidated Financial Statements	**24**	21
Fees payable to the Company's auditor and its associates for other services		
– Audit of the Company's subsidiaries	**53**	9
– Audit-related assurance services	**5**	3
– Other assurance services[1]	**735**	–
– Tax advisory services	**13**	8
– Tax compliance services	**4**	6
Total fees payable	**834**	47

(1) Other assurance services represents assurance reporting on historical financial information included in the Company's US initial public offering registration statement that was filed with the US Securities and Exchange Commission.

8. Income tax

Analysis of credit in period	Year ended 31 January 2015 £000	Year ended 31 January 2014 £000
United Kingdom corporation tax at 21.33% (2014: 23.17%)		
Current tax credit	**1,257**	604
Prior year adjustment	**40**	3
Taxation	**1,297**	607

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

Loss before tax	**(12,660)**	(6,700)
Loss on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom (Current tax) of 21.33% (2014: 23.17%)	**(2,700)**	(1,552)
Non-deductible expenses	**178**	88
Additional deductions for R&D expenditure	**(1,066)**	(707)
R&D tax credits recoverable at a lower rate 12% (2014: 11%)	**662**	669
Depreciation in excess of capital allowances	**(2)**	(9)
Taxable losses not recognised	**1,655**	901
Taxable losses at foreign rates	**16**	–
Other differences	**6**	6
Share options exercised	**(6)**	–
Prior year adjustments	**(40)**	(3)
Total taxation	**(1,297)**	(607)

There are no current tax liabilities as at 31 January 2015 (2014: nil).

9. Loss per share

The loss per share for continuing operations has been calculated using the loss for the year attributable to the owners of the Parent of £11,301,000 (year ended 31 January 2014: loss of £6,093,000) and dividing this by the weighted average number of Ordinary Shares in issue during the year to 31 January 2015: 39,599,222 (year ended 31 January 2014: 20,509,631). The numbers of Ordinary Shares in issue were updated retrospectively to give effect to the share consolidation and subdivision which occurred on 3 July 2014 (Note 18).

Since the Group has reported a net loss from continuing activities, diluted loss per share is equal to basic loss per share.

Potentially dilutive shares capable of vesting under the share options currently in issue totalled 5,250,838 as at 31 January 2015 (31 January 2014: 3,573,597).

10. Goodwill

	MuOx Limited £000s	Total £000s
Cost		
At 1 February 2014	664	664
At 31 January 2015	**664**	**664**
Accumulated amortisation		
At 1 February 2014	–	–
At 31 January 2015	**–**	**–**
Net book amount		
At 1 February 2014	664	664
At 31 January 2015	**664**	**664**

Notes to the Financial Statements

For the year ended 31 January 2015

10. Goodwill (continued)

	MuOx Limited £000s	Total £000s
Cost		
At 1 February 2013	–	–
Additions	664	664
At 31 January 2014	**664**	**664**
Accumulated amortisation		
At 1 February 2013	–	–
At 31 January 2014	**–**	**–**
Net book amount		
At 1 February 2013	–	–
At 31 January 2014	**664**	**664**

On 22 November 2013, the Group acquired the entire share capital of MuOx Limited, a University of Oxford spin-off company which holds exclusive rights to early stage utrophin modulators and core biological screening technology.

Goodwill represents the difference between the fair value of the identifiable assets acquired and liabilities assumed for MuOx Limited and the amount paid in consideration.

Goodwill is attributable to synergies expected from the Group's collaboration with the University of Oxford and other founders of MuOx Limited. On acquisition the Group initially recorded the provisional amounts of the fair values of identifiable assets acquired and liabilities assumed since it had not completed the accounting for this business combination at the year end. Subsequent to the year end, the Group completed its assessment of the fair values of identifiable assets acquired and liabilities assumed which resulted in certain measurement period adjustments to reflect new information obtained about facts and circumstances that were in existence at the acquisition date.

In accordance with IAS 36 'Goodwill' has been reviewed for impairment and no provision is considered necessary.

11. Intangible assets

	Iminosugar related programmes acquired £000	Utrophin programme acquired £000	Other patents and licences £000	Total £000
Cost				
At 1 February 2014	1,380	3,321	197	4,898
At 31 January 2015	**1,380**	**3,321**	**197**	**4,898**
Accumulated amortisation and impairment				
At 1 February 2014	(1,380)	–	(25)	(1,405)
Provided in the year	–	–	(10)	(10)
At 31 January 2015	**(1,380)**	**–**	**(35)**	**(1,415)**
Net book amount				
At 1 February 2014	–	3,321	172	3,493
At 31 January 2015	**–**	**3,321**	**162**	**3,483**

11. Intangible assets (continued)

	Iminosugar related programmes acquired £000	Utrophin programme acquired £000	Other patents and licences £000	Total £000
Cost				
At 1 February 2013	1,380	–	187	1,567
Additions	–	3,321	10	3,331
At 31 January 2014	**1,380**	**3,321**	**197**	**4,898**
Accumulated amortisation and impairment				
At 1 February 2013	(1,380)	–	(16)	(1,396)
Provided in the year	–	–	(9)	(9)
At 31 January 2014	**(1,380)**	**–**	**(25)**	**(1,405)**
Net book amount				
At 1 February 2013	–	–	171	171
At 31 January 2014	**–**	**3,321**	**172**	**3,493**

Amortisation of intangible assets is included in the line 'research and development' shown on the face of the Consolidated Statement of Comprehensive Income.

