

ESPIAL GROUP LIMITED

**(FORMERLY ANT LIMITED, FORMERLY
ANT PLC)**

ANNUAL REPORT AND ACCOUNTS

2012

REGISTERED NUMBER - 05372859

TUESDAY



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25/06/2013

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COMPANIES HOUSE

Directors and Advisors

DIRECTORS

T Brown (resigned 5 February 2013)
R Hoggarth (resigned 5 February 2013)
P Ingram (resigned 30 September 2012)
D Kynaston (resigned 5 February 2013)
S A Woodward (resigned 8 August 2012)
G A Ralph (appointed 10 September 2012)
C Smith (appointed 5 February 2013)
J Dolvane (appointed 5 February 2013)
S Darling (appointed 19 October 2012, resigned 5 February 2013)

SECRETARY

M Lobo

REGISTERED OFFICE

1st Floor
335 Cambridge Business Park
Milton Road
Cambridge
CB4 0WN

AUDITORS

Ernst & Young LLP
One Cambridge Business Park
Cambridge
CB4 0WZ

BANKERS

Barclays Bank
58 High Street
Newmarket
Suffolk
CB8 8NH

LEGAL ADVISERS

Charles Russell LLP
8 - 10 New Fetter Lane
London
EC4A 1RS

Chief Executive Report

Acquisition by Espial

On 11 January 2013 the majority of the shareholders of ANT plc voted to accept the offer received from Espial (UK) Ltd, a wholly owned subsidiary of Espial Inc, to acquire their shares. This was a cash offer of 20 5p per share by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006. This scheme became effective on 4 February 2013 and the company's shares were delisted from trading on AIM on 5 February 2013. On 4 February 2013, the company changed its name to ANT Limited.

On acquisition of the company by Espial, on 5 February 2013, all outstanding share options were vested and can be exercised within 90 days thereof, after which point they expire.

Operational Review

In recent times ANT has positioned itself as a leader in the connected TV market. As indicated in the Company's trading update of 23rd August 2012, ANT had entered into programmes with Freesat and Harvard that had been very challenging. ANT has reached a conclusion on those programmes, but the nature of these conclusions may result in disputes with several customers, which are yet to be quantified in resolution.

The Board has continued to try and safeguard the Company's assets, specifically in terms of cash management. The cash balances at the end of the year have been achieved through efficient working capital management as opposed to trading performance.

Financial Review

Revenue in the year was £4.1m (2011: £4.4m) down by 8% with Licence and Royalties generating 80% of the revenue (2011: 73%). The significant majority of this was generated from royalty shipments masking the poor contribution from licence sales in the year with only new 1 licence signed.

During the year we saw a significant increase in shipments from Galio products. Cisco began deploying ANT's software into mainstream cable markets with an initial customer rollout resulting in a significant increase in royalties during the year.

Overall the gross margin has been reduced to 80% (2011: 82%). This is as a result of significant cost overruns in customer projects, which have also caused resources to be diverted away from professional services work, where revenue has fallen by 30%. In the half year results COS included provisions for costs involved in the customer programmes mentioned above. These were released in the second half following resolution of negotiations.

Operating costs increased by 6% in the year. These include transaction costs incurred in respect of the Espial transaction. The investment in R&D per consolidated income statement 2012: £1.4m, 2011: £2.1m. Changes made during Q4 have reduced the cost base going forward.

The cash and cash equivalents and other financial assets position is £3.35m (31 December 2011: £4.24m).

The Directors are not proposing the payment of a dividend.

The Board considered Group revenue, Group loss before tax, Cash and cash equivalents and other financial assets and unit shipments to be the Key Performance Indicators which are the most effective measures of the progress towards achieving the Group's objectives.

Chief Executive Report – continued

Market and Product Highlights

Cisco Cable Deployment

As highlighted previously, Cisco has begun deploying set-top boxes using the ANT Galio Platform and Applications into the high volume North American cable TV market. ANT has extensively supported Cisco in the development of its Videoscape Voyager Vantage solution and Cisco Explorer range and is now seeing the results of this long term working relationship. While Cisco has deployed IPTV devices based on ANT's software for a number of years this is the first time that it has used the ANT platform for a mainstream cable deployment.

Platform Flexibility

ANT is increasingly seeing customers deploy its software in multiple products into multiple regions. For ANT's customers this is an important benefit of the ANT Galio Platform, its flexibility reduces both development time and costs by leveraging existing work. By enabling its customers to use the ANT Galio Platform for multiple product variants ANT has seen an increase in unit deployments and wider access to multiple markets.

ANT Galio Move

In September 2011 ANT launched ANT Galio Move, a companion device application that enables consumers to stream live and recorded TV direct to tablets and smartphones anywhere in the home. The application can also manage recordings, access additional programme information and control the main TV. Since it was first demonstrated at the IBC trade show in Amsterdam the product has been approved by Apple iTunes and is now available to download from the iTunes Store as a customer branded application. ANT Galio Move provides new revenue opportunities through licensing, customer specific development work and application downloads. For ANT's customers, ANT Galio Move facilitates product differentiation in Free to Air (FTA) retail markets and added value in Pay-TV. ANT Galio Move is a promising technology and has just won a Connected World TV award at this year's IBC trade show for best native app for a portable device.

Outlook

Whilst Espial is seeing a return for its historic investment, in the form of royalties, bringing new key accounts to market and volume continues to be challenging. The Board recommended the acquisition in the belief that it represented the best option for the shareholders and the Company.

The Board of Espial Inc have indicated that this acquisition provides them with additional engineering capabilities and enables them increase their leadership, market share and relevance in the industry.

2012 and 2013 so far has been eventful and intense and the Board would like to express its deep appreciation of the efforts of the ANT team.



George Ralph
Interim Chief Executive
26 March 2013

Corporate Governance Report

Compliance with the UK Corporate Governance Code

Under the rules of AIM (The Alternative Investment Market of the London Stock Exchange) the Group is not required to comply with the UK Corporate Governance Code as annexed to the Listing Rules of the Financial Services Authority. Nevertheless, the Group has taken steps to comply with the provisions set out in Section A to E of the Code in so far as is practical given the size of the Group and the nature of its operations.

Board of Directors

As at the year end the Board consisted of the non-executive chairman, three non-executive directors and one executive director, who demonstrate a range of experience covering strategy, performance and resources which are vital to the success of the business. Mr Tudor Brown was the Senior Independent Director (a list of the directors' is shown on page 2).

The Board met each month to consider those matters which are required to be brought to it for decision, which ensures that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues. Directors receive an information pack in advance of each Board meeting which contains background information on such matters.

Board Committees

There are three Board committees which deal with remuneration, audit and nominations to the Board. They are comprised solely of the non-executive directors, with certain executive directors attending by invitation when required. David Kynaston was the Chairman of the remuneration and nominations committees and Royston Hoggarth was the Chairman of the audit committee.

The audit committee met at least once a year and the Company's external auditors are invited to attend the meeting. Consideration is given to the auditor's pre and post-audit reports and these provide opportunities to review the accounting policies, internal control assessment and the financial information contained in the Annual Report.

Board Changes

Simon Woodward, Chief Executive Officer, left the Group with effect from 8 August 2012.

Pauline Ingram was then appointed as interim CEO until she left the Group and was then succeeded in that position by George Ralph.

Pauline Ingram, Finance Director, left the Group on 30 September 2012. She was replaced by George Ralph who joined with effect from 10 September 2012.

George is an experienced, commercially focused Finance Director, most recently having served as Principal of the FD Centre, where he has worked with a number of companies, providing assistance with strategy, operations and business support across some diverse industry sectors. He was previously Interim Finance Director of Dialight plc, a vertically integrated manufacturer of LED lighting products with facilities in US, Mexico and the UK. Immediately prior to that George was the CFO of nCipher plc, a technology business based in Cambridge.

On 19 October 2012 Stuart Darling was appointed as a non-executive Director. Stuart is an experienced finance director with a background in working with growth companies.

The Board would like to thank Simon and Pauline for their contribution and hard work over the years and wish them every success for the future.

