



ANT plc
Annual Report
& Accounts

For the year ended 31 December 2010

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Final Results for the year to 31 December 2010

Operational Highlights

- Record level of unit shipments in traditional operator market, providing strong financial platform for expansion into new markets
- Entrance into Connected TV and Blu-ray markets through landmark contract wins with two Taiwanese silicon manufacturers
- Entrance into UK Freeview market through licence deal with Humax
- Successful adoption of HbbTV standard in Germany and France
- Operational team strengthened



Financial Highlights

- Revenue in period down 7% to £4.35m (2009: £4.70m)
- Gross margin maintained at 87%
- Operating costs reduced by 8% to £4.43m (2009: £4.80m)
- Loss before tax reduced by 7% to £0.58m (2009: £0.63m)
- Significant reduction in cash outflow to £78k (2009: outflow £599k)
- Strong cash balance with cash and other financial assets significantly ahead of expectations at £4.97m (2009: £5.05m)
- Positive cash in-flow in H2

Chairman's Statement

2010 was a year of consolidation and change for both ANT and the TV industry as a whole. Although reported revenue was disappointing, all other key metrics in the business were either maintained or improved in the year with the focus remaining on driving business growth in new high growth markets.

We continue to invest in R&D whilst controlling administrative expenses. While we see broader opportunities in new market areas, it is important to note that our historic operator market continues to generate significant revenue and looks set to capitalise on the technology being adopted in the retail markets. This provides ANT with a robust platform from which to target new TV markets.

It is difficult to assess the impact of the economic climate on the Company, but current indications are that it has lengthened our customers' decision making processes. However, because ANT's web-based service functionality is core to the future of TV, these delays are not expected to continue in what is an increasingly competitive environment where differentiation through the inclusion of value added web-based services is key.


ANT has traditionally licensed its software predominantly to set-top box manufacturers which in turn is deployed by operators. However, the evolving retail market and increasing interest from TV manufacturers presents a broader range of opportunities for the business.

Increasingly, the target markets for ANT's products require a complete, pre-integrated set-top box or TV software solution. This has led ANT to increase the scope of its product offering through a combination of its own IP and pre-integrated partner IP to provide a complete solution. This broadening of the product has also resulted in ANT being able to successfully target the large UK Free-to-Air market.

On behalf of the Board, I would like to thank all of the team for their continued hard work in what has been a challenging year for both the management team and employees. We have many opportunities and remain committed to the delivery of increased shareholder value.

Royston Hoggarth, Chairman

1 March 2011



ANT has increased the scope of its product offering.

Chief Executive Officer's Review



ANT's software is now being incorporated into Freeview and Freesat set-top-boxes in the UK.

Our focus during 2010 was to continue to increase our presence in new areas of the web-enabled TV market, building on our established position in the operator (IPTV) market. While revenue has decreased during the year, we have achieved successes on many fronts and strengthened our operations while continuing to move towards profitability.

ANT's customers no longer comprise solely of set-top box manufacturers and telecoms operators targeting the IPTV market. The surge in the TV industry towards integration of the Web with traditional TV means our software is now being incorporated into Freeview and Freesat set-top-boxes in the UK and sold direct to consumers through the retail channel. ANT's software is also being used for the subscription cable and satellite markets as well as being integrated into silicon chips to be incorporated into "Connected" television sets and Blu-ray players.

The expansion of our industry began over 18 months ago. However the impact of the economic downturn and the technological complexities which naturally accompany the implementation of new communication delivery methods mean that we are still just at the start of this new TV era. What is clear, though, is that the combination of our many years' experience and unique product set mean we continue to have a strong competitive advantage. Our standards based approach to software means we can work across all technology platforms and as such are unrestricted in our potential technology customers and partners.

Financial Review

Revenue for the year decreased 7% to £4.35m (2009: £4.70m). Whilst the market for our Professional Services continues to drive revenues and shows an increase of 22%, we saw a 15% fall in Licence and Royalty revenue in the period.

There were 10 licences signed in the year which was down from the prior year (2009: 14). However, the change in focus of the licensees, such as the Connected TV market, gives us confidence that we are seeing traction in areas with strong growth potential.

The total number of units shipped during the year was up by 22% to 3.57m units (2009: 2.92m). This growth was in both legacy product royalties and newer ANT Galio products. The strength of our legacy IP business provides us with a strong foundation from which to continue to address the new verticals of the TV market which we believe have the potential to be significantly larger. While the number of customers shipping over 100,000 units in the year reduced to 5 (2009: 7), one customer shipped over 1.5m units.

The product mix shifted slightly, Professional Services contributed 28% to the overall revenue total (2009: 22%) and the gross margin was maintained at the 2009 level of 87%.

Operating costs decreased 8% to £4.43m (2009: £4.80m). Spending on R&D, excluding customer funded elements, decreased by 11% to £2.21m (2009: £2.48m). Share option charges in the period resulted in a credit of £0.04m (2009: charge of £0.02m). The average headcount for the year decreased to 50 (2009: 52).

While the focus has been on keeping a tight rein on costs, investment has also been made in strengthening our sales team with the appointment of a new Sales Director in November 2010.

Cash was significantly ahead of expectations with cash and cash equivalents and other financial assets closing the year at £4.97m (2009: £5.05m), resulting in cash burn of £0.08m (2009: £0.60m).



The average Sterling/US Dollar rate for the year was \$1.55 (2009: \$1.60). Approximately 95% of the Group's revenue in the year was conducted outside the UK (2009: 97%), the majority of which was denominated in US dollars. The stability of the US dollar against sterling lead to a minimal charge to the income statement (2009: charge of £0.08m).

Loss before tax was below that of the prior year at £0.58m (2009: £0.63m) driven by the reduction in costs in line with revenue.

The Group received cash relating to the 2009 R&D tax credit of £0.21m during the year (2009: cash was received for both 2008 and 2007 equating to £0.42m). Income from interest deposits was down to £0.05m (2009: £0.08m) due to lower interest rates. The Group has unrecognised tax losses available to be offset against future profits of £10.9m (2009: £10.5m).

No payment of final dividend will be made due to negative distributable reserves.

Chief Executive Officer's Review continued

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

New Markets

Retail channel

HbbTV

We have entered the retail channel through our involvement in HbbTV (Hybrid Broadcast Broadband TV) which provides a standardised approach to the support of hybrid TV services. Hybrid TV combines the delivery of broadcast and broadband TV services such as on-demand and catch-up TV in one device and is an area where ANT has been particularly focused in the last two years. We remain active within the HbbTV consortium as a founding member.