In accordance with IAS 38, 'Intangible assets' have been reviewed for impairment.

On 22 November 2013 the Group recognised £3,321,000 of intangible assets related to the utrophin programme and £664,000 of goodwill upon acquisition of MuOx Limited (Note 10).

The key assumptions used in the valuation model to determine its value in use are as follows:
- Expected research and development costs.
- Probabilities of achieving development milestones based on industry standards.
- Reported disease prevalence.
- Expected market share.
- Drug reimbursement, costs of goods and marketing estimates.
- Expected patent life .

The valuation model covers a period significantly longer than five years which is based on expected patent life, once filed, due to the length of the development cycle for assets of this nature. A discount factor of 18% has been used over the forecast period.

Based on sensitivity analysis, no reasonably possible change in assumption would cause the carrying value of this asset to exceed its recoverable amount.

Notes to the Financial Statements

For the year ended 31 January 2015

12. Property, plant and equipment

	Leasehold improvements £000	Laboratory equipment £000	Office and IT equipment £000	Total £000
Cost				
At 1 February 2014	9	137	127	273
Additions	–	–	35	35
At 31 January 2015	**9**	**137**	**162**	**308**
Accumulated depreciation				
At 1 February 2014	(1)	(135)	(94)	(230)
Charge for the year	(3)	–	(20)	(23)
At 31 January 2015	**(4)**	**(135)**	**(114)**	**(253)**
Net book value				
At 1 February 2014	8	2	33	43
At 31 January 2015	**5**	**2**	**48**	**55**

	Leasehold improvements £000	Laboratory equipment £000	Office and IT equipment £000	Total £000
Cost				
At 1 February 2013	5	137	114	256
Additions	9	–	28	37
Disposals	(5)	–	(15)	(20)
At 31 January 2014	**9**	**137**	**127**	**273**
Accumulated depreciation				
At 1 February 2013	(4)	(135)	(94)	(233)
Charge for the year	(2)	–	(15)	(17)
Disposals	5	–	15	20
At 31 January 2014	**(1)**	**(135)**	**(94)**	**(230)**
Net book value				
At 1 February 2013	1	2	20	23
At 31 January 2014	**8**	**2**	**33**	**43**

13. Trade and other receivables

	Year ended 31 January 2015 £000	Year ended 31 January 2014 £000
Other receivables	**215**	86
Prepayments and accrued income	**2,415**	345
	2,630	431

Included in prepayments are £1,240,000 of costs relating to the US offering of American Depositary Shares and listing on the NASDAQ Global Market that was completed in March 2015. These costs will be capitalised in the financial year ended 31 January 2016.

14. Trade and other payables

	Year ended 31 January 2015 £000	Year ended 31 January 2014 £000
Trade payables	**1,195**	349
Other taxes and social security costs	**61**	56
Accruals and deferred income	**2,445**	1,412
Other creditors	**20**	35
	3,721	1,852

15. Financial instruments

	Note	Year ended 31 January 2015 £000	Year ended 31 January 2014 £000
Loans and receivables			
Trade and other receivables	13	**2,630**	431
Cash and cash equivalents		**11,265**	2,030
		13,895	2,461
Financial liabilities measured at amortised cost			
Trade and other payables	14	**3,721**	1,852

The Group's activities expose it to a variety of financial risks: foreign currency risk; interest rate risk; credit risk; and liquidity risk.

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 receivables and payables that arise directly from its operations. The category of loans and receivables contains only trade and other receivables, shown on the face of the Consolidated Statement of Financial Position, all of which mature within one year.

The Group has compared fair value to book value for each class of financial asset and liability: no difference was identified. The Group has a policy, which has been consistently followed, of not trading in financial instruments.

Foreign currency risk

Foreign currency risk refers to the risk that the value of a financial commitment or recognised asset or liability will fluctuate due to changes in foreign currency rates. The Group's net income and financial position, as expressed in Pounds Sterling, are exposed to movements in foreign exchange rates against the US Dollar and the Euro. The main trading currencies of the Group are Pounds Sterling, the US Dollar, and the Euro. The Group is exposed to foreign currency risk as a result of trading transactions, capital raises in the US and the translation of foreign bank accounts.

The exposure to foreign exchange is monitored by the Group finance function. Exposures are generally managed through natural hedging via the currency denomination of cash balances and any impact currently is not material to the Group.

The table below shows an analysis of the Pounds Sterling equivalent of the year end cash and cash equivalents by currency:

Cash at bank and in hand	Year ended 31 January 2015 £000	Year ended 31 January 2014 £000
Pounds Sterling	**9,192**	2,029
US Dollar	**2,073**	1
	11,265	2,030

Notes to the Financial Statements

For the year ended 31 January 2015

15. Financial instruments (continued)

Interest rate risk

One of the risks arising from the Group's financial instruments is interest rate risk. The Group holds no derivative instruments to manage interest rate risk; instead the Group placed deposits surplus to short-term working capital requirements with a variety of reputable UK and US-based banks and building societies. These balances are placed at fixed rates of deposit with maturities between one month and three months.

The Group's cash and short-term deposits were as follows:

	Year ended 31 January 2015 £000	Year ended 31 January 2014 £000
On current account	**11,265**	2,030
	11,265	2,030

The interest rates for dated deposits were dependent on the rates offered by the Group's borrowers. The interest rate for short-term deposits is variable dependent on the rates offered by the Group's bankers. During the year to 31 January 2015, the banking facilities returned an average rate after fees of 0.77% (2014: 0.35%).