On 5 February, following the effective completion of the acquisition of ANT Limited by Espial Inc, Carl Smith and Jaison Dolvane, CFO and CEO respectively, of Espial Inc were appointed to the Board. On that same day the Non-Executive Directors all resigned.

Corporate Governance Report - continued

Relations with Shareholders

The Company's executive directors met regularly with institutional shareholders, fund managers and analysts as part of an active investor relations programme to discuss long-term issues and obtain feedback. Private investors were encouraged to participate in the Annual General Meeting.

Internal Control

The directors acknowledge that they are responsible for the Group's systems of internal control and for reviewing its effectiveness. The system is designed to manage rather than eliminate the risk of failure to achieve the Group's strategic objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Combined Code requires directors to review the effectiveness of the Group's system of internal control in the wider sense, encompassing operational and compliance matters in addition to the traditional financial issues.

The Group's key risk management processes and system of internal control procedures include the following,

- **Management Structure** – The Group has an organisational structure with clearly established responsibilities and lines of accountability. Authority to operate the subsidiary company is delegated to executive Board members within limits set by the Board as a whole. The Group promotes the values of integrity and professionalism.
- **Identification and evaluation of business risk** – An ongoing risk management process has been implemented which identifies the key business risks facing the Group, including both financial and operational risks. The Board monitors the activities of the Group through the management accounts, monthly forecasts and other reports which are presented at the monthly Board meeting.
- **Investment Appraisal** – The Board has a schedule of matters expressly reserved for its consideration.

The Board reviews and continues to review the effectiveness of the Group's procedure in managing risk and, therefore, believes it meets the requirements of the guidance.

The audit committee has considered the need for internal audit. It is of the opinion that given the size and nature of the Group's operations and the other controls in place it is not necessary at this time. This matter will be reviewed formally on an annual basis.

Going Concern

The Company's business activities and the factors likely to affect its future development and performance are set out in the Chief Executive's Review on pages 3 and 4. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the directors' report on pages 7 to 9. In addition, notes 1 to 29 in the financial statements include the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk.

The Company has considerable financial resources together with existing contracts with a number of customers across different geographic areas. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.


George Ralph
26 March 2013

Directors' Report

The directors present their report and financial statements for the year ended 31 December 2012

RESULTS AND DIVIDENDS

The consolidated loss for the year, before taxation, amounted to £963,896 (2011 £340,184) The directors do not recommend the payment of a dividend (2011 £nil)

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Group's principal activity during the year continued to be the development and licensing of software solutions for use in the digital TV-related consumer electronics market The Group's key financial and other performance indicators during the year were as follows

	2012 £'000	2011 £'000	% Change
Group revenue	4,100	4,449	(8%)
Group loss before tax	(964)	(340)	(184%)
Cash & cash equivalents and other financial assets	3,348	4,245	(21%)
No of ANT-enabled product units shipped ('000)	3,686	3,456	7%

Further details of the business review are contained in the Chief Executive's Review on pages 3 and 4

CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure an appropriate level of liquid resources is available to fund the daily operations of the business Management consider cash and working capital to be what they monitor as capital At this time the directors do not foresee any requirement to raise additional capital, on the basis that they consider that the Group has sufficient cash resources until the Group reaches profitability Unutilised funds at the year-end totalled £3.35m of which £1.0m are invested in termed deposits, with a minimum credit rating from Fitch of "A" to ensure maximum return for minimal risk (2011 £2.75m of £4.25m invested in fixed term deposits) Further discussion relating to financial risk management objectives and exposures is covered in note 18 to the accounts

PRINCIPAL RISKS AND UNCERTAINTIES

- **Foreign Currency Risk**

The majority of the Group's revenues are denominated in US dollars, while its costs are principally denominated in sterling As a result, the Group is subject to the risks of foreign currency movements This risk will increasingly be managed through the judicious use of foreign currency forward contracts

- **Market and Technological Risk**

The TV-related consumer electronics market is a young and rapidly developing market in which the Group holds a strong position, with a reputation in the market for its innovative and robust technological solutions Maintenance of that position is dependent on the Group's ability to continue to develop its solutions While the directors regard the market as providing significant opportunities for long term growth, the exact rate and extent of the growth of that market is very difficult to predict The Group will continue to utilise its strong asset position to invest in carefully targeted technological development to address the market's needs and opportunities

Directors' Report – continued

RESEARCH AND DEVELOPMENT

The Group undertakes continuous research and development activities in order to bring new innovations to market and to enhance the effectiveness of its software solutions in the consumer electronics market. Expenditure on research and development in 2012 amounted to £2,114,627 (2011 £2,610,623). Of this £682,791 (2011 £550,102) is customer specific and included within cost of sales.

CREDITOR PAYMENT POLICY

The Company does not have a written code or standard on payment practice. It negotiates settlement terms with each of its suppliers and payments are then made to suppliers in accordance with those terms provided the supplier has carried out the agreed obligations in a satisfactory manner. At the year end, the Group had 45 days' purchases outstanding in trade creditors (2011 61 days).

OVERSEAS BRANCHES

Espial Limited is a subsidiary company of ANT Limited and has a branch in Korea. The Korean branch has been set up on a cost plus basis to enable the Group to have a sales function in the region.

CHARITABLE AND POLITICAL DONATIONS

During the year, the Group made donations of £nil (2011 £nil).

DIRECTORS' INDEMNITY INSURANCE

The Group has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

DIRECTORS

The current directors and those who served during the year are shown on page 2.

DIRECTORS' REPORT – CONTINUED

DISCLOSURE OF INFORMATION TO THE AUDITORS

The directors who were members of the Board at the time of approving the Directors' Report are listed on page 2. Having made enquiries of fellow directors and the Group's auditors, each of these directors confirms that

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the Group's auditors are unaware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant information and to establish that the Group's auditors are aware of that information

AUDITORS

It should be noted that Ernst & Young LLP will step down as auditor to be replaced by Deloitte LLP the auditor of Espial Inc. A resolution to appoint Deloitte LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the Board



George Ralph

Director

26 March 2013

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have, as required by the AIM Rules of the London Stock Exchange, elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and 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 judgments and accounting estimates that are reasonable,
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of 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 corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' remuneration report

The Company is not required to report under schedule 8 of the LMS

During 2012 the remuneration committee comprised of David Kynaston, Tudor Brown and Royston Hoggarth, all of whom were non-executive directors of the Company

The Board has accepted the remuneration committee's recommendations in full

Remuneration policy

The remuneration policy is based on the need to offer competitive packages to attract, motivate and retain senior executives of appropriate calibre. Regular reviews of the policy are carried out, supported by independent advice, to ensure that the range and level of emoluments and incentive schemes continue to match current market practices

Salary

Salaries are measured against performance and market medians

Annual Performance bonus

The service agreements provide that each executive director shall be entitled to receive an annual bonus to be determined by the remuneration committee based on the Group's financial and operational performance

Service Agreements

The service agreement for George Ralph provides for a notice period of the balance remaining in the first 6 months plus 6 months. Thereafter the notice period is 6 months

The service agreements for Simon Woodward and Pauline Ingram were terminable by both parties by giving 12 months and 6 months' notice respectively

Benefits

Executive directors, along with other permanent employees of the Company, are entitled to life assurance and permanent health insurance. In addition to this they are able to select additional benefits covering a pension, private medical cover and critical illness or disability insurance up to a value of 10% of basic salary

The pension scheme is a defined contribution scheme

Non-executive Directors

The fees of the non-executive directors are determined by the executive directors. Non-executive directors receive travel expenses but do not participate in any incentive arrangements. The non-executive directors have entered into terms of appointment, with initial 3 year terms, terminable by either party upon 1 months' notice in writing

The increase in fees paid during 2012 was due to additional activities after the departure of Simon Woodward

Directors' remuneration report (continued)

Directors Remuneration	Basic Salary	Benefits	Compensation for loss of office	Pension contribution s	Total 2012	Total 2011
	£	£	£	£	£	£
Executive Directors						
G Ralph	24,615	-	-	2,000	26,615	-
S A Woodward	115,475	2,025	212,160	8,017	337,677	165,600
P Ingram	71,889	-	26,000	6,750	104,639	96,750
Non-Executive Directors						
R Hoggarth	26,750	-	-	-	26,750	15,000
D Kynaston	21,125	-	-	-	21,125	12,000
T Brown	15,250	-	-	-	15,250	12,000
S Darling	2,415	-	-	-	2,415	-
	277,519	2,025	238,160	16,767	534,471	301,350

The interest of the former directors in share options is detailed below

	As at 1 Jan 2012	Granted	Exercised	Cancelled	As at 31 Dec 2012
S A Woodward	1,735,095	100,000	-	(1,835,095)	NIL
P Ingram	300,000	100,000	-	-	400,000
	2,035,095	200,000	-	(1,835,095)	400,000

The remuneration committee determined on the departure of P Ingram that all of her outstanding share options would vest. The exercise price of the options ranged from 21.75p to 95p. The share price at the year-end was 19.50p. The highest and lowest market price during the year for the ordinary shares was 25.0p and 16.0p respectively.