Adopted initially by all German broadcasters, the first HbbTV devices were commercially deployed by Humax in December 2009 using the ANT Galio Platform. ANT's platform provides a fully integrated implementation of the HbbTV standard that has also now been adopted in France.

HbbTV is expected to continue to grow in 2011 with deployments in both France and Germany. The UK TV market is also converging on the use of major elements of the HbbTV standard and ANT is already deploying products in the UK that employ its HbbTV platform. Most TV vendors are committed to the deployment of HbbTV compatible products and ANT sees this as providing an opportunity for growth.

Freeview & Freesat

In addition to HbbTV deployments, the ANT Galio Platform has been selected for hybrid roll outs across other regions, the most notable being the UK where Humax has used the ANT Galio Platform in its latest range of Freeview set-top boxes. This product range was introduced to market in the early part of 2011.

Emerging UK opportunities, such as Freeview and Freesat products, distributed through established retail sales channels, are likely to see increased demand driven by the digital switch over in the UK.

Connected TV market

Many of today's TVs include internet connectivity. This functionality is driven by the device manufacturers' ambition to differentiate their products and generate new revenue streams through the delivery of on-demand web-based services such as LoveFilm or Netflix.

These positive developments have broadened ANT's market reach and led ANT to engage and license its products to new customer types. ANT's entry into the Connected TV market has been facilitated by landmark contracts signed within the year with two Taiwanese



system-on-a-chip (SoC) vendors. Licensing ANT's software enables them to offer turnkey solutions to Connected TV and Blu-ray device vendors.

Partnerships

In the autumn of 2010 ANT made two significant strategic announcements; the availability of BBC iPlayer and Sky Player on the ANT platform. This enables UK consumers to receive on-demand services via an internet connection on ANT enabled set-top boxes and TVs. Humax was the first customer to launch these services, providing them to consumers as part of its Freeview set-top box range in the UK.

Growing market complexity

While the requirement for web-based services such as those enabled by ANT becomes ever more important to set-top box and TV manufacturers, the complexity of the solution required to deliver these services remains challenging. Manufacturers are struggling to address the new opportunities due to the increasing level of base line functionality now required. This increased complexity has led to longer product sales and development cycles.

The clear growth potential of the TV market has attracted increased competitor activity. These competitive entrants are viewed as providing only partial solutions and ANT remains the most mature and a highly trusted solution provider, however this competitive activity has contributed to the extension of sales cycles.

Outlook

The TV industry is on the verge of a new era of growth, driven by the merger of traditional TV and the internet. ANT's ability to deliver this functionality positions us at the heart of these developments. As is to be expected with this kind of major market shift, it will take time for clarity of market direction to emerge and momentum in the industry to flow through to ANT.

However, we continue to make progress, signing several land-mark contracts in an increasingly competitive environment. These successes, combined with the robust nature of our traditional operator-led business means we view the future with confidence.

Simon Woodward, Chief Executive Officer
1 March 2011

Board of Directors



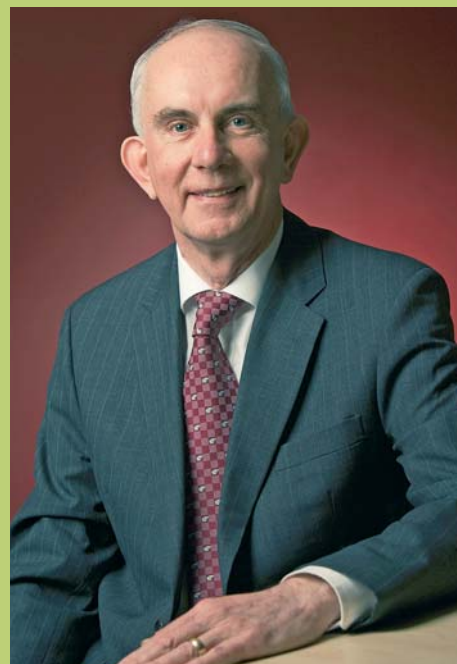
Royston Hoggarth
NON-EXECUTIVE CHAIRMAN

Royston joined ANT as Non-executive Chairman in March 2007. He has a wealth of industry experience having held a variety of senior management and CEO roles in IBM, LogicaCMG, Cable & Wireless PLC and BT. He is currently also UK Managing Director of Hays PLC and Non-executive Chairman of IPSL Limited.



Tudor Brown
NON-EXECUTIVE DIRECTOR

Tudor joined ANT as a Non-executive Director in May 2005 and became Senior Independent Director in May 2006. One of the founders of ARM, Tudor is President of ARM Holdings plc. He was at Acorn Computers where he worked on the ARM R&D programme, before becoming ARM's Engineering Director and Chief Technical Officer in 1993. In 2000, he was appointed Executive Vice President, Global Development during which he was responsible for ARM's successful strategic development in the Far East, and served as Chief Operating Officer from 2001 until 2008. Tudor holds an MA in Electrical Sciences from Cambridge University and is a Fellow of the Institution of Engineering and Technology.



David Kynaston
NON-EXECUTIVE DIRECTOR

David joined ANT as a Non-executive Director in January 2005. David has 35 years' experience in the electronics industry including positions in scientific research through to operational and strategic management. He was Executive Senior Vice President at Solecron Corporation, a provider of electronics manufacturing and supply chain services, a position from which he retired in January 2002. Prior to joining Solecron, David was business unit director (Business Communications Systems) at Philips Electronics. David was recently a non-executive director of Achievo Corporation, an offshore software and information technology outsourcing provider.



Simon Woodward

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Simon Woodward joined ANT in 1997 as Chief Executive and is responsible for developing and executing its commercial strategy. In 2005 he led ANT to a successful public offering on the London Stock Exchange (AIM). Prior to joining ANT, Simon ran an information technology management consulting company, and during a long and successful career in the IT industry has more than 25 years' experience. He has covered a range of business disciplines, including accounting, engineering and marketing. Simon initially trained as an accountant in practice and in 1983 joined Acorn Computer Group in the UK, where he held various senior managerial positions in R&D, marketing and business development, including taking responsibility for negotiating strategic relationships with a variety of major industry partners.



Pauline Ingram

GROUP FINANCE DIRECTOR

Pauline joined ANT in June 2004 and has an in-depth knowledge of the business and its customer base. In July 2007 she was appointed as Finance Director to the trading company, ANT Software, and then to Group Finance Director of ANT plc in February 2008. Pauline has a BA (Hons) in Business Studies from De Montfort University, Leicester and is a fellow of the Association of Chartered Certified Accountants. Prior to joining ANT Pauline has worked in a variety of sectors including automotive, pharmaceuticals, telematics and manufacturing.