The Group's exposure to interest rate risk is illustrated with regard to the opening and closing cash balances and the difference that an increase or decrease of 1% in interest rates would have made based on the average cash balance of £6,648,000 in the year:

Year ended 31 January 2015	**–1%**	**Actual**	**+1%**
Interest rate	**–**	**0.77**	**1.77**
Interest received (£000)	**–**	**51**	**118**

Year ended 31 January 2014	–1%	Actual	+1%
Interest rate	–	0.35	1.35
Interest received (£000)	–	9	37

Credit risk

The credit risk with respect to customers is limited and the Group had no trade receivables outstanding at 31 January 2015.

Financial instruments that potentially expose the Group to concentrations of credit risk consist primarily of short-term cash investments and trade accounts receivable. Excess cash is invested in short-term money market instruments, including bank term deposits, money market and liquidity funds and other debt securities provided by a variety of financial institutions with strong credit ratings; these investments typically bore minimal credit risk in the year.

Cash balances maintained during the year have been principally held with major UK banking institutions. We do not believe that this constituted a major credit risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The Group ordinarily finances its activities through cash generated from operating activities and private and public offerings of equity securities. The Group anticipates that its operating cash flow together with available cash, cash equivalents and short-term investments will be sufficient to meet its anticipated needs. See Note 1 'Going concern'.

Of all the financial liability categories, no amounts can be analysed for maturity. Provisions are amounts contingent upon events taking place and the recognition of deferred taxation is dependent upon future profits arising.

Capital management

The primary aim of the Group's capital management, defined as its share capital, is to safeguard the Group's ability to continue as a going concern, to support its programmes 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. The capital structure of the Group has come entirely from equity issues.

16. Provisions for other liabilities and charges, and contingent liabilities

Dilapidations	Year ended 31 Jan 2015 £000	Year ended 31 Jan 2014 £000
At 1 February	**17**	150
Additions	**28**	17
Provision utilised	**–**	(150)
At 31 January	**45**	17

Management have made a provision in respect of the dilapidation costs associated with the reinstatement obligations on their current lease based on best estimates. It is management's intention to utilise the provision at the end of the lease term.

In addition to those items provided for above, the Group also has the following contingencies:

MuOx Limited

Under the option agreement that the Group and Isis Innovation Limited ('Isis') entered into in November 2013, Isis granted to the Group an exclusive option to license the IP arising from the research carried out under the sponsored research agreement within specified periods. If the Group exercises its option to obtain a license under arising IP, the Group would be obliged to pay Isis up to a specified sum in option exercise fees.

For any IP arising from the research carried out under the sponsored research agreement and for which the Group has exercised the option and that comprises new chemical entities or compounds, the Group would obtain an exclusive, sub licensable license. The Group is obligated to pay milestone payments of up to £75,000 upon the achievement of specified development milestones, whether such milestones occur prior to or after the Group's exercise of the option to obtain an exclusive sub licensable license. Following exercise of such an option the Group would also be obligated to pay milestone payments upon the achievement of specified regulatory milestones with respect to each optioned compound. The specified regulatory milestone payment is due each time the specified regulatory milestone is achieved with respect to an optioned compound and, if each optioned compound achieved each regulatory milestone, we would be obligated to pay Isis a total of £3.7 million in regulatory milestone payments for each optioned compound.

The Group would also be obligated to pay Isis a low single digit royalty of net sales by the Group, its affiliates or sub licensees of any product containing an optioned compound.

Wellcome Trust

Under the terms of the revenue sharing agreement the Group would enter into with the Wellcome Trust to permit its exploitation of the exploitation IP or awards products, the Wellcome Trust is entitled to a share of the cumulative net revenue that the Group or its affiliates receive from exploiting the exploitation IP or award products. The Wellcome Trust would be eligible to receive a tiered portion of the net revenue, ranging from a mid-single digit percentage up to a mid-twenties percentage. In addition, the Group would be obligated to pay the Wellcome Trust a milestone of a specified amount if cumulative net turnover exceeds a specified amount. The Group currently considers the probability of this milestone payment to be remote.

US Not for Profit Organisations

Muscular Dystrophy Association

The Group has agreed to pay the Muscular Dystrophy Association ('MDA') a specified lump sum amount, less the previously paid MDA cash infusion milestone payment, following the regulatory approval of any project product for use in the United States or European Union in the treatment of DMD and an additional specified sum upon achievement of a commercial milestone. The Group would be obligated to pay MDA a low single digit percentage royalty of worldwide net sales by the Group, its affiliates or licensees of any project product. The Group currently considers the probability and this milestone payment to be remote.

Duchenne Partners Fund

The Group has agreed to pay Duchenne Partners Fund, Inc. ('DPF') a specified lump sum amount, less the previously paid DPF cash infusion milestone payment, following the regulatory approval of any project product for use in the United States or European Union in the treatment of DMD and an additional specified sum upon achievement of a commercial milestone. The Group would be obligated to pay DPF a low single digit percentage royalty of worldwide net sales by the Group, its affiliates or licensees of any project product. The Group currently considers the probability and this milestone payment to be remote.

The total amount payable with respect to regulatory milestones under the US not for profit organisation agreements would be $2.5 million if the Group meets all regulatory milestones. The total amount payable with respect to royalties is not known due to the contingent nature of the payments.

Notes to the Financial Statements

For the year ended 31 January 2015

17. Deferred tax liability

There remains a deferred tax liability of £664,270 that was recognised upon acquisition of MuOx Limited which took place in the year ended 31 January 2014. There were no other movements in deferred tax liability during the year.