During the year the number of options exercised by the directors was nil (2011: nil), which had a total exercise value of £nil (2011: £nil). This gave an aggregate gain of £nil (2011: £nil).



G Ralph

26 March 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANT LIMITED

We have audited the group financial statements of ANT Limited for the year ended 31 December 2012 which comprise the Consolidated Income Statement, Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and the related notes 1 to 29. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 10, the directors are responsible for the preparation of the group 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 group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the group financial statements

- give a true and fair view of the state of the group's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANT LIMITED - continued

Other matter

We have reported separately on the parent company financial statements of ANT Limited for the year ended 31 December 2012

Ernst & Young LLP

Tony McCartney (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge
26 March 2013

Note

1 The maintenance and integrity of the ANT Limited web site 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 web site

2 Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Consolidated Income Statement
for the year ended 31 December 2012

	Notes	2012 £	2011 £
Revenue	5	4,099,830	4,448,612
Cost of sales		(822,136)	(808,253)
Gross profit		3,277,694	3,640,359
Administrative expenses		(2,866,604)	(1,976,977)
Research and Development expenses	6	(1,431,836)	(2,060,521)
Loss from operations	6	(1,020,746)	(397,139)
Finance revenue	10	56,850	56,955
Loss before tax		(963,896)	(340,184)
Tax on loss on ordinary activities	11	293,937	6,733
Loss for the year		(669,959)	(333,451)

All activities relate to continuing activities


Consolidated Statement of Comprehensive Income
for the year ended 31 December 2012

	Notes	2012 £	2011 £
Loss for the year		(669,959)	(333,451)
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		(669,959)	(333,451)

Consolidated Statement of Financial Position
as at 31 December 2012

	Notes	2012 £	2011 £
Non-current assets			
Intangible assets	12	51,132	12,649
Property, plant and equipment	13	246,992	279,996
Trade and other receivables more than one year		76,335	64,282
		<u>374,459</u>	<u>356,927</u>
Current assets			
Trade and other receivables – less than one year	14	1,293,878	1,358,618
Corporation tax	11	256,774	-
Other financial assets	15	1,000,000	2,750,000
Cash and cash equivalents	15	2,347,692	1,494,502
		<u>4,898,344</u>	<u>5,603,120</u>
Total assets		<u>5,272,803</u>	<u>5,960,047</u>
Current liabilities			
Trade and other payables	16	(1,234,824)	(1,633,172)
		<u>(1,234,824)</u>	<u>(1,633,172)</u>
Net Current Assets		<u>3,663,520</u>	<u>4,326,875</u>
Non-Current liabilities			
Provisions	17	(418,106)	(90,000)
		<u>(418,106)</u>	<u>(90,000)</u>
Net assets		<u>3,619,873</u>	<u>4,236,875</u>
Capital and reserves			
Called up share capital	20	1,214,318	1,214,318
Share premium account		12,066,990	12,066,990
Merger reserve		9,787,208	9,787,208
Retained losses		(19,448,643)	(18,831,641)
Total equity		<u>3,619,873</u>	<u>4,236,875</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 March 2013. They were signed on its behalf by


George Ralph
Director

Consolidated Statement of Changes in Equity
for the year ended 31 December 2012

	Called up share capital £	Share premium £	Merger account £	Retained losses £	Total Equity £
At 1 January 2011	1,214,318	12,066,990	9,787,208	(18,506,519)	4,561,997
Total Comprehensive income	-	-	-	(333,451)	(333,451)
Share-based payments	-	-	-	8,329	8,329
At 1 January 2012	1,214,318	12,066,990	9,787,208	(18,831,641)	4,236,875
Total Comprehensive income	-	-	-	(669,959)	(669,959)
Share-based payments	-	-	-	52,957	52,957
At 31 December 2012	1,214,318	12,066,990	9,787,208	(19,448,643)	3,619,873

Consolidated Statement of Cash Flows
for the year ended 31 December 2012

	Notes	2012 £	2011 £
Cash flows from operating activities			
Loss before tax		(963,896)	(340,184)
Finance revenue	10	(56,850)	(56,955)
Loss on disposal of property, plant and equipment		196	-
Depreciation of property, plant and equipment	13	89,997	132,158
Amortisation of intangible assets	12	12,363	16,956
Foreign exchange differences		8,774	1,917
Share-based payments charge	22	52,957	8,329
Decrease / (Increase) in trade and other receivables		52,695	(413,885)
Increase / (Decrease) in provisions		328,106	-
(Decrease) / Increase in trade and other payables		(398,230)	159,013
Cash used in operating activities		(873,888)	(492,651)
Tax paid	11	(94,345)	(124,871)
Research and development tax credit		129,711	131,604
Net cash used in operating activities		(838,522)	(485,918)
Cash flows from investing activities			
Interest received		58,526	55,135
Purchase of property, plant and equipment	13	(57,194)	(285,942)
Purchase of intangible assets	12	(50,846)	(9,062)
Disposal / (Investment) of other financial assets		1,750,000	(1,250,000)
Net cash generated from investing activities		1,700,486	(1,489,869)
Net increase / (decrease) in cash and cash equivalents		861,964	(1,975,787)
Foreign exchange differences		(8,774)	(1,917)
Opening cash and cash equivalents		1,494,502	3,472,206
Closing cash and cash equivalents	15,24	2,347,692	1,494,502

Notes to the Financial Statements

as at 31 December 2012

1 Corporate information

On 11 January 2013 the majority of the shareholders of ANT plc voted to accept the offer received from Espial (UK) Ltd, a wholly owned subsidiary of Espial Inc, to acquire their shares. This was a cash offer of 20.5p per share by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006. This scheme became effective on 4 February 2013 and the company's shares were delisted from trading on AIM on 5 February 2013. On 4 February 2013, the company changed its name to ANT Limited.

On acquisition of the company by Espial, on 5 February 2013, all outstanding share options were vested and can be exercised within 90 days thereof, after which point they expire.

2. Basis of preparation and statement of compliance

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union as they apply to the financial statements of the Group for the year ended 31 December 2012.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2012.

The consolidated financial statements have been prepared under the historical cost convention and are presented in Sterling.

Basis of consolidation

The consolidated financial statements comprise the financial statements of ANT Limited and its subsidiaries as at 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company and are based on consistent accounting policies.

Going Concern

The Company's business activities and the factors likely to affect its future development and performance are set out in the Chief Executive's Review on pages 3 and 4. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Directors' Report on pages 7 to 9. In addition, notes 1 to 29 in the financial statements include the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk.

The Company has considerable financial resources together with existing contracts with a number of customers across different geographic areas. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes to the Financial Statements

as at 31 December 2012

3. Significant judgements and major sources of estimation uncertainty.

Judgements are made in relation to share-based payment costs requiring the selection of an appropriate valuation model, consideration as to the inputs necessary for the valuation model chosen and the estimation of the number of awards that will ultimately vest, inputs for which arise from judgements relating to the probability of meeting non-market performance conditions and the continuing participation of employees (see note 21)

Research costs are not capitalised. Development costs however will be capitalised from the point that all the criteria from IAS 38 have been fulfilled. However the Group has not currently achieved this position. The Board will continue to review the nature of the Group's development activities on an ongoing basis and consider whether the conditions are being satisfied. Research and Development costs include work completed on generic Espial products and customer specific modifications.