Directors and Advisers

DIRECTORS

T Brown
R Hoggarth
P Ingram
D Kynaston
S A Woodward

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Corporate Governance Report

Compliance with the Combined Code

Under the rules of AIM (The Alternative Investment Market of the London Stock Exchange) the Group is not required to comply with the Combined 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 1 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, two non-executive directors and two executive directors, and demonstrate a range of experience covering strategy, performance and resources which are vital to the success of the business. Mr Tudor Brown is the Senior Director (details of the directors' are shown on page 8 and 9).

The Board meets 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 is the Chairman of the remuneration and nominations committees and Royston Hoggarth is the Chairman of the audit committee.

The audit committee meets 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 Reports.

Relations with Shareholders

The Company's executive directors meet 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 are 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 Officers Review on pages 4 to 7. The financial position of the company, its cash flows, liquidity position and borrowing facilities are described in the Director's report on pages 12 to 13. 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.

Royston Hoggarth

1 March 2011

Directors' Report

The directors present their report and financial statements for the year ended 31 December 2010.

Results and Dividends

The consolidated loss for the year, before taxation, amounted to £525,856 (2009: £627,428). The directors do not recommend the payment of a dividend (2009:£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:

	2010 £'000	2009 £'000	% change
Group revenue	4,350	4,699	(7%)
Group loss before tax	(583)	(627)	7%
Cash & cash equivalents and other financial assets	4,972	5,050	(2%)
No. of ANT-enabled product units shipped ('000)	3,572	2,916	22%

Further details of the business review are contained in the Chief Executive's Review on pages 4 to 7.

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 the time of the Company's IPO, March 2005, £10.3m was raised, net of expenses, via the issue of new equity to fund foreseen development. 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 yearend totalled £5.0m of which £1.5m are invested in termed deposits, with a minimum credit rating from Fitch of "-A" to ensure maximum return

for minimal risk (2009: £3.0m of £5.0m invested in fixed term deposits). Further discussion relating to financial risk management objectives and exposures is covered in note 19 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.

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 2010 amounted to £2,366,666 (2009: £2,656,329). Of this £157,243 (2009: £179,879) is customer funded 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 36 days' purchases outstanding in trade creditors (2009: 28 days).

Overseas Branches

ANT Software Limited is a subsidiary company of ANT plc 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 Donations

During the year, the Group made a charitable donation of £nil (2009: £1,000).

Disabled Employees

The Group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job.

Directors' Indemnity Insurance

The Group has granted an indemnity to one or more of its directors against liability in respect of proceedings bought 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 pages 8-9. The directors who held office at 31 December 2010 had the following interests, including beneficial family interests, in the share capital of the Company:

	31 December 2010 Ordinary Shares	31 December 2009 Ordinary Shares
R Hoggarth	-	-
T Brown	28,800	28,800
D Kynaston	28,800	28,800
S A Woodward	157,835	157,835
P Ingram	22,000	22,000

In addition to the above interests, directors had options to purchase a number of shares as set out in the Directors remuneration report.

Substantial Shareholdings

As at 14 January 2011 the following shareholders had notified the Company that they held an investment of 3% or more in the Company's ordinary share capital:

	Number of ordinary shares	Percentage of ordinary share capital
Richard Farleigh	3,039,767	12.52%
ANT plc Employee Share Trust	2,728,497	11.23%
Fidelity Investments	2,428,636	10.00%
AXA Framlington Investment Management	2,014,669	8.30%
Foresight Group	1,986,596	8.18%
Blackrock Investment Management	1,898,619	7.82%
JM Finn & Co	1,056,375	4.35%
Inflexion Partners Limited	732,472	3.02%

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 9. 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

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the Board

SA Woodward, Director

1 March 2011

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 prepared the 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 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 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 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.

Directors' remuneration report

The remuneration committee comprises of David Kynaston, Tudor Brown and Royston Hoggarth, all of whom are 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 agreements for Simon Woodward and Pauline Ingram are 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 and requires a minimum contribution of 5% of salary from the employee before any contributions will be made by the Company.

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 month's notice in writing.

Directors Remuneration	Basic Salary	Benefits	Bonus	Pension contributions	Total 2010	Total 2009
	£	£	£	£	£	£
Executive directors:						
S A Woodward	165,600	3,231	-	13,329	182,160	206,660
P Ingram	90,000	-	-	9,000	99,000	110,410
R Hoggarth	45,000	-	-	-	45,000	51,250
D Kynaston	22,500	-	-	-	22,500	25,625
T Brown	22,500	-	-	-	22,500	25,625
B K Anderson ⁽¹⁾	-	-	-	-	-	15,000
	345,600	3,231	-	22,329	371,160	434,570

(1) Resigned 21 May 2009

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

	As at 1 Jan 2010	Granted	Exercised	Lapsed	As at 31 Dec 2010
S A Woodward	1,735,095	-	-	100,000	1,635,095
P Ingram	265,217	34,783	-	200,000	100,000
	2,000,312	34,783	-	300,000	1,735,095

Director	Revenue Status	Date Granted	Number Granted	Exercise Price (p)	Vesting Date	Expiry Date
S A Woodward	Approved	07/03/2005	117,647	85.00	07/03/2005	07/03/2015
S A Woodward	Unapproved	07/03/2005	1,304,145	85.00	02/07/2004	07/03/2015
S A Woodward	Unapproved	16/03/2005	213,303	126.00	16/03/2005	07/03/2015
P Ingram	Approved	07/03/2005	7,217	95.00	07/03/2005	07/03/2015
P Ingram	Approved	14/04/2009	8,000	24.50	14/04/2012	14/04/2019
P Ingram	Approved	06/10/2009	50,000	38.50	06/10/2012	06/10/2019
P Ingram	Approved	01/04/2010	34,783	29.50	31/03/2013	31/03/2020

Options granted after March 2005 vest over a three year period, are subject to continued employment with the Company for the duration of this period, and corporate performance criteria based on an increase in Group revenues over that period. The options expire after 10 years and there are no cash settlement alternatives. The share price at the yearend was 25.5p. The highest and lowest market price during the year for the ordinary shares was 21.5p and 32p respectively.

During the year the number of options exercised by the directors was nil (2009: 60,000), which had a total exercise value of £nil (2009: £3). This gave an aggregate gain of £nil (2009: £15,597).

D Kynaston
1 March 2011

Independent Auditor's Report to the Members of ANT plc

We have audited the group financial statements of ANT plc for the year ended 31 December 2010 which comprise Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows 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 (IFRS's) 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 14, 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 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.

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 2010 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.