	Year ended 31 January 2015 £000	Year ended 31 January 2014 restated £000
Amounts falling due more than 1 year	**664**	644
	664	644

There is an unrecognised deferred tax asset in relation to the trading losses carried forward of £8,063,000 (2014: £7,486,000), £9,000 in relation to provisions (2014: £4,000) and £230,000 (2014: £402,000) in relation to future exercisable shares. There is an unprovided deferred tax liability of £11,000 (2014: asset £8,000) in respect of accelerated capital allowances.

18. Share capital

	Year ended 31 January 2015 £000	Year ended 31 January 2014 £000
Allotted, called up and fully paid		
41,117,697 (2014: 482,766,686) Ordinary Shares of 1p each	**411**	4,828
Nil (2014: 524,702,133) Deferred Shares of 1p each	**–**	5,247
	411	10,075

On 4 March 2014 the number of Ordinary Shares in issue increased to 821,228,226 following the placing of 338,461,560 1 pence Ordinary Shares. The equity placing raised net proceeds of £20.5 million.

On 3 July 2014, the shareholders approved a consolidation and subdivision of the Company's share capital as part of a share capital reorganisation. The capital reorganisation consisted of three elements: a consolidation of every 20 existing Ordinary Shares into one consolidated Ordinary Share followed by an immediate subdivision of each of those Ordinary Shares into one new Ordinary Share and 19 new Deferred Shares, and a capital reduction to cancel the existing and new Deferred Shares together with a reduction of the Company's Share Premium Account.

As part of the share consolidation on 3 July 2014 the number of Ordinary Shares in issue increased to 821,228,240 following the issue of 14 Ordinary Shares of 1 pence each. These new shares were issued as part of the Capital Reorganisation to ensure the number of shares in issue was exactly divisible by 20.

The consolidation and subdivision took place on 3 July 2014 and resulted in the issued Ordinary Share capital of the Company consisting of 41,061,412 Ordinary Shares of 1 pence each. The cancellation of Deferred Shares and the reduction of the Company's Share Premium Account took effect on 3 September 2014. At the same time, the Company's Special Reserve was created and the Accumulated Losses Reserve was reduced by £26.3 million which was the Company's accumulated losses to 3 July 2014. The Special Reserve does not represent realised profits of the Company and is treated as an undistributable reserve under UK law. This determination might change in future periods if and when allowed by UK law.

On 28 October 2014, the number of Ordinary Shares in issue increased to 41,117,697 following the exercise of 56,285 share options. The exercise of options raised net proceeds of £0.03 million.

On 5 March 2015 the Group announced an Initial Public Offering on the NASDAQ Global Market issuing 3,450,000 American Depositary Shares ('ADSs') at a price of $9.90 per ADS. On 18 March 2015 the underwriters exercised in full their over-allotment option to purchase an additional 517,500 ADS, on the same terms. Each ADS represents five Ordinary Shares of 1 pence each in the capital of the Company, thus 19,837,500 Ordinary Shares were issued. Total gross proceeds of $39.3 million (£25.8 million) were raised.

Following the Initial Public Offering and exercise of the over-allotment, the number of Ordinary Shares in issue was 60,955,197.

On 23 March 2015, the number of Ordinary Shares in issue rose to 60,982,581 Ordinary Shares of 1 pence each following the exercise of options over 27,384 shares. The issue of shares raised net proceeds of £0.01 million.

All new Ordinary Shares issued rank *pari passu* with existing Ordinary Shares.

19. Share option scheme

All numbers of share options, share price, exercise price and fair value in this note were updated retrospectively to give effect to the share consolidation and subdivision which occurred on 3 July 2014 (Note 18).

At 31 January 2015 the outstanding share options, which include the share options granted to Directors, are shown below:

	Date of grant	Exercise price	Number of shares	Date from which exercisable	Expiry date
Approved EMI scheme					
	2 December 2005	£3.43	10,500	2 December 2006	2 December 2015
	13 October 2006	2.72	1,200	13 October 2007	13 October 2016
	21 November 2007	2.28	4,800	21 November 2008	21 November 2017
	7 April 2011	0.65	55,511	8 April 2014	7 April 2021
	10 May 2012	0.60	217,250	10 May 2013	10 May 2022
	10 May 2012	0.60	276,452	10 May 2014	10 May 2022
	24 December 2012	0.85	400,000	24 December 2015	24 December 2022
	31 January 2013	0.20	72,973	31 July 2013	31 January 2023
	18 December 2013	1.85	504,500	*	18 December 2023
	18 December 2013	0.20	10,607	19 June 2014	18 December 2023
	15 July 2014	1.26	465,841	15 July 2016	15 July 2024
	21 January 2015	1.23	25,000	21 January 2017	21 January 2015
			2,044,634		
Unapproved scheme					
	2 December 2005	£3.43	1,692	2 December 2006	2 December 2015
	13 October 2006	2.72	52,500	13 October 2007	13 October 2016
	21 November 2007	2.28	19,167	21 November 2008	21 November 2017
	7 April 2011	0.65	13,981	8 April 2014	8 April 2021
	10 May 2012	0.60	657,500	10 May 2012	10 May 2022
	24 December 2012	0.85	100,000	24 December 2015	24 December 2023
	18 December 2013	1.85	517,500	*	18 December 2023
	18 December 2013	0.20	76,364	19 June 2013	19 June 2023
	23 June 2014	0.20	50,000	23 June 2015	23 June 2024
	23 June 2014	1.47	525,000	23 June 2015	23 June 2024
	15 July 2014	1.26	992,500	15 July 2016	15 July 2024
	15 July 2014	0.80	100,000	30 May 2015	30 May 2023
	23 December 2014	1.37	25,000	23 December 2016	23 December 2024
	21 January 2015	1.23	75,000	21 January 2017	21 January 2025
			3,206,204		
			5,250,838		

* Subject to the achievement of completion of performance conditions, these options will vest and become exercisable on completion of Phase 2 proof of concept clinical trials in both the DMD and CDI programmes or the third anniversary of grant, whichever is sooner.