4. Accounting policies

a) Revenue

Revenue represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Amounts receivable consist of royalties, licence fees and professional services, which includes support and maintenance payments.

Revenue is recognised for any element of a sale when all of the basic criteria are met for that element, these are given below:

Licence and Royalties fees – revenue is recognised when persuasive evidence for the arrangement exists, delivery has occurred, fees are fixed or determinable, non refundable and require no further commitments with fee collection being probable. Royalties are recognised on receipt of appropriate third party evidence.

Professional Services – invoiced in line with customer contracts and recognised on the basis of work performed. Where contracts indicate time and materials, as the basis for charges, revenue is recognised directly in line with work completed. Where this is not the case project plans detailing resource requirement during a project are used to establish percentage completion at any point in time. In relation to Support and Maintenance contracts these are recognised on a pro-rata basis throughout the year.

Revenue is accrued on the above elements when revenue can be recognised but has not been invoiced.

Revenue is deferred on the above elements when it has not been recognised but the invoice has been raised.

Revenue relating to contracts with multiple elements is allocated based on the fair value of each element and is recognised in accordance with the accounting principles for each element described above.

b) Cost of Sales

Cost of sales represents the cost to the business to deliver its revenue. It comprises commission, internal costs relating to customer specific projects and external third party software and contractor costs.

Notes to the Financial Statements

as at 31 December 2012

4. Accounting policies (continued)

c) Foreign currencies

The Group's presentational currency is Sterling (GBP). Sterling is also the functional currency of all companies within the group. Transactions in foreign currencies are recorded in the functional currency at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the consolidated income statement.

d) Research and Development expenditure

Development is the application of research findings or other existing knowledge to the design of new or improved processes, systems or technologies. Development includes those activities taking place over the period from design, through implementation testing, systems integration, productisation, engineering release, and final product qualification, but ceases at the stage of formal product release.

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development. However, the Group has not currently achieved this position. The Board will continue to review the nature of the Group's development activities on an ongoing basis and consider whether the conditions have been satisfied.

Research and development costs include work completed on generic ANT products and customer specific modifications. Revenue relating to customer specific modifications is recognised in line with the criteria set out in note 4a. Any research and development costs relating to the delivery of this revenue are recognised in line with services delivered and expensed to cost of sales.

e) Intangible assets

Intangible assets acquired are stated at cost less amortisation and any accumulated impairment losses.

Amortisation is provided on all intangible assets at rates calculated to write off the cost, less estimated residual value of each asset evenly over its expected useful life, as follows:

Software	-	over 3 years
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The carrying values of intangible assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. Residual values are reviewed on an annual basis.

f) Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation and any accumulated impairment losses.

Depreciation is provided on property, plant and equipment at rates calculated to write off the cost, less estimated residual value of each asset evenly over its expected useful life, as follows:

Leasehold improvements	-	over 5 years
Office equipment	-	over 2 - 5 years
Computer equipment	-	over 3 years

Notes to the Financial Statements

as at 31 December 2012

4. Accounting policies (continued)

f) Property, plant and equipment (continued)

The carrying values of property, plant and equipment are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. Residual values are reviewed on an annual basis.

g) Taxation

Current Tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the rates and laws that have been enacted or substantively enacted at the balance sheet date.

Withholding tax is recognised, as it arises, through the income statement. It arises from customers withholding a percentage of amount owed to ANT and remitting this to the local tax authorities on our behalf.

Deferred income tax assets are recognised for all temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profits will be available against which the temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

- except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss, and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which temporary differences can be utilised.

Deferred income tax is measured at the tax rates that are expected to apply in the year when the asset is realised, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. As currently this has not been satisfied there is no deferred tax asset recognised on the balance sheet.

The Group has taken advantage of the Research and Development (R&D) tax credit scheme that encourages small and medium sized companies to increase their R&D spending. A proportion of qualifying expenditure on R&D activities can be deducted when calculating the profit for tax purposes. Tax credits are accounted for when it is virtually certain that the cash will be received in return for surrendering tax losses. The majority of the qualifying expenditure for the Group is made up by staff costs.

h) Share-based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by the use of an appropriate option pricing model. In valuing equity settled transactions no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Notes to the Financial Statements

as at 31 December 2012

4. Accounting policies (continued)

h) Share-based payments (continued)

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions in relation to the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement with a corresponding entry in equity. For any instrument that has vested no reversal of charges previously recognised as an expense will occur.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the income statement.

i) Retirement benefit costs

The Group provides arrangements through a defined contribution scheme. The amount charged to the consolidated income statement in respect of pension costs is the contributions payable in the year.

Differences between contributions payable in the year and contributions actually paid are shown as accruals in the balance sheet.

j) Own shares held by Employee Benefit Trust

Own shares held by the Employee Benefit Trust (EBT) are carried at cost and as a deduction from total equity.

k) Operating lease agreements

Rentals payable under operating leases are charged to the consolidated income statement on a straight line basis over the lease term.

l) Trade and other receivables

Trade receivables, which generally have thirty to sixty day terms, are recognised and carried at original invoice amount. Provision is made when there is objective evidence that the Group will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote and when legal notification has been provided and a further month has elapsed.

m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and with an original maturity of three months or less.

n) Other financial assets

Other Financial assets comprise term deposits with maturity of more than three months from commencement that relate to a known amount of cash and are subject to an insignificant risk in change in value.

Notes to the Financial Statements

as at 31 December 2012

4. Accounting policies (continued)

o) Finance revenue

Revenue is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

p) Derivative financial instruments

The Group uses derivative financial instruments, such as foreign currency contracts, to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured for fair value. Changes in fair value are recognised in the income statement within administration expenses. No derivative financial instruments were in place at the yearend (2011: Nil).

q) Provisions

Provisions are recognised when the Group has an obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of that obligation.

r) Dilapidation

A dilapidation provision is reflected in the Group accounts to take into account the costs that are likely to be incurred on the cessation of the current building lease. These costs are based on externally provided estimates and take into account the costs likely to be incurred in reinstating the building back to its original condition.

Notes to the Financial Statements

as at 31 December 2012

s) New standards and interpretations not applied

The IASB and IFRIC have issued the following standards and interpretations with an effective date after the date of these financial statements

International Accountancy Standards (IAS / IFRS's)	Effective date for commencing periods after
IFRS 9 - Financial Instruments (issued in 2010)	1 January 2015
IFRS 10 - Consolidated Financial Statements	1 January 2013
IFRS 11 - Joint Arrangements	1 January 2013
IFRS 12 - Disclosure of Interests in Other Entities	1 January 2013
IFRS 13 - Fair Value Measurement	1 January 2013
IAS 27 (Revised) - Separate Financial Statements	1 January 2013
IAS 28 (Revised) - Investments in Associates and Joint Ventures	1 January 2013
Amendment to IAS 1 - Presentation of Items of Other Comprehensive Income	1 July 2012
IAS 19 (Revised) - Employee Benefits	1 January 2013
Amendment to IAS 32 - Offsetting Financial Assets and Financial Liabilities	1 January 2014

Notes to the Financial Statements

as at 31 December 2012

4. Accounting policies (continued)

s) New standards and interpretations not applied (continued)

The Group intends, unless sensible not to do so, to adopt these standards in the first accounting period after the effective date. The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's financial statements in the period of initial application.

t) Treasury Shares

ANT Limited shares held by the Group are deducted from equity as "treasury shares" and are recognised at cost. Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost being taken to revenue reserves. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of equity shares.

5. Segmental information

Revenue represents the amounts derived from the provision of goods and services which fall within the Company's or Group's ordinary activities stated net of value added tax.