Other matters

We have reported separately on the parent company financial statements of ANT PLC for the year ended 31 December 2010.

Tony McCartney (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Cambridge
1 March 2011

Consolidated Income Statement

for the year ended 31 December

	Notes	2010 £	2009 £
Revenue	5	4,347,577	4,698,510
Cost of sales		(554,315)	(614,210)
Gross profit		3,793,262	4,084,300
Administrative expenses		(2,219,434)	(2,319,675)
Research and Development expenses	6	(2,209,423)	(2,476,450)
Loss from operations	6	(635,595)	(711,825)
Finance revenue	10	52,353	84,397
Loss before tax		(583,242)	(627,428)
Tax on loss on ordinary activities	11	57,386	63,700
Loss for the year		(525,856)	(563,728)
Basic and Diluted Loss per ordinary share	12	(0.02)	(0.03)

All activities relate to continuing activities

Consolidated Statement of Comprehensive Income

for the year ended 31 December

	Notes	2010 £	2009 £
Loss for the year		(525,856)	(563,728)
Other Comprehensive Income for the year		-	-
Total Comprehensive income for the year		(525,856)	(563,728)

Consolidated Statement of Financial Position

as at 31 December

	Notes	2010 £	2009 £
Non-current assets			
Intangible assets	13	20,543	34,495
Property, plant and equipment	14	126,212	116,139
		146,755	150,634
Current assets			
Trade and other receivables	15	1,007,195	1,551,428
Other financial assets	16	1,500,000	3,000,000
Cash and cash equivalents	16	3,472,206	2,050,217
		5,979,401	6,601,645
Total assets		6,126,156	6,752,279
Current Liabilities			
Trade and other payables	17	(1,474,159)	(1,622,283)
		(1,474,159)	(1,622,283)
Net current assets		4,651,997	4,979,362
Non-Current Liabilities			
Provisions	18	(90,000)	-
		(90,000)	-
Net assets		4,561,997	5,129,996
Capital and reserves			
Called up share capital	21	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		(18,506,519)	(17,938,520)
Total equity		4,561,997	5,129,996

The financial statements were approved by the Board of Directors and authorised for issue on 1 March 2011.
They were signed on its behalf by:

S A Woodward
Director
1st March 2011

Consolidated Statement of Changes in Equity

for the year ended 31 December

	Called up share capital £	Share Premium £	Merger account £	Retained losses £	Total equity £
At January 1 2009	1,214,318	12,066,990	9,787,208	(17,390,085)	5,678,431
Total Comprehensive Income	-	-	-	(563,728)	(563,728)
Share-based payments	-	-	-	15,293	15,293
At January 1 2010	1,214,318	12,066,990	9,787,208	(17,938,520)	5,129,996
Total Comprehensive Income	-	-	-	(525,856)	(525,856)
Share-based payments	-	-	-	(42,143)	(42,143)
At December 31 2010	1,214,318	12,066,990	9,787,208	(18,506,519)	(4,561,997)

Consolidated Statement of Cash Flows

for the year ended 31 December

	Notes	2010 £	2009 £
Cash flows from operating activities			
Loss before tax		(583,242)	(627,428)
Finance revenue	10	(52,353)	(84,397)
(Gain) / Loss on disposal of property, plant and equipment		(241)	99
Depreciation of property, plant and equipment	14	111,463	72,371
Amortisation of intangible assets	13	20,704	24,444
Foreign exchange differences		(15,231)	17,448
Share-based payments (credit) / charge	22	(42,143)	15,293
Decrease / (increase) in trade and other receivables		544,825	(64,413)
Decrease / (increase) in trade and other payables		(148,124)	(201,164)
Cash used in operating activities		(164,342)	(847,747)
Tax paid	11	(148,103)	(142,095)
Research and development tax credit		205,489	420,199
Net cash used in operating activities		(106,956)	(569,643)
Cash flows from investing activities			
Interest received		51,761	86,949
Purchase of property, plant and equipment	14	(32,419)	(87,922)
Purchase of intangible assets	13	(6,752)	(10,471)
Sale of property, plant and equipment		1,124	-
Disposal of other financial assets		1,500,000	500,000
Net cash generated from investing activities		1,513,714	488,556
Net decrease/(increase) in cash and cash equivalents		1,406,758	(81,087)
Foreign exchange differences		15,231	(17,448)
Opening cash and cash equivalents		2,050,217	2,148,752
Closing cash and cash equivalents	16, 25	3,472,206	2,050,217

Notes to the Financial Statements

as at 31 December 2010

1. Corporate information

ANT plc is a public limited company incorporated in the United Kingdom. The address of the registered office is Cambridge Business Park, Cowley Road, Cambridge, Cambridgeshire CB4 0WZ. ANT plc's shares are publicly traded on AIM (The Alternative Investment Market of the London Stock Exchange).

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 2010.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2010.

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 statement of ANT plc 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 Officers Review on pages 4 to 7. The financial position of the company, its cash flows, liquidity position and borrowing facilities are described in the Director's report on pages 9 to 11. 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.

All inter-company balances and transactions have been eliminated in full.

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 22).

Research costs are not capitalised. Development costs however will be capitalised from the point that it is sufficiently certain that future economic benefits to the Group will cover all selling, administration and support costs as well as the development costs themselves. 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 ANT 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, professional services and 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.

c) Foreign currencies

The Groups presentational currency is Sterling. Sterling is also the functional currency of all companies within the group (GBP). 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.

Notes to the Financial Statements *continued*

as at 31 December 2010

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

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 there is 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 HMRC 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 cash receipt is probable 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.

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.

Notes to the Financial Statements *continued*

as at 31 December 2010

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.

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 year end (2009: 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.

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 Accounting Standards (IAS/IFRSs)

		Effective Date
IAS 24	Related Party Disclosures (Amendment)	1 January 2011
IAS 32	Financial Instruments: Presentation – Classification of Rights Issues (Amendment)	1 February 2010
IFRS 9	Financial Instruments: Classification and Measurement	1 January 2013

International Financial Reporting Interpretations Committee (IFRIC)

		Effective Date
IFRIC 14	Prepayments of a minimum funding requirement	(Amendment)
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

5. Segmental information

Revenue represents the amounts derived from the provision of goods and services which fall within the companies 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 Groups 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:

	2010 £	2009 £
United States	1,053,294	1,655,689
Europe	1,380,578	892,279
Rest of the World	1,913,705	2,150,542
	4,347,577	4,698,510

The European segment identified above includes £194,271 relating to revenue generated in the UK (2009: £147,572)

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:

	2010 £	2009 £
Licence and royalty revenue	3,118,344	3,687,830
Professional Services	1,229,233	1,010,680
	4,347,577	4,698,510

An analysis of revenue by type is given below:

	2010	2009
No of customers contributing more than 10% of revenue	1	4

The percentage contribution to revenue of customers contributing more than 10% in the year was 17%, (2009: 15.8%, 12.2%, 11.5% and 10.1%).