The Group has no legal or constructive obligation to repurchase or settle the options in cash.

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

	Weighted average exercise price (£)	**Year ended 31 January 2015**	Weighted average exercise price (£)	Year ended 31 January 2014
Outstanding at 1 February	**1.27**	**3,573,597**	1.02	2,720,703
Granted during the year	**1.27**	**2,258,341**	1.66	1,318,970
Lapsed/surrendered during the year	**2.27**	**(524,815)**	0.90	(466,076)
Exercised during the year	**0.47**	**(56,285)**	–	–
Number of outstanding options at 31 January	**1.18**	**5,250,838**	1.27	3,573,597

Notes to the Financial Statements

For the year ended 31 January 2015

19. Share option scheme (continued)

As at 31 January 2015, 1,470,497 share options were capable of being exercised with a weighted average exercise price per option of £1.18 (2014: 450,627 with a weighted average exercise price per option of £2.56). The options outstanding at 31 January 2015 had a weighted average exercise price per option of £1.18 (2014: £1.27), and a weighted average remaining contractual life of 8.5 years (2014: 8.3 years).

The fair value per award granted and the assumptions used in the calculations are as follows:

Date of grant	Type of award	Number of shares	Exercise price (£)	Share price at grant date (£)	Fair value per option (£)	Award life (years)	Risk free rate
2 December 2005	EMI	10,500	3.43	3.37	0.82	3.0	4.2%
2 December 2005	Unapproved	1,692	3.43	3.37	0.82	3.0	4.2%
13 October 2006	EMI	1,200	2.72	2.72	0.72	3.0	4.6%
13 October 2006	Unapproved	52,500	2.72	2.72	0.72	3.0	4.6%
21 November 2007	Unapproved	4,800	2.28	2.28	0.84	3.0	4.6%
21 November 2007	EMI	19,167	2.28	2.28	0.84	3.0	4.6%
7 April 2011	EMI	55,511	0.65	0.65	0.47	5.0	2.7%
7 April 2011	Unapproved	13,981	0.65	0.65	0.47	5.0	2.7%
10 May 2012	EMI	217,250	0.60	0.52	0.22	5.0	1.0%
10 May 2012	EMI	276,452	0.60	0.52	0.24	5.0	1.0%
10 May 2012	Unapproved	657,500	0.60	0.52	0.20	5.0	1.0%
24 December 2012	EMI	400,000	0.85	0.85	0.59	5.0	0.9%
24 December 2012	Unapproved	100,000	0.85	0.85	0.59	5.0	0.9%
31 January 2013	EMI	72,973	0.20	0.94	0.74	5.0	1.0%
18 December 2013	EMI	504,500	1.85	1.85	0.37	5.0	0.9%
18 December 2013	EMI	10,607	0.20	1.85	1.65	5.0	1.0%
18 December 2013	Unapproved	517,500	1.85	1.85	0.37	5.0	0.9%
18 December 2013	Unapproved	76,364	0.20	1.85	1.65	5.0	1.0%
23 June 2014	Unapproved	50,000	0.20	1.50	0.92	3.0	1.3%
23 June 2014	Unapproved	525,000	1.48	1.50	0.92	3.8	1.3%
15 July 2014	EMI	465,841	1.26	1.26	0.65	3.0	1.3%
15 July 2014	Unapproved	992,500	1.26	1.26	0.65	3.0	1.3%
15 July 2014	Unapproved	100,000	0.80	0.81	0.65	1.9	0.5%
23 December 2014	Unapproved	25,000	1.37	1.37	0.70	3.0	0.8%
21 January 2015	EMI	25,000	1.23	1.22	0.64	3.0	0.6%
21 January 2015	Unapproved	75,000	1.23	1.22	0.64	3.0	0.6%
		5,250,838					

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

a. Black-Scholes valuation methodology was used for all options prior to 2008.
b. The majority of share option awards made since 2011 are performance related, as described in the Directors' Remuneration Report, and have been modelled using the Monte-Carlo methodology. The options granted on 31 January 2013 and the options granted 18 December 2013 at an exercise price of 20 pence and 50,000 of the unapproved options granted on 23 June 2014 are not performance related.
c. Figures in the range of 18-134% have been used for expected volatility. This has been derived from historic share price performance, weighted to exclude periods of unusually high volatility.
d. Expected dividend yield is nil, consistent with the Directors' view that the Group's business model is to generate value through capital growth rather than the payment of dividends.
e. The risk free rate is equal to the prevailing UK Gilts rate at grant date that most closely matches the expected term of the grant.
f. Share options are assumed to be exercised immediately on vesting.
g. The fair value of the options awarded on 10 May 2012 is the average of the fair values calculated per possible vesting instalment.