The Group has one segment, the provision of computer software licensing and consultancy, originating from the head office situated in the UK. The chief operating decision makers view all current activity as being related to the provision and enablement of licensed IP. The Revenue, Result, Total Assets and Liabilities of the Group all relate to this segment and are those reported in the Financial Statements. As such no reconciliation of segmental information to the Group's Financial Statements is presented.

The Group operates within three geographical markets: the United States, Europe and the Rest of the World. All of the Group's non-current assets are held in the UK.

An analysis of revenue by geographical market is given below:

	2012 £	2011 £
United States	2,112,308	630,801
Europe	448,094	1,680,222
Rest of the World	1,539,428	2,137,589
	<u>4,099,830</u>	<u>4,448,612</u>

The European segment identified above includes £185,724 relating to revenue generated in the UK (2011: £813,864).

The geographical segmental analysis shown above relates to our customers' geographical location, not the location of the end users of the units or services provided.

An analysis of revenue by type is given below:

	2012 £	2011 £
Licence and royalty revenue	3,277,325	3,265,558
Professional Services	822,505	1,183,054
	<u>4,099,830</u>	<u>4,448,612</u>

Notes to the Financial Statements
as at 31 December 2012

5. Segmental information (continued)

	2012	2011
No of customers contributing more than 10% of revenue	2	3

The percentage contribution to revenue of customers contributing more than 10% in the year was 37% and 16% (2011 11%, 12% and 13%)

Finance revenue generated during the year was £56,850 (2011 £56,955)

6. Loss from operations

This is stated after (crediting) / charging

	2012 £	2011 £
Research and development cost – Customer funded	682,791	550,102
– Generic	1,431,836	2,060,521
Amortisation of intangible assets	12,363	16,956
Espial transaction costs	304,000	-
Depreciation of property, plant and equipment	89,997	132,158
(Release) of unutilised provision for dilapidation	-	(90,000)
Foreign currency (Gain) / Loss	(15,764)	10,878
(Gain) / Loss on forward contracts	(3,290)	4,756
Operating lease rentals – Land and buildings	165,902	165,902
(Loss) on disposal of property, plant and equipment	196	-

Research and Development costs that are customer funded, and included in cost of sales, relate to customer specific modification to which ANT retains the intellectual property. The amortisation of intangible assets charge is charged to the income statement in administration expenses.

7. Auditor's remuneration

The Group had the following amounts charged by its auditors in respect of the audit of the financial statements and for other services

	2012 £	2011 £
Audit of the financial statements		
ANT Limited	21,000	25,000
Espial Limited	9,000	9,000
	<u>30,000</u>	<u>34,000</u>
Assurance services	13,500	-
Non audit services	6,000	-
Tax Compliance	7,500	7,300
Total	<u>57,000</u>	<u>41,300</u>

Notes to the Financial Statements

as at 31 December 2012

8. Compensation of Key Management

Compensation of key management personnel (including executive and non-executive directors)	2012	2011
	£	£
Short Term employee benefits	528,943	696,481
Compensation for Loss of Office	238,160	--
Post employee benefits	30,648	42,568
Share-based payments	15,863	9,931
	<u>813,614</u>	<u>748,980</u>

Short term employee benefits include wages, payroll taxes, healthcare and performance related pay. Post employee benefits relate specifically to contributions to defined contribution pension schemes and share based payments show IFRS 2 charges relating to the issue of share options.

The interests of the directors in the shares of the Company are detailed within the Directors' Report.

9. Staff costs and directors' emoluments

(a) Staff costs

	2012	2011
	£	£
Wages and salaries	2,549,221	2,565,660
Social security costs	261,186	277,009
Other pension costs	133,618	145,477
	<u>2,944,025</u>	<u>2,988,146</u>

Included in wages and salaries is a total charge relating to share-based payment of £52,957 (2011: charge of £8,329) arising from transactions accounted for as equity-settled share-based payment transactions.

The monthly average number of employees during the year was as follows:

	2012	2011
Engineering	29	32
Sales	5	6
Administration	10	8
	<u>44</u>	<u>46</u>

Notes to the Financial Statements
as at 31 December 2012

9. Staff costs and directors' emoluments (continued)

(b) Directors' emoluments

	2012	2011
	£	£
Directors' emoluments	279,544	279,027
Compensation for Loss of Office	238,160	-
Contributions to defined contribution pension schemes	16,767	22,323
Number of directors accruing benefits under		
Defined contribution schemes	3	2
The highest paid director received		
Emoluments	117,500	152,277
Pension contributions	8,017	13,323

Full details on the directors' remuneration is given in the remuneration report

10. Finance revenue

	2012	2011
	£	£
Bank interest receivable	56,850	56,955

11. Tax on loss on ordinary activities

a) Tax on loss

The tax credit represents

	2012	2011
	£	£
Research and development tax credit	(386,484)	(131,604)
Foreign tax		
Current tax on income for the period	92,547	124,871
Current tax credit for the year	(293,937)	(6,733)

Notes to the Financial Statements

as at 31 December 2012

11. Tax on loss on ordinary activities (continued)

b) Reconciliation of the tax credit

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the United Kingdom. The differences are explained below:

	2012 £	2011 £
Loss on ordinary activities before tax	(963,896)	(340,184)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	(236,155)	(90,149)
Effect of:		
Permanent differences	52,641	(15,697)
Research and development – enhanced deduction	(438,265)	-
Accelerated capital allowances	(4,523)	(7,384)
Tax losses carried forward	54,395	113,230
Research and development tax credit	(386,484)	(131,604)
Research and development – losses surrendered	571,907	-
Withholding tax	92,435	124,095
Foreign tax	112	776
Income tax credit reported in the consolidated income statement	(293,937)	(6,733)

Historically, research and development tax claims have resulted in losses being surrendered in return for cash and are accounted for when receipt of cash is probable. During the year the Group surrendered £1,037,685 of tax losses in return for £129,711 of cash which related to the R&D tax credit for 2011 (2011: £940,204 losses surrendered for £131,604 relating to 2010 tax credit).

The research and development tax credit claim in relation to 2012 expenditure has been accounted for on an accruals basis. The figures above therefore reflect the losses surrendered of £2,334,314 (net £571,907) in relation to the 2012 research and development tax credit claim, which will be surrendered in return for £256,774 of cash.

Notes to the Financial Statements

as at 31 December 2012

c) *Deferred tax*

Deferred taxation assets provided in the financial statements and the amounts not provided are as follows

	2012 £	Provided 2011 £	2012 £	Not provided 2011 £
Capital allowances in arrears of depreciation	-	-	2,243	18,380
Losses	-	-	2,771,402	2,913,468
	-	-	2,773,645	2,931,848

There are approximately £12.0m (2011 £11.7m) of tax losses available to be carried forward, subject to the agreement of HMRC

No deferred tax asset has been recognised in relation to losses carried forward as the Group is currently loss-making. The Group will not recognise the deferred tax asset until sufficient taxable profits are available to allow all or part of the deferred tax asset to be utilised.

d) *Factors affecting future tax charge*

The main rate of UK Corporation tax was reduced to 23% from 1 April 2013.

Additional changes to the main rate of UK Corporation Tax are proposed, to reduce the rate to 20% by 1 April 2015. These changes have not been substantively enacted at the balance sheet date and consequently are not included in these financial statements.

The above changes can impact the amount of future tax payments.