Finance revenue generated during the year was £52,353 (2009: £84,397)

6. Loss from operations

This is stated after (crediting) / charging:

	2010 £	2009 £
Research and development cost		
– Customer funded	157,243	179,879
– Generic	2,209,423	2,476,450
Amortisation of intangible assets	20,704	24,444
Depreciation of property, plant and equipment	111,463	72,371
Foreign currency (gain) / loss	(13,267)	111,791
Loss / (gain) on forward contracts	12,718	(23,825)
Operating lease rentals	146,205	146,205
– Land and buildings		
(Gain) / loss on disposal of property, plant & equipment	(241)	99

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. Auditors' remuneration

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

	2010 £	2009 £
Audit of the financial statements		
ANT plc	25,000	25,000
ANT Software Limited	9,000	4,000
	34,000	29,000
Other fees to auditors		
Taxation	13,250	8,000
Total	47,250	37,000

Notes to the Financial Statements continued

as at 31 December 2010

8. Compensation of Key Management

Compensation of key management personnel
(including executive and non-executive directors)

	2010 £	2009 £
Short Term employee benefits	651,602	897,461
Post employee benefits	45,745	61,015
Share based payments	(19,536)	21,297
	677,811	979,773

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

	2010 £	2009 £
Wages and salaries	2,727,619	2,861,913
Social security costs (1)	309,557	302,836
Other pension costs	182,711	266,704
	3,219,887	3,431,453

(1) Social security costs include overseas offices.

Included in wages and salaries is a total credit relating to share-based payment of £42,143 (2009: charge of £15,293) arising from transactions accounted for as equity-settled share-based payment transactions.

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

	2010	2009
Engineering	34	33
Sales	8	10
Administration	8	9
	50	52

(b) Directors' emoluments

	2010 £	2009 £
Directors' emoluments	348,831	414,109
Contributions to defined contribution pension schemes	22,329	22,667
Number of directors accruing benefits under:		
Defined contribution schemes	2	2
The highest paid director received:		
Emoluments	168,831	192,993
Pension contributions	13,329	13,667

10. Finance revenue

	2010 £	2009 £
Bank interest receivable	52,353	84,397

11. Tax on loss on ordinary activities**a) Tax on loss**

The tax credit represents:

	2010 £	2009 £
Research and development tax credit	(205,489)	(205,795)
Foreign tax:		
Current tax on income for the period	148,103	142,095
Current tax credit for the year	(57,386)	(63,700)

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:

	2010 £	2009 £
Loss on ordinary activities before tax	(583,242)	(627,428)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009: 28%)	(163,308)	(175,680)
Effect of:		
Disallowed expenses	14,000	15,187
Decelerated capital allowances	20,313	3,767
Tax losses carried forward	128,995	156,726
Research and development tax credit	(205,489)	(205,795)
Other temporary differences	-	-
Withholding tax	142,180	142,095
Foreign tax	5,923	-
Income tax credit reported in the consolidated income statement	(57,386)	(63,700)

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 £1,443,971 of tax losses in return for £205,489 of cash which related to the R&D tax credit for 2009 of £166,379 and additional claims for 2008 of £9,569 and 2007 of £29,541 (2009: £1,385,762 losses surrendered for £205,795 for 2008 tax credit).

Notes to the Financial Statements *continued*

as at 31 December 2010

11. Tax on loss on ordinary activities (continued)

c) Deferred tax

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

	Provided		Not Provided	
	2010	2009	2010	2009
	£	£	£	£
Capital allowances in arrears of depreciation	-	-	55,275	26,155
Losses	-	-	2,950,397	2,944,956
	-	-	3,005,672	2,971,111

There are approximately £10.9m (2009: £10.5m) of tax losses available to be carried forward, subject to the agreement of HMRC. These losses may be further adjusted to reflect the surrender of the losses relating to qualifying research and development expenditure in accordance with the research and development tax credit scheme.

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 Chancellor announced in the emergency budget on 22 June 2010 that the standard rate of UK Corporation Tax will be reduced from 28% to 27% from 1 April 2011; and there will be progressive annual reductions of a further 1% until a rate of 24% is reached with effect from 1 April 2014. The Finance Act (No 2) 2010 received Royal Assent on 27 July 2010, with the first of the rate reductions being substantively enacted from 21 July 2010 under UK GAAP.

The Chancellor also announced changes to the Capital Allowances regime. The rate of writing down allowances on expenditure on plant and machinery allocated to the main pool will be reduced from 20% to 18%, and the writing down allowances on expenditure allocated to the special rate pool (ie. long-life assets and integral features) will be reduced from 10% to 8%. These will have effect from 1 April 2012. In addition, the maximum amount of the annual investment allowance (which provides 100% relief in the year of spend) will be reduced from £100,000 to £25,000, also from 1 April 2012.

12. Loss per ordinary share

The calculations of loss per share from continuing operations are based on the loss after tax for the year of £525,856 (2009: £563,728) and the following weighted average number of shares:

	2010	2009
	£	£
Loss for the period	(525,856)	(563,728)
Weighted average number of ordinary shares	21,557,870	21,537,870
Basic and diluted loss per ordinary share	(0.02)	(0.03)

The options have no dilutive effect on loss making years, and hence the dilutive loss per share is the same as the basic loss per share in these years. The weighted average number of ordinary shares excludes treasury shares held in an Employee Benefit Trust of 2,728,497 (2009: 2,728,497).