20. Fixed assets purchase commitments

At 31 January 2015 the Group had no capital commitments (31 January 2014: nil).

21. Leasing commitments

The Group's total commitments under non-cancellable operating leases are as follows:

	Land & Buildings	
Leases which expire	**Year ended 31 January 2015 £000**	Year ended 31 January 2014 £000
Not later than one year	**88**	88
Later than one year and not later than five years	**277**	330
Later than five years	**–**	34
	365	452

22. Related party transactions

During the year £27,963 was paid to Dr Frank M Armstrong Consulting Limited, a company controlled by Dr Frank Armstrong in respect of his fees as Non-Executive Director and Chairman (2014: £32,967). Of this amount £nil was outstanding at the year end (2014: £2,775).

During the year £12,000 was paid to GECR, the trading name of Burnbrae Media Limited, a company controlled by Mr Jim Mellon and an additional £4,000 payment was made directly to Burnbrae Media Limited, in respect of investor relations support services.

During the year £nil was paid to T1ps.com Ltd, a company also controlled by Mr Jim Mellon also in respect of investor relations support services (2014: £17,550). Of this amount £nil was outstanding at the year end (2014: £nil). The Group had an existing relationship with Tips.com prior to Mr Jim Mellon becoming a Non-Executive Director of the Group. Mr Mellon resigned as a Non-Executive Director of the Group effective 3 December 2014.

See Note 5 for details of key management emoluments.

23. Post Balance Sheet Events

Listing on the NASDAQ Global Market

A General Meeting of shareholders, held on 19 February 2015 approved the proposed US offering of American Depositary Shares ('ADSs') and listing on the NASDAQ Global Market.

On 5 March 2015 the Group announced an Initial Public Offering on the NASDAQ Global Market issuing 3,450,000 ADSs at a price of $9.90 per ADS. On 18 March 2015 the underwriters exercised in full their over-allotment option to purchase an additional 517,500 ADS, on the same terms. Each ADS represents five Ordinary Shares of 1 pence each in the Capital of the Company, thus 19,837,500 Ordinary Shares were issued. Total gross proceeds of $39.3 million (£25.8 million) were raised.

Following the Initial Public Offering and exercise of the over-allotment, the number of Ordinary Shares in issue was 60,955,197.

On 23 March 2015, the number of Ordinary Shares in issue rose to 60,982,581 Ordinary Shares of 1 pence each following the exercise of options over 27,384 shares. The issue of shares raised net proceeds of £0.01 million.

Company name change

On 19 February 2015 the Company changed its name from Summit Corporation plc to Summit Therapeutics plc.

Independent Auditors' Report

To the Members of Summit Therapeutics plc

Report on the Parent Company financial statements

Our opinion

In our opinion, Summit Therapeutics plc's Company financial statements (the 'financial statements'):

- give a true and fair view of the state of the Company's affairs as at 31 January 2015;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Summit Therapeutics plc's financial statements comprise:

- the Company Balance Sheet as at 31 January 2015; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities Statement set out on page 25, 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) ('ISAs (UK & Ireland)'). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matter

We have reported separately on the Group financial statements of Summit Therapeutics plc for the year ended 31 January 2015.

Sam Taylor (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

6 May 2015

(a) The maintenance and integrity of the Summit Therapeutics plc website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Company Balance Sheet

Summit Therapeutics plc (formerly Summit Corporation plc) Individual Financial Statements (Company Number 5197494)

At 31 January 2015

	Note	31 January 2015 £000	31 January 2014 £000
Fixed assets			
Investments	3	**7,805**	6,831
Current assets			
Debtors – due within one year	4	**1,240**	–
Debtors – due after more than one year	4	**37,147**	18,784
		38,387	18,784
Total assets		**46,192**	25,615
Creditors due within one year	5	**(227)**	(10)
Total assets less current liabilities		**45,965**	25,605
Net assets		**45,965**	25,605
Capital and reserves			
Called up share capital	6	**411**	10,075
Share premium account	7	**24,101**	40,177
Share-based payment reserve	7	**2,597**	1,636
Special reserve	7	**19,993**	–
Profit and loss account	7	**(1,137)**	(26,283)
Total shareholders' funds	8	**45,965**	25,605

The notes on pages 53 to 56 form part of these financial statements.

The financial statements on pages 52 to 56 were approved by the Board of Directors and signed on its behalf by

Glyn Edwards
Chief Executive Officer

6 May 2015

Notes to the Individual Financial Statements of Summit Therapeutics plc

(Formerly Summit Corporation plc)

1. Principal accounting policies

A summary of the principal accounting policies is set out below.

Basis of preparation

The financial statements of the Parent Company, Summit Therapeutics plc (formerly Summit Corporation plc), have been prepared under the historic cost convention and in accordance with the Companies Act 2006 applicable United Kingdom accounting standards.

The accounting policies have been applied consistency throughout the year.

Going concern

The financial information in these financial statements has been prepared on a going concern basis which assumes that the Company will continue in operation existence for the foreseeable future.

After review of the future operating costs of the business in conjunction with the cash held at 31 January 2015 and proceeds received following completion of a fundraise in March 2015, management are confident about the Company's ability to continue as a going concern.

Cash flow statement

The Company has taken advantage of the exception conferred upon it by FRS 1 'Cash Flow Statements' (revised 1996) not to prepare a cash flow statement where by the cash flows of the Company are incorporated into those of the consolidated Group financial statements which are publicly available.