Notes to the Financial Statements
as at 31 December 2012

12. Intangible assets

	Software
Cost	£
At 1 January 2011	116,339
Additions	9,062
Disposals	(2,505)
At 31 December 2011	122,896
Additions	50,846
Disposals	(29,778)
At 31 December 2012	143,964
Amortisation	
At 1 January 2011	95,796
Charge for the year	16,956
Disposals	(2,505)
At 31 December 2011	110,247
Charge for the year	12,363
Disposals	(29,778)
At 31 December 2012	92,832
Net book value	
At 1 January 2011	20,543
At 31 December 2011	12,649
At 31 December 2012	51,132

At the end of the year the Group had amounts contracted for but not provided for of £nil (2011 £nil)

Notes to the Financial Statements
as at 31 December 2012

13. Property, plant and equipment

	Leasehold improvements	Office equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2011	209,068	178,060	318,649	705,777
Additions	229,094	13,550	43,298	285,942
Disposals	(209,068)	(24,708)	(55,283)	(289,059)
At 31 December 2011	229,094	166,902	306,664	702,660
Additions	591	1,451	55,151	57,193
Disposals	-	-	(111,147)	(111,147)
At 31 December 2012	229,685	168,353	250,668	648,706
Depreciation				
At 1 January 2011	141,229	174,163	264,173	579,565
Charge for the year	82,790	3,946	45,422	132,158
Disposals	(209,068)	(24,708)	(55,283)	(289,059)
At 31 December 2011	14,951	153,401	254,312	422,664
Charge for the year	45,918	5,721	38,358	89,997
Disposals	-	-	(110,947)	(110,947)
At 31 December 2012	60,869	159,122	181,723	401,714
Net book value				
At 1 January 2011	67,838	3,897	54,476	126,212
At 31 December 2011	214,143	13,501	52,352	279,996
At 31 December 2012	168,816	9,231	68,945	246,992

Leasehold improvements include a provision of £90,000 that relates to a dilapidation provision

At the end of the year the Group had amounts contracted for but not provided for of £nil (2011 £nil)

Notes to the Financial Statements

as at 31 December 2012

14 Trade and other receivables

	2012	2011
	£	£
Trade receivables	358,290	598,645
Prepayments	83,879	143,014
Accrued income	747,366	535,382
Other debtors	104,343	81,577
	<u>1,293,878</u>	<u>1,358,618</u>

All of the trade receivables at year end are denominated in either Sterling (£3,338) or US dollars (£354,952) (2011 Sterling £199,708, US Dollars £398,937)

	Carrying amount	Of which neither impaired nor past due on the reporting date	Of which not impaired on the reporting date and past due in the following periods			
			less than 30 days	between 30 and 60 days	between 61 and 90 days	More than 90 days
	£	£	£	£	£	£
As at 31 Dec 2012	358,290	121,701	211,845	15,342	-	9,402
As at 31 Dec 2011	598,645	376,243	169,235	26,034	12,013	15,120

Of the receivables neither past due nor impaired none of the counterparties have a history of defaulting

The amounts presented in the Balance Sheet are net of allowances for doubtful receivables. The total allowance for bad debts that was charged to the Income Statement in the year was £195,010 (2011 £64,937). The bad debt provision included in the Balance Sheet at the yearend is £36,487 (2011 £183,355). Exposure to credit risk is mitigated, where necessary, by payments in advance.

	2012	2011
	£	£
Opening	183,355	108,995
Arising during the year	156,643	194,084
Utilised	(226,901)	(12,464)
Released	(76,610)	(107,260)
Closing	<u>36,487</u>	<u>183,355</u>

Notes to the Financial Statements

as at 31 December 2012

15. Cash & Cash equivalents and other financial assets

	2012	2011
	£	£
Net cash and cash equivalents per cash flow	<u>2,347,692</u>	<u>1,494,502</u>
Other financial assets	<u>1,000,000</u>	<u>2,750,000</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. Cash equivalents (short term deposits) are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at pre-arranged rates.

Other financial assets are made up of cash deposits made for more than 3 months, typically less than 6 months, and earn interest on the same basis as short term deposits.

Net cash and cash equivalents currently held as follows,

	2011	2011
	£	£
Barclays Bank plc	1,908,038	382,581
National Westminster Bank plc	412,416	1,106,533
Other	27,238	5,388
	<u>2,347,692</u>	<u>1,494,502</u>

Other financial assets currently held as follows,

2012	£	Interest Rate	Maturity Date
Bank of Scotland	1,000,000	0.75%	25 March 2013
Total	<u>1,000,000</u>		
	£	Interest Rate	Maturity Date
2011			
Bank of Scotland	1,000,000	1.95%	27 June 2012
Bank of Scotland	750,000	1.75%	23 April 2012
Santander	1,000,000	2.00%	20 December 2012
Total	<u>2,750,000</u>		

Notes to the Financial Statements
as at 31 December 2012

16. Trade and other payables

	2012	2011
	£	£
Trade payables	260,810	286,316
Tax and social security	84,812	89,224
Accruals	543,085	831,814
Deferred income	346,117	425,818
	<u>1,234,824</u>	<u>1,633,172</u>

17. Provisions

	Potential Disputes	Building	Building
	2012	2012	2011
	£	£	£
Non-Current Provision			
Opening	-	90,000	90,000
Arising during the year	328,106	-	90,000
Utilised	-	-	-
Released	-	-	(90,000)
Closing	<u>328,106</u>	<u>90,000</u>	<u>90,000</u>

The Group has provided an estimated cost of settling disputes with 2 customers relating to contractual issues. These costs represent the Directors best estimates of the likely amounts required to settle these disputes, although at present the timing of any potential cash flow is currently unknown.

In 2011 the opening provision was released on completion of prior lease on which no dilapidation costs were incurred. The current dilapidation provision will be utilised on the expiry of the current lease, which has a current maturity date of 22 March 2022 with an optional break clause on the 30 August 2016.

18 Financial instruments

The Group's principal financial instruments are restricted to cash & cash equivalents and other financial assets. The main purpose of these financial instruments is to fund the Group's operations. The Group has various other financial instruments such as trade receivables and trade payables that arise directly from its operations. The management does not consider there to be any significant concentration of credit risk.

The main risks arising from the Group's financial instruments are liquidity and foreign currency risks. The Board reviews and agrees policies for managing each of these risks.

Foreign currency risk

The Group makes sales in a number of overseas territories and therefore has transactional currency exposures. Such exposures arise from sales made in currencies other than the underlying entity's functional currency. The Group makes approximately 96% (2011: 82%) of its sales outside the UK, most of which, in common with the industry, is denominated in US dollars and therefore subject to foreign exchange movements. The Group has a small number of foreign

Notes to the Financial Statements

as at 31 December 2012

currency expenses which provide a natural hedge against these exposures and on occasion it has used forward contracts. No such instruments were outstanding at the end of the current or prior year.

The table on page 38 shows the Group's currency exposures that give rise to the net currency gains and losses recognised in the profit and loss account. Such exposures comprise the monetary assets and monetary liabilities of the Group that are not denominated in sterling.

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as at 31 December 2012

18. Financial instruments (continued)

At 31 December, these currency exposures are as follows

	US dollar	Other	Total
	£	£	£
2012 Monetary Asset	693,149	14,026	707,175
2011 Monetary Asset	193,371	5,362	198,733
2012 Debtors	354,952	-	354,952
2011 Debtors	398,937	-	398,937
2012 Accrued Income	796,916	-	796,916
2011 Accrued Income	369,862	-	369,862

The following table demonstrates the sensitivity to a reasonably possible weakening / strengthening in the US dollar, Euro and Korean Won exchange rates, whilst all other variables were held constant

	Change in US\$ / Euro / KRW Rate	Impact on loss before tax (positive exchange movement)	Impact on loss before tax (negative exchange movement)
2012 – US dollar	10%/-10%	(69,315)	69,315
2012 – Euro	10%/-10%	(2)	2
2012 – KRW	10%/-10%	1,400	(1,400)
2011 – US dollar	10%/-10%	(99,864)	99,864
2011 – Euro	10%/-10%	(674)	674
2011 – KRW	10%/-10%	(866)	866

There is no impact on equity of changes in foreign exchange rates other than the impact on retained losses resulting from the change in loss before tax as detailed above

Liquidity risk

The Group's objective is to maintain a positive cash balance at a level adequate for daily operations. This is achieved through a detailed multicurrency forecast which assesses the Group's requirements, taking into account all known and forecast factors

Interest rate risk and liquidity risk of the Group's financial assets

The Group's policy is to minimise interest rate risk by placing funds in low risk cash deposits but also to maximise the return on funds placed on deposit. The Group invests its funds in short and medium term bank deposits and has access to these deposits at a maximum of 12 months' notice

Interest rates on deposits are either fixed on the commencement of the term or are at a variable rate connected to LIBOR. Of these interest rates on deposit, £1,000,000 were at fixed rates (breakdown shown in note 16), £2,347,692 were at variable rate (2011 £2,750,000 fixed, £1,494,502 variable)

Notes to the Financial Statements

as at 31 December 2012

18. Financial instruments (continued)

Based on the Group's cash reserves at the year end, it is estimated that a reduction of 1% in interest rates would lead to a reduction in finance revenue of £26,187 (2011 £40,362), and vice versa for an increase

Credit risk

The Group's only material credit risk is attributable to trade receivables. Cash, cash equivalents and other financial assets are held across a number of banks with our cash equivalents and other financial assets being held by "A" rated institutions to minimise risk.