13. Intangible assets

	Software £
Cost:	
At 1 January 2009	102,496
Additions	10,471
Disposals	(3,016)
At 31 December 2009	109,951
Additions	6,752
Disposals	(364)
At 31 December 2010	116,339
Amortisation:	
At 1 January 2009	54,028
Charge for the year	24,444
Disposals	(3,016)
At 31 December 2009	75,456
Charge for the year	20,704
Disposals	(364)
At 31 December 2010	95,796
Net book value:	
At 1 January 2009	48,468
At 31 December 2009	34,495
At 31 December 2010	20,543

At the end of the year the Group had amounts contracted for but not provided for of £nil (2009: £nil)

Notes to the Financial Statements continued

as at 31 December 2010

14. Property, plant and equipment

	Leasehold improvements	Office equipment	Computer equipment	Total
	£	£	£	£
Cost:				
At 1 January 2009	95,378	174,293	288,648	558,319
Additions	7,652	8,411	71,859	87,922
Disposals	-	-	(43,423)	(43,423)
At 31 December 2009	103,030	182,704	317,084	602,818
Additions	106,038	524	15,857	122,419
Disposals	-	(5,168)	(14,292)	(19,460)
At 31 December 2010	209,068	178,060	318,649	705,777
Depreciation:				
At 1 January 2009	87,485	172,511	197,636	457,632
Charge for the year	4,240	3,231	64,900	72,371
Disposals	-	-	(43,324)	(43,324)
At 31 December 2009	91,725	175,742	219,212	486,679
Charge for the year	49,504	3,589	58,370	111,463
Disposals	-	(5,168)	(13,409)	(18,577)
At 31 December 2010	141,229	174,163	264,173	579,565
Net book value:				
At 1 January 2009	7,893	1,782	91,012	100,687
At 31 December 2009	11,305	6,962	97,872	116,139
At 31 December 2010	67,838	3,897	54,476	126,212

The additions in 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 (2009: £nil)

15. Trade and other receivables

	2010 £	2009 £
Trade receivables	572,505	1,065,881
Prepayments	129,283	87,460
Accrued income	247,575	331,160
Other debtors	57,832	66,927
	1,007,195	1,551,428

All of the trade receivables at year end are denominated in Sterling £72,032 and US dollars £500,473 (2009: US Dollars £1,065,881).

	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 £
Trade receivables	As at 31 Dec 2010	448,493	74,595	6,462	16,096	26,859
Trade receivables	As at 31 Dec 2009	856,861	164,653	28,704	-	15,663

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 £78,895 (2009: £165,385). The bad debt provision included in the Balance Sheet at the year end is £108,995 (2009: £192,272). Exposure to credit risk is mitigated, where necessary, by payments in advance.

	2010 £	2009 £
Opening	192,272	49,710
Arising during the year	118,084	192,272
Utilised	(162,172)	(22,823)
Released	(39,189)	(26,887)
Closing	108,995	192,272

Notes to the Financial Statements continued

as at 31 December 2010

16. Cash & Cash equivalents and other financial assets

	2010 £	2009 £
Net cash and cash equivalents per cash flow	3,472,206	2,050,217
Other financial assets	1,500,000	3,000,000

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;

	2010 £	2009 £
Bank of Scotland plc	-	1,370,980
Barclays Bank plc	604,564	673,080
NATWEST	2,860,352	-
Other	7,290	6,157
	3,472,206	2,050,217

Other financial assets currently held as follows:

2010	£	Interest Rate	Maturity Date
Bank of Scotland	1,500,000	1.60%	27 June 2011
Total	1,500,000		

2009	£	Interest Rate	Maturity Date
Ulster Bank	500,000	0.65%	24 March 2010
Ulster Bank	500,000	0.75%	26 April 2010
Allied Irish Bank (GB)	500,000	1.45%	25 May 2010
Allied Irish Bank (GB)	1,500,000	1.50%	28 June 2010
Total	3,000,000		

17. Trade and other payables

	2010 £	2009 £
Trade payables	154,378	129,241
Tax and social security	99,114	238,167
Accruals	761,625	816,504
Deferred income	459,042	438,371
	1,474,159	1,622,283

18. Provisions

	2010 £	2009 £
Non-Current Provision		
Opening	-	-
Movement: Lease Dilapidation provision	90,000	-
Closing	90,000	-

The lease dilapidation provision is expected to be used by April 2012, when the current lease ends.

19. 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% (2009: 97%) 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 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 the following page 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.

Notes to the Financial Statements *continued*

as at 31 December 2010

19. Financial instruments *continued*

At 31 December, these currency exposures are as follows:

	US dollar £	Other £	Total £
2010 Monetary Asset	260,217	86,628	346,845
2009 Monetary Asset	168,136	41,225	209,361
2010 Debtors	500,473	-	500,473
2009 Debtors	1,258,153	-	1,258,153
2010 Accrued Income	183,077	63,379	246,456
2009 Accrued Income	329,588	-	329,588

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

	Change in US dollar/Euro Rate	Impact on loss before tax (positive exchange movement)	Impact on loss before tax (negative exchange movement)
2010 – US dollar	10% / -10%	(88,509)	108,178
2010 – Euro	10% / -10%	(13,564)	16,578
2009 – US dollar	10% / -10%	(164,211)	200,702
2009 – Euro	10% / -10%	(3,899)	4,765

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 6 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, £1,500,000 were at fixed rates (breakdown shown in note 16), £3,472,206 were at a variable rate (2009: £3,000,000 Fixed, £2,050,217 Variable).

Based on the Groups 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 £46,249 (2009: £48,308), 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 Groups policy that all customers who wish to trade on credit terms require the specific approval of senior management. Receivable balances are monitored on an ongoing 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.

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.

20. Obligations under operating leases

At 31 December 2010 the Group had the following future minimum rental payable under non-cancellable operating leases:

	2010 £	2009 £
Not later than one year	146,205	146,205
After one year but not more than five years	48,735	194,941
After five years	-	-
	194,940	341,146

The Group has a commercial lease for the Company registered address for a period of 4 years, with an expiry date of April 2012. There are no restrictions, renewal options or contingent rents on the lease.

Notes to the Financial Statements *continued*

as at 31 December 2010

21. Share capital

	2010 No	2010 £	2009 No	2009 £
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

22. 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 are held by employees who were employed by the Group as at the year end. These 2,369,483 options (2009: 2,376,700) 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.

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 (2009: 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 £0.225 to £1.26.

The Group recognised a total credit of £42,143 (2009: charge of £15,293) in the income statement in respect of options granted to staff.

22. Share-based payments (continued)

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 2010	Granted	Exercised	Lapsed	As at 31 December 2010	End Date
Feb 2005	95p	109,697	-	-	(7,217)	102,480	Feb 2015
Mar 2005	85p	2,053,700	-	-	-	2,053,700	Mar 2015
Mar 2005	126p	213,303	-	-	-	213,303	Mar 2015
Mar 2008	22.5p	1,000,000	-	-	(1,000,000)	-	Mar 2018
Sep 2008	35.5p	125,000	-	-	(125,000)	-	Sep 2018
Apr 2009	24.5p	451,500	-	-	(79,500)	372,000	Apr 2019
Oct 2009	38.5p	302,500	-	-	(30,000)	272,500	Oct 2019
Apr 2010	29.5p	-	614,783	-	(70,000)	544,783	Mar 2020
		4,255,700	614,783	-	(1,311,717)	3,558,766	

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

	2010 No.	2010 WAEP	2009 No.	2009 WAEP
Outstanding as at 1 January	4,255,700	£0.614	4,474,360	£0.615
Granted during year	614,783	£0.295	880,000	£0.309
Exercised during year	-	-	(120,000)	£0.00005
Forfeited during year	(1,311,717)	£0.25	(978,660)	£0.416
Outstanding as at 31 December ⁽¹⁾	3,558,766	£0.69	4,255,700	£0.614
Exercisable as at 31 December	2,369,483	£0.89	2,376,700	£0.89

⁽¹⁾ Included in this balance are options over 2,369,483 shares (2009: 2,376,700) 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 2010, the weighted average remaining contractual life is 5.8 years (2009: 6.8 years). The weighted average share price of options exercised during the year was nil (2009: £0.00005).