Investments

The Company holds 100% ownership of the subsidiaries detailed below in Note 9; these are held at cost. The carrying value of the subsidiaries is reviewed annually by management for any indicators of impairment.

Deferred taxation

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

Share-based payments

In accordance with FRS 20 'Share-based payment', share options are measured at fair value at their grant date. The fair value for the majority of the options is calculated using the Black-Scholes formula and charged to the Profit and Loss account on a straight-line basis over the expected vesting period. For those options issued with vesting conditions other than remaining in employment (for example, those conditional upon the Group achieving certain predetermined financial criteria) either a Monte-Carlo or Hull White trinomial lattice model has been used. At each year end date, the Group revises its estimate of the number of options that are expected to become exercisable. This estimate is not revised according to estimates of changes in market based conditions. A capital contribution is created over time as the Company bears the cost of issuing Summit Therapeutics plc (formerly Summit Corporation plc) share options to the employees of each subsidiary. See Note 19, 'Share option scheme' of the Group Consolidated Financial Statements for further information.

Related party transactions

The Company is exempt under FRS 8 from disclosing related party transactions with entities that are part of the Group.

2. Profit of the Parent Company

Loss in the year

As permitted by Section 408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account for the year. The Company's loss for the year was £1,145,000 (2014: £11,000).

Directors' remuneration

The remuneration of the Directors is disclosed in the Directors' Remuneration Report on pages 22 to 24.

Auditors' remuneration

Audit remuneration is disclosed in Note 7 of the Group Consolidated Financial Statements.

Notes to the Individual Financial Statements of Summit Therapeutics plc

(Formerly Summit Corporation plc)

3. Investments

	Investment in subsidiaries £000	Capital contributions for share options recharge £000	Total £000
Cost			
At 1 February 2014	20,199	1,601	21,800
Additions	13	961	974
As at 31 January 2015	**20,212**	**2,562**	**22,774**
Impairment			
At 1 February 2014 and 31 January 2015	(14,944)	(25)	(14,969)
Net book value			
At 1 February 2014	5,255	1,576	6,831
At 31 January 2015	**5,268**	**2,537**	**7,805**

On 4 February 2014 a new wholly owned US subsidiary, Summit Therapeutics Inc. was incorporated in Delaware and operates from an office in Cambridge, Massachusetts.

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

The charge for the share-based payment was financed by the Company in the form of a capital contribution in the accounts of the underlying subsidiaries.

4. Debtors

	Year ended 31 January 2015 £000	Year ended 31 January 2014 £000
Prepayments	**1,240**	–

Included in prepayments are £1,240,000 of costs relating to the US initial public offering of American Depositary Shares and listing on the NASDAQ Global Market that was completed in March 2015. These costs will be capitalised in the financial year ended 31 January 2016.

Amounts due after more than one year

	Year ended 31 January 2015 £000	Year ended 31 January 2014 £000
Amounts owed by Group undertakings	**37,147**	18,784

Amounts owed to the Company by group undertakings are due after more than one year, are not secured and do not bear interest.

5. Creditors: amounts falling due within one year

	Year ended 31 January 2015 £000	Year ended 31 January 2014 £000
Other creditors	**24**	10
Amounts owed to Group undertakings	**203**	–
	227	10

Amounts owed to Group undertakings are unsecured, interest free and have no fixed date for repayment.

6. Called up share capital

	Year ended 31 January 2015 £000	Year ended 31 January 2014 £000
Allotted, called up and fully paid		
41,117,697 (2014: 482,766,686) Ordinary Shares of 1p each	**411**	4,828
Nil (2014: 524,702,133) Deferred Shares of 1p each	**–**	5,247
	411	10,075

On 4 March 2014 the number of Ordinary Shares in issue increased to 821,228,226 following the placing of 338,461,560 Ordinary Shares of 1 pence each. The equity placing raised net proceeds of £20.5 million.

On 3 July 2014, the shareholders approved a consolidation and subdivision of the Company's share capital as part of a share capital reorganisation. The capital reorganisation consisted of three elements: a consolidation of every 20 existing Ordinary Shares into one consolidated Ordinary Share followed by an immediate subdivision of each of those Ordinary Shares into one new Ordinary Share and 19 new Deferred Shares, and a capital reduction to cancel the existing and new Deferred Shares together with a reduction of the Company's Share Premium Account.

As part of the share consolidation on 3 July 2014 the number of Ordinary Shares in issue increased to 821,228,240 following the issue of 14 Ordinary Shares of 1 pence each. These new shares were issued as part of the Capital Reorganisation to ensure the number of shares in issue was exactly divisible by 20.

The consolidation and subdivision took place on 3 July 2014 and resulted in the issued Ordinary Share capital of the Company consisting of 41,061,412 Ordinary Shares of 1 pence each. The cancellation of Deferred Shares and the reduction of the Company's Share Premium Account to effect on 3 September 2014. At the same time, the Company's Special Reserve was created and the Profit and Loss account was reduced by £26.3 million which was the Company's accumulated losses to 3 July 2014. The Special Reserve does not represent realised profits of the Company and is treated as an undistributable reserve under UK law. This determination might change in future periods if and when allowed by UK law.

On 28 October 2014, the number of Ordinary Shares in issue increased to 41,117,697 following the exercise of 56,285 share options. The exercise of options raised net proceeds of £0.03 million.