Our customers are made up of organisations that we have long standing relationships with. It is the Group's policy that all customers who wish to trade on credit terms require the specific approval of senior management. Receivable balances are monitored on an on going basis with the result that the Group's exposure to bad debts is not significant. Analysis of the bad debt provision included in the Balance Sheet is detailed in note 15.

The maximum exposure to credit risk is the carrying value of financial assets.

Capital management

Details of the Group's objectives, policies and processes for managing capital are given in the "Capital management" section of the Directors' Report.

Borrowing facilities

The Group has no overdraft facility.

All financial instruments are stated at amortised cost and the directors consider there to be no material difference between the fair value and carrying values of the financial instruments at the balance sheet dates.

19. Obligations under operating leases

At 31 December 2012 the Group had the following future minimum rental payable under non-cancellable operating leases:

	2012	2011
	£	£
Not later than one year	168,743	168,743
After one year but not more than five years	449,981	618,724
After five years	-	-
	<u>618,724</u>	<u>787,467</u>

During 2011 the Group relocated its offices to the registered office address. The new commercial lease has an expiry of March 2022 and an optional 5 year break clause.

Notes to the Financial Statements

as at 31 December 2012

20. Share capital

	2012	2012	2011	2011
	No	£	No	£
Authorised				
Ordinary shares of 5p each	40,000,000	2,000,000	40,000,000	2,000,000
Allotted, called-up and fully paid				
Ordinary shares of 5p each	24,286,367	1,214,318	24,286,367	1,214,318

21. Share-based payments

The Group operates an Enterprise Management Incentive (EMI) share option scheme relating to shares in the parent company for the benefit of all its employees and employees are entitled to participate once they have completed three months' service. Options granted to non-UK based employees or in excess of the qualifying limits for EMI are unapproved options for UK tax purposes or are outside the scope of UK taxation.

Options granted before 31 March 2005 have all vested and, with the exception of a former director, are held by employees who were employed by the Group as at the year end. These 727,171 options (2011: 2,362,266) are not accounted for under IFRS 2 as they predate the introduction of the standard. Options granted after this date are accounted for in accordance with provisions of IFRS 2.

Options granted after March 2005 vest over a three year period and are subject to the individual remaining an employee of the company and corporate performance criteria based on Group revenues. The options are all equity settled, expire after 10 years and there are no cash settlement alternatives. There are no options issued after March 2005 which have not been accounted for under IFRS 2.

The Employee Benefit Trust, managed by an independent trust Company, holds 2,728,497 (2011: 2,728,497) ordinary shares in the parent company of 5p each, which were acquired at an average purchase price of 85p, all of which are the subject of options which have been granted with a range of share values from £0.2175 to £1.26.

Notes to the Financial Statements

as at 31 December 2012

The Group recognised a total charge of £52,957 (2011 charge of £8,329) in the income statement in respect of options granted to staff

The number of options relating to current employees over 5p ordinary shares in the parent Company granted, exercised or lapsed during the year is as follows

Date granted	Exercise price	As at 1 January 2012	Granted	Exercised	Lapsed	As at 31 December 2012	End Date
Mar 2005	95 00p	95,263	-	-	-	95,263	Mar 2015
Mar 2005	85 00p	2,053,700	-	-	(1,421,792)	631,908	Mar 2015
Mar 2005	126 00p	213,303	-	-	(213,303)	-	Mar 2015
April 2009	24 50p	194,000	-	-	(10,000)	184,000	April 2019
April 2010	29 50p	502,283	-	-	(37,500)	464,783	Mar 2020
Mar 2011	26 50p	996,500	-	-	(330,000)	666,500	Mar 2021
Oct 2011	27 00p	435,000	-	-	(100,000)	335,000	Oct 2021
Apr 2012	21 75p	-	657,500	-	(115,000)	542,500	Apr 2022
		4,490,049	657,500	-	(2,227,595)	2,919,954	

Notes to the Financial Statements

as at 31 December 2012

21. Share-based payments (continued)

The following table shows the number and weighted average exercise prices (WAEP) of movements in, share options during the year

	2012	2012	2011	2011
	No	WAEP	No	WAEP
Outstanding as at 1 January	4,490,049	£0.613	3,558,766	£0.694
Granted during year	657,500	£0.218	1,541,500	£0.266
Exercised during year	-	-	-	-
Forfeited during year	(2,227,595)	£0.732	(804,217)	£0.304
Outstanding as at 31 December ⁽¹⁾	2,919,954	£0.409	4,296,049	£0.613
Exercisable as at 31 December	1,311,171	£0.60	2,362,266	£0.89

The opening balance for 2012 includes 194,000 options granted in April 2009 where the vesting criteria were changed. These had been treated as forfeited in the 2011 accounts.

⁽¹⁾Included in this balance are options over 727,171 shares (2011: 2,362,266) for which no charge has been recognised in accordance with IFRS 2 as the options vested before 1 January 2006.

For the share options outstanding as at 31 December 2012, the weighted average remaining contractual life is 6.6 years (2011: 5.9 years). The weighted average share price of options exercised during the year was £nil (2011: £nil).

The weighted average fair value of options granted during the year was £0.08 (2011: £0.11).

The fair value of equity-settled options is estimated at the date of grant using a Black-Scholes model, taking into account the terms and conditions on which the options were granted. The following table lists the inputs to the model used for the year ended 31 December 2012 and 31 December 2011.

	Apr 2012	Oct 2011	Mar 2011
Dividend yield (%)	0%	0%	0%
Expected share price volatility (%)	45%	49%	52%
Risk-free interest rate (%)	2%	4%	4%
Expected life of option (years)	6	6	6
Weighted average share price (pence)	21.75p	27.00p	26.50p

The expected life of the options is an estimate and is not necessarily indicative of exercise patterns which may occur. The expected volatility reflects the assumption that historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

No other features of options granted were incorporated into the measurement of fair value.

Notes to the Financial Statements

as at 31 December 2012

22. Statement of Changes in Equity

Merger reserve

This represents the difference between the fair value and the nominal value of shares issued in connection with the acquisition of Espial Limited in March 2005

Retained Losses

Retained losses include an amount of £2,224,255 (2011 £2,224,255) in relation to treasury shares that are held in the Employee Benefit Trust, covering 2,728,497 5p shares (2011 2,728,497)

23. Principle Group Undertakings

Name of Company	Holding	County of Registration	Proportion held	Nature of business
Espial Limited (formerly ANT Software Ltd)	Ordinary shares	UK	100%	Trading
ANT Communications Inc	Ordinary shares	USA	100%	Dormant
ANT Employee Benefits Limited	Ordinary shares	UK	100%	Dormant
ANT Software Inc	Ordinary shares	USA	100%	Dormant

ANT Communications Inc , ANT Software Inc and ANT Employee Benefits Limited are owned by Espial Limited. Espial Limited is a wholly owned subsidiary of ANT Limited

24. Additional cash flow information

	At 1 January 2012 £	Cash Flow £	At 31 December 2012 £
Cash and Cash equivalents	1,494,502	853,190	2,347,692
Other financial assets	2,750,000	(1,750,000)	1,000,000
	<u>4,244,502</u>	<u>(896,810)</u>	<u>3,347,692</u>

	At 1 January 2011 £	Cash Flow £	At 31 December 2011 £
Cash and Cash equivalents	3,472,206	(1,977,704)	1,494,502
Other financial assets	1,500,000	1,250,000	2,750,000
	<u>4,972,206</u>	<u>(727,704)</u>	<u>4,244,502</u>

Notes to the Financial Statements

as at 31 December 2012

25. Pension commitments

The Group operates a defined contribution pension scheme for its directors and employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. At 31 December 2012 there was £12,821 outstanding pension contributions (2011: £nil).