The weighted average fair value of options granted during the year was £0.13 (2009: £0.14).

Notes to the Financial Statements *continued*

as at 31 December 2010

22. Share-based payments (continued)

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 2010 and 31 December 2009:

	2010	2009
Dividend yield (%)	0%	0%
Expected share price volatility (%)	54%	61.1%
Risk-free interest rate (%)	4%	4%
Expected life of option (years)	6	6
Weighted average share price (pence)	29.5	30.1

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 grant were incorporated into the measurement of fair value.

23. 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 ANT Software Limited in March 2005.

Retained losses include an amount of £2,224,255 (2009: £2,224,255) in relation to treasury shares that are held in the Employee Benefit Trust, covering 2,728,497 5p shares (2009: 2,728,497).

24. Principle Group Undertakings

Name of Company	Holding	Country of Registration	Proportion Held	Nature of Business
ANT Software Limited	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%	Trading

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

25. Additional cash flow information

Analysis of Group net debt

	At 1 January 2010 £	Cash Flow £	At 31 December 2010 £
Cash and Cash equivalents	2,050,217	1,421,989	3,472,206
Other financial assets	3,000,000	(1,500,000)	1,500,000
	5,050,217	(78,011)	4,972,206

	At 1 January 2009 £	Cash Flow £	At 31 December 2009 £
Cash and Cash equivalents	2,148,752	(98,535)	2,050,217
Other financial assets	3,500,000	(500,000)	3,000,000
	5,648,752	(598,535)	5,050,217

26. 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 2010 there were no outstanding pension contributions (2009: £nil).

27. Other commitments

The Group's total other commitments as at 31 December 2010 is £nil (2009: £nil)

28. 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.

29. Post balance sheet events

There have been no material post balance sheet events that require disclosure in these financial statements.

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 plc

We have audited the parent company financial statements of ANT plc for the year ended 31 December 2010 which comprise the Balance Sheet and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 42, 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.

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 2010;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Other matter

We have reported separately on the group financial statements of ANT plc for the year ended 31 December 2010.

Tony McCartney (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP,
Cambridge
1 March 2011

Company Balance Sheet – UK GAAP

as at 31 December

	Notes	2010 £	2009 Restated £
Fixed Assets			
Investments	7	664,051	706,194
		664,051	706,194
Current assets			
Debtors	8	17,383	15,984
Other financial assets		1,500,000	3,000,000
Cash and short term deposits		1,041,648	1,450,661
		2,559,031	4,446,645
Creditors: Amounts falling due within one year	9	(74,620)	(57,850)
Net current assets		2,484,411	4,408,795
Net assets		3,148,462	5,114,989
Capital and reserves			
Called up share capital	10	1,214,318	1,214,318
Share premium account	11	12,066,990	12,066,990
Profit and loss account	11	(10,132,846)	(8,166,319)
		3,148,462	5,114,989

The financial statements were approved by the Board of Directors and authorised for issue on 1 March 2011. They were signed on its behalf by:

S A Woodward
Director

Notes to the Financial Statements – UK GAAP

as at 31 December 2010

1. Corporate Information

ANT plc (the Company) is a limited company incorporated in England and Wales whose shares are publicly traded. The principal activity of the Company is that of a holding company.

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.

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.

Notes to the Financial Statements – UK GAAP continued

as at 31 December 2010

e) 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.

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.

4. Prior period adjustment

The requirement to retrospectively apply the most recent amendments to FRS 20, has necessitated the restatement of the prior period reserves of ANT plc and its investment in ANT Software Limited. This arises because ANT Software Limited employees receive share options in ANT plc, issued directly by ANT plc. Consequently ANT plc settles the share based payment transaction, whereas ANT Software Limited receives the services associated with the overall charge.

The effect of this has been to increase the prior period investment by £74,739. This represents the 2009 share option charge in ANT Software Limited of £15,293, as well as £59,446 relating to the net share option charge for years prior to 2009. There is also a corresponding adjustment to the profit and loss reserves.

These requirements can result in either an increase or decrease in the subsidiary investment, depending on whether a share based payment charge or credit is recognised during the year in the books of the subsidiary. In 2010, a share based payment credit of £42,143 was recognised in the ANT Software Limited profit and loss. The investment held by ANT plc has accordingly decreased by this amount, with a corresponding reduction in the profit and loss reserve.

5. Loss for the year

As permitted by section 230 of the Companies Act 2006, the Company has elected not to present its own profit and loss account for the year. ANT plc reported a loss for the financial year ended 31 December 2010 of £1,924,384, which includes a charge of £1,164,494 relating to the removal of inter-company balances (2009: £457,476, which includes a positive contribution of £152,792 relating to the removal of inter-company balances in the Company Balance Sheet).

Directors' emoluments are disclosed in the Directors' Remuneration Report on pages 15 to 16.

6. Investments

	2010 £	2009 (restated) £
As at 1st January	706,194	631,455
Movement relating to group share based payment arrangements	(42,143)	74,739
As at 31st December	664,051	706,194

Additions relate to share option awards to employees of the subsidiary undertakings. 2009 has been restated to reflect the retrospective application of the August 2009 amendment to FRS 20, (effective for annual periods beginning on or after 1 January 2010).