On 5 March 2015 the Group announced an Initial Public Offering on the NASDAQ Global Market issuing 3,450,000 American Depositary Shares ('ADSs') at a price of $9.90 per ADS. On 18 March 2015 the underwriters exercised in full their over-allotment option to purchase an additional 517,500 ADS, on the same terms. Each ADS represents five Ordinary Shares of 1 pence each in the capital of the Company, thus 19,837,500 Ordinary Shares were issued. Total gross proceeds of $39.3 million (£25.8 million) were raised.

Following the Initial Public Offering and the exercise of the over-allotment, the number of Ordinary Shares in issue was 60,955,197.

On 23 March 2015, the number of Ordinary Shares in issue rose to 60,982,581 Ordinary Shares of 1 pence each following the exercise of options over 27,384 shares. The issue of shares raised net proceeds of £0.01 million.

All new Ordinary Shares rank *pari passu* with existing Ordinary Shares.

7. Reserves

Year ended 31 January 2015

	Share premium account £000	Share-based payment reserve £000	Special reserve £000	Profit and loss account £000	Total £000
At 1 February 2014	40,177	1,636	–	(26,283)	15,530
New share capital issued	18,616	–	–	–	18,616
Transaction costs on share capital issued	(1,482)	–	–	–	(1,482)
Cancellation of Deferred Shares	–	–	13,048	–	13,048
Reduction of share premium account	(33,236)	–	33,236	–	–
Elimination of losses	–	–	(26,291)	26,291	–
Share options exercised	26	–	–	–	26
Share-based payment	–	961	–	–	961
Loss for the year	–	–	–	(1,145)	(1,145)
At 31 January 2015	**24,101**	**2,597**	**19,993**	**(1,137)**	**45,554**

Information pertaining to the share options issued in the year are analysed in Note 19, 'Share option scheme' of the Group Consolidated Financial Statements. The share-based payment reserve is borne on behalf of the underlying subsidiaries.

Notes to the Individual Financial Statements of Summit Therapeutics plc

(Formerly Summit Corporation plc)

8. Reconciliation of movements in shareholders' funds

	31 January 2015 £000	31 January 2014 £000
Opening shareholders' funds	**25,605**	17,612
Shares issued during the year	**3,384**	1,287
Share premium on issued shares (net of expenses)	**17,134**	6,491
Share options exercised	**26**	–
Share-based payment	**961**	226
Loss for the financial year	**(1,145)**	(11)
Closing shareholders' funds	**45,965**	25,605

9. Subsidiaries

Company name	Country of incorporation	Percentage shareholding	Description
Summit (Oxford) Limited	England and Wales	100%	1,000 £1 Ordinary Shares
Summit (Wales) Limited	England and Wales	100%	1,000 £1 Ordinary Shares
Summit (Cambridge) Limited	England and Wales	100%	109,599,000 Ordinary 1p shares
Summit Discovery 1 Limited	England and Wales	100%	1,000 £1 Ordinary Shares
Summit Corporation Limited	England and Wales	100%	1 £1 Ordinary Share
Summit Corporation Employee Benefit Trust Company Limited	England and Wales	100%	1 £1 Ordinary Share
MuOx Limited	England and Wales	100%	20,000 £1 Ordinary Shares
Summit Therapeutics Inc.	United States of America	100%	20,000 $1 Ordinary Shares

The principal activities of Summit (Oxford) Limited and Summit (Wales) Limited is proprietary drug discovery research and development.

Summit Discovery 1 Limited, Summit Corporation Employee Benefit Trust Company Limited and Summit (Cambridge) Limited are dormant companies. The Group is not intending on using MuOx Limited as a trading company and as such this company will become dormant.

On 4 February 2014 a new wholly owned US subsidiary, Summit Therapeutics Inc., was incorporated in Delaware and operates from an office in Cambridge, Massachusetts. It is the Group's authorised representative in the United States and provides research and development services to the Group. Differences arising from the translation of net assets and the results for the year are taken to other comprehensive income.

10. Post Balance Sheet Events

Listing on NASDAQ Global Market

A General Meeting of shareholders, held on 19 February 2015 approved the proposed US offering of American Depositary Shares ('ADSs') and a listing on the NASDAQ Global Market.

On 5 March 2015 the Group announced an Initial Public Offering on the NASDAQ Global Market issuing 3,450,000 ADSs at a price of $9.90 per ADS. On 18 March 2015 the underwriters exercised in full their over-allotment option to purchase an additional 517,500 ADS, on the same terms. Each ADS represents five Ordinary Shares of 1 pence each in the capital of the Company, thus 19,837,500 Ordinary Shares were issued. Total gross proceeds of $39.3 million (£25.8 million) were raised.

Following the Initial Public Offering and the exercise of the over-allotment the number of Ordinary Shares in issue was 60,955,197.

Share option exercise

On 23 March 2015, the number of Ordinary Shares in issue rose to 60,982,581 Ordinary Shares of 1 pence each following the exercise of options over 27,384 shares. The issue of shares raised net proceeds of £0.01 million.

All new Ordinary Shares rank *pari passu* with existing Ordinary Shares.

Company name change

On 19 February 2015 the Company changed its name from Summit Corporation plc to Summit Therapeutics plc.

Company Information

Directors

Frank Armstrong, FRCPE, FFPM	Non-Executive Chairman
Glyn Edwards, MBE	Chief Executive Officer
Barry Price, PhD	Non-Executive Director
Professor Stephen Davies	Non-Executive Director
Leopoldo Zambeletti	Non-Executive Director
Valerie Andrews	Non-Executive Director
David Wurzer	Non-Executive Director

Company Secretary
Melissa Strange, FCCA

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