26. Other commitments

The Group's total other commitments as at 31 December 2012 is £nil (2011: £nil).

27. Related party transactions

Transactions between the Company and its subsidiaries which are related parties, have been eliminated on consolidation and are not disclosed in this note.

28. Post balance sheet events

On 11 January 2013 the majority of the shareholders of ANT plc voted to accept the offer received from Espial (UK) Ltd, a wholly owned subsidiary of Espial Inc, to acquire their shares. This was a cash offer of 20.5p per share by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006. This scheme became effective on 4 February 2013 and the company's shares were delisted from trading on AIM on 5 February 2013. On 4 February 2013, the company changed its name to ANT Limited.

On acquisition of the company by Espial, on 5 February 2013, all outstanding share options were vested and can be exercised within 90 days thereof, after which point they expire.

29. Parent undertaking and controlling party

On the 4 February the ultimate controlling party became Espial Inc, a company based in Canada whose shares are listed on the Toronto Stock market.

Directors' statement of responsibilities in relation to the parent company financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANT LIMITED

We have audited the parent company financial statements of ANT Limited for the year ended 31 December 2012 which comprise the Balance Sheet and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 45 the directors are responsible for the preparation of the parent company 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 parent company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 parent 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. In addition, we read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the parent company financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANT LIMITED - continued

Other matter

We have reported separately on the group financial statements of ANT Limited for the year ended 31 December 2012

Ernst & Young LLP

Tony McCartney (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge
26 March 2013

Notes

1 The maintenance and integrity of the ANT Limited web site 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 web site

2 Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Company Balance Sheet – ANT Limited (prepared in accordance with UK GAAP)
As at 31 December 2012

	Notes	2012 £	2011 £
Fixed Assets			
Investments	5	725,337	672,380
		<u>725,337</u>	<u>672,380</u>
Current assets			
Debtors	6	16,787	15,382
Other financial assets		1,000,000	2,750,000
Cash and short term deposits		1,502,745	238,795
		<u>2,519,532</u>	<u>3,004,177</u>
Creditors: Amounts falling due within one year	7	(289,525)	(89,966)
		<u></u>	<u></u>
Net current assets		<u>2,230,007</u>	<u>2,914,211</u>
		<u></u>	<u></u>
Net assets		<u>2,955,344</u>	<u>3,586,591</u>
Capital and reserves			
Called up share capital	8	1,214,318	1,214,318
Share premium account	9	12,066,990	12,066,990
Profit and loss account	9	(10,325,964)	(9,694,717)
		<u>2,955,344</u>	<u>3,586,591</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 March 2013. They were signed on its behalf by


George Ralph
 Director

Notes to the Financial Statements – ANT Limited (prepared in accordance with UK GAAP)
at 31 December 2012

1. Corporate Information

On 11 January 2013 the majority of the shareholders of ANT plc voted to accept the offer received from Espial (UK) Ltd, a wholly owned subsidiary of Espial Inc, to acquire their shares. This was a cash offer of 20 5p per share by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006. This scheme became effective on 4 February 2013 and the company's shares were delisted from trading on AIM on 5 February 2013. On 4 February 2013, the company changed its name to ANT Limited.

On acquisition of the company by Espial, on 5 February 2013, all outstanding share options were vested and can be exercised within 90 days thereof, after which point they expire.

2. Basis of preparation

The separate financial statements of the Company are presented as required by the Companies Act 2006. They have been prepared under the historical cost convention and in accordance with the applicable United Kingdom accounting standards and law.

As permitted by Financial Reporting Standard No 1 (Revised), "Cash flow statements", the Company has not included a Cash flow statement as part of its financial statements because the consolidated financial statements of the Group (of which the Company is a member) include a cash flow statement and are publicly available.

The Company has taken advantage of the exemption in Paragraph 2D of FRS 29 Financial Instruments: Disclosure and Presentation and has not disclosed information required by paragraphs 51 to 95 of that standard, as the Group's consolidated financial statements, in which the Company is included, provide equivalent disclosures for the Group under IFRS 7 Financial Instruments: Disclosures.

3. Accounting policies

a) Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, except 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 future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

b) Investments

Investments are stated at cost, less any provisions for impairment in value.

c) Trade and other receivables

Trade receivables, which generally have thirty to sixty day terms, are recognised and carried at original invoice amount. Provision is made when there is objective evidence that the Group will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote and when legal notification has been provided and a further month has elapsed.

d) Other financial assets

Other Financial assets comprise term deposits with maturity of more than three months from commencement that relate to a known amount of cash and are subject to an insignificant risk in change in value.

3. Accounting policies (continued)

e) Share-based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by the use of an appropriate option pricing model. In valuing equity settled transactions no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions in relation to the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement with a corresponding entry in equity. For any instrument that has vested no reversal of charges previously recognised as an expense will occur.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the income statement.

The financial effect of awards by the Company in respect of options over its equity shares to employees of the subsidiary undertaking are recognised by the Company in its individual financial statements. In particular, the Company records an increase in its investment in subsidiaries with a credit to equity equivalent to the FRS20 cost in subsidiary undertakings.

f) Treasury Shares

ANT Limited shares held by the Company are deducted from equity as "treasury shares" and are recognised at cost. Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost being taken to revenue reserves. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of equity shares.

4. Loss for 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. ANT Limited reported a loss for the financial year ended 31 December 2012 of £684,204.

5 Investments

Notes to the Financial Statements – ANT Limited (prepared in accordance with UK GAAP)
at 31 December 2012

	2012	2011
	£	£
As at 1 st January	672,380	664,051
Movement relating to group share based payment arrangements	52,957	8,329
As at 31 st December	<u>725,337</u>	<u>672,380</u>

Name of Company	Holding	Country of Registration	Proportion held	Nature of business
Espial Limited	Ordinary shares	UK	100%	Trading

For details of subsidiaries held by Espial Limited see note 23 of the Group Financial Statements

6. Debtors

	2012	2011
	£	£
Trade receivables	-	4,323
Prepayments	3,059	9,239
Accrued income	144	1,820
VAT	13,584	-
	<u>16,787</u>	<u>15,382</u>

7. Creditors: Amounts falling due within one year

	2012	2011
	£	£
Trade payables	37,025	12,616
Accruals	252,500	77,350
	<u>289,525</u>	<u>89,966</u>

Notes to the Financial Statements – ANT Limited (prepared in accordance with UK GAAP)
at 31 December 2012

8. Called-up Share Capital

	2012 No	2012 £	2011 No	2011 £
Authorised				
Ordinary shares of 5p each	40,000,000	2,000,000	40,000,000	2,000,000
Allotted, called-up and fully paid				
Ordinary shares of 5p each	24,286,367	1,214,318	24,286,367	1,214,318

9. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Share premium £	Profit and Loss £	Total Equity £
At 1 January 2011	1,214,318	12,066,990	(10,132,846)	3,148,462
Share based payment	-	-	8,329	8,329
Retained profit for the year	-	-	429,800	429,800
At 1 January 2012	1,214,318	12,066,990	(9,694,717)	3,586,591
Share based payment	-	-	52,957	52,957
Retained Loss for the year	-	-	(684,204)	(684,204)
At 31 December 2012	1,214,318	12,066,990	(10,325,964)	2,955,344

The information disclosed in the Group's consolidated financial statements under IFRS 2 'Share based payments' is comparable with the UK GAAP disclosure requirements as required by FRS 20 'Share based payments'. Therefore further information regarding the Company's equity settled share based payment arrangement can be found in note 21 of the consolidated financial statements.