Name of Company	Holding	Country of Registration	Proportion Held	Nature of Business
ANT Software Limited	Ordinary shares	UK	100%	Trading

7. Debtors

	2010 £	2009 £
Trade receivables	6,920	4,632
Prepayments	9,871	9,780
Accrued income	592	1,572
	17,383	15,984

8. Creditors: Amounts falling due within one year

	2010 £	2009 £
Trade payables	14,210	7,000
Accruals	60,410	50,850
	74,620	57,850

Notes to the Financial Statements – UK GAAP continued

as at 31 December 2010

9. Called-up Share Capital

	2010 No	2010 £	2009 No	2009 £
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

10. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Share premium £	Profit and Loss £	Total Equity £
At 1 January 2009 – as previously stated	1,214,318	12,066,990	(7,783,582)	5,497,726
Prior year adjustment			59,446	59,446
At 1 January 2009 – as restated	1,214,318	12,066,990	(7,724,136)	5,557,172
Share based payment			15,293	15,293
Retained loss for the year	-	-	(457,476)	(457,476)
At 1 January 2010	1,214,318	12,066,990	(8,166,319)	5,114,989
Share based payment			(42,143)	(42,143)
Retained loss for the year	-	-	(1,924,384)	(1,924,384)
At 31 December 2010	1,214,318	12,066,990	(10,132,846)	3,148,462

The amount of £74,739 relating to share based payment shown in 2009 consists of £15,293 relating to 2009 and £59,446 to prior years.

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 22 of the consolidated financial statements.

Notice of Annual General Meeting – ANT plc

(Registered and incorporated in England and Wales with number 05372859)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Autonomy House, Cambridge Business Park, Cowley Road, Cambridge CB4 0WZ on 24 May 2011 at 9.00 am for the following purposes:

ORDINARY BUSINESS

To consider and, if thought fit, to pass the following Resolutions which will be proposed as ordinary Resolutions:

1. To receive the annual accounts of the Company for the financial year ended 31 December 2010 together with the Directors' report and auditors' report on those accounts.
2. To re-appoint Ernst & Young LLP as auditors of the Company to hold office from the conclusion of the meeting to the conclusion of the next meeting at which accounts are laid before the Company and to authorise the Directors to determine their remuneration.
3. To re-elect Pauline Ingram, who retires by rotation and agrees to her re-election, as a director of the Company.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions, of which Resolution 4 will be proposed as an ordinary Resolution and Resolution 5 will be proposed as a special Resolution:

4. That the Directors be and they are generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the "2006 Act") to exercise all the powers of the Company to allot Relevant Securities (as defined in the notes to this Resolution) up to an aggregate nominal amount of £404,772 provided that this authority shall expire on whichever is the earlier of (i) 15 months from the date on which this Resolution is passed or (ii) the conclusion of the Company's next Annual General Meeting save that the Company may pursuant to this authority make offers or agreements before the expiry of this authority which would or might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities in pursuance of such offers or agreements as if the authority conferred by this Resolution had not expired. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot Relevant Securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.
5. That, subject to the passing of Resolution 4 above, the Directors be and they are empowered pursuant to section 570 of the 2006 Act to allot equity securities (within the meaning of section 560 of the Act) wholly for cash, either pursuant to the authority conferred by Resolution 4 above or by way of a sale of treasury shares, as if section 561(1) of the 2006 Act did not apply to such allotment provided that this power shall be limited to the allotment of equity securities:
 - a) in connection with an offer of such securities by way of a rights issue to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange;

and
 - b) pursuant to the terms of any share scheme for directors and employees of the Company and/or its subsidiaries approved by the shareholders of the Company in general meeting;

Notice of Annual General Meeting – ANT plc continued

and

- c) (otherwise than pursuant to sub-paragraphs (a) and (b) above) having (in the case of equity securities (as defined in section 560 of the 2006 Act)) a nominal amount or (in the case of any other equity securities) giving the right to subscribe for or convert into equity securities having a nominal amount, not exceeding in aggregate £60,715 (representing approximately 5 per cent. of the Company's issued share capital on 25th March 2011), and such power shall expire on the earlier of 15 months from the date on which this Resolution is passed or the conclusion of the Company's next Annual General Meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before the expiry of such power, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired. This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if either section 89(1) of the Companies Act 1985 or section 561(1) of the 2006 Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities. This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(2) of the 2006 Act as if in the first paragraph of this Resolution the words "pursuant to the authority conferred by Resolution 4 above" were omitted.

BY ORDER OF THE BOARD

M Lobo

Secretary

25 March 2011

REGISTERED OFFICE

Autonomy House

Cambridge Business Park

Cowley Road

Cambridge

CB4 0WZ

Notes

1. A member entitled to attend and vote at the meeting convened by the notice set out above is entitled to appoint one or more proxy or proxies to attend, to speak and to vote instead of him. A proxy need not be a member of the Company but must attend the meeting to represent you.
2. A form of proxy is enclosed. To be valid, it must be deposited at the office of the Company's registrars, Computershare Investor Services PLC at PO Box 1075, The Pavilions, Bridgwater Road, Bristol BS99 7NH, so as to be received not later than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the form of proxy does not preclude a member from attending and voting at the meeting in person if he so wishes, in which case any votes cast by the proxy will be excluded and your proxy appointment will automatically be terminated.
3. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided they do not do so in relation to the same shares.
4. The memorandum and articles of association of the Company and copies of Directors' service contracts (or a memorandum of the terms thereof) with the Company or any of its subsidiary undertakings will be available for inspection at the registered office of the Company during normal business hours (Saturdays, Sundays and bank or public holidays in England excepted) up to the date of and during the meeting.
5. The register of interests of the Directors and their families in the securities of the Company or any of its subsidiary undertakings will be available for inspection on the day of the meeting at the place of the meeting from the start of the meeting until its conclusion.
6. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members entered on the Register of Members of the Company not later than 9.00 am on 22 May 2011 (or, if the meeting is adjourned, members entered on the Register of Members of the Company not later than 48 hours before the time fixed for the adjourned meeting) shall be entitled to attend and vote at the meeting. Changes to the entries on the Register of Members of the Company after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
7. Biographical details of the Director seeking re-election are contained in the Annual Report 2010.
8. Resolution 4 gives the Directors the general power to allot Relevant Securities convertible into shares up to an aggregate nominal amount of £404,772, being approximately one-third of the Company's issued share capital.

"Relevant Securities" means:

- (a) Shares in the Company other than shares allotted pursuant to:
 - (i) an employee share scheme (as defined by section 1166 of the Companies Act 2006 (the "2006 Act"));
 - (ii) a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
 - (iii) a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security.

Notice of Annual General Meeting – ANT plc continued

(b) Any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the 2006 Act). References to the allotment of Relevant Securities in the Resolution include the grant of such rights.

9. When shares are to be allotted for cash, section 561 of the Companies Act 2006 provides that existing shareholders have pre-emption rights and that any new shares are offered first to such shareholders in proportion to their existing shareholdings. Resolution 5 is seeking to authorise the Directors to allot Shares of up to an aggregate nominal amount of £60,715 otherwise than on a pro-rata basis. This represents approximately 5% of the Company's issued share capital on 25th March 2011.

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