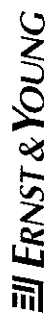


2022565

ANT LIMITED

Report and Financial Statements

31 December 2003

 ERNST & YOUNG



# ANT Limited

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Registered No. 2822565

## **DIRECTORS**

S A Woodward

D A Fell

P M R Dodd (appointed 23 June 2003)

S M Reeder (appointed 1 October 2003)

A L Caplin

J Hartz

M P Taylor

R Farleigh (appointed 28 April 2004)

C E Chadwyck-Healey (resigned 28 April 2004)

D MacKay (resigned 23 June 2003)

R Grossman (resigned 23 June 2003)

## **SECRETARY**

S A Woodward (until 23 June 2003)

P M R Dodd (from 23 June 2003)

## **AUDITORS**

Ernst & Young LLP

Compass House

80 Newmarket Road

Cambridge

CB5 8DZ

## **BANKERS**

Barclays Bank

58 High Street

Newmarket

Suffolk

CB8 8GL

## **REGISTERED OFFICE**

Cambridge Business Park

Cowley Road

Cambridge

CB4 0WZ

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2003.

**RESULTS AND DIVIDENDS**

The loss for the year, before taxation, amounted to £1,020,470 (2002: £2,001,995).

The directors do not recommend the payment of a dividend (2002: £nil).

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The company's principal activity during the year continued to be computer software licensing and consultancy.

The company has continued to focus on developing a market-leading position in the provision of software for the TV-related consumer electronics market.

**POST BALANCE SHEET EVENTS**

In April 2004, the company raised £3.39m of equity funding from new investors. At the same time, the holders of convertible loan stock and warrants exercised their rights of conversion, thus strengthening the company's balance sheet. Full details are set out in note 18.

**DIRECTORS AND THEIR INTERESTS**

The current directors and those who served during the year are shown on page 1. The directors at 31 December 2003 with interests, including beneficial family interests, in the share capital of the company were as follows:

	31 December 2003	31 December 2002
	Ordinary shares	Ordinary shares
	No.	No.
S A Woodward	300,000	300,000
D A Fell	300,000	300,000
C E Chadwyck-Healey	1,428,200	237,400

In addition to the above interests, directors had options to purchase the following number of shares:

	31 December 2003	31 December 2002
	Ordinary shares	Ordinary shares
	No.	No.
S A Woodward	300,000	300,000
D A Fell	300,000	300,000

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DIRECTORS' REPORT

**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



S A Woodward  
Director



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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANT LIMITED**

We have audited the company's financial statements for the year ended 31 December 2003 which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 18. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

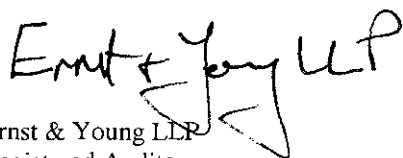
### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2003 and its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Cambridge

 1 July 2004

# ANT Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 2003

	Notes	2003 £	2002 £
<b>TURNOVER</b>	2	1,719,113	1,375,102
Cost of sales		(62,088)	(33,072)
<b>GROSS PROFIT</b>		1,657,025	1,342,030
Administration expenses		(2,357,146)	(3,059,383)
<b>OPERATING LOSS</b>	3	(700,121)	(1,717,353)
Interest receivable		4,246	22,061
Interest payable and similar charges	6	(324,595)	(306,703)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(1,020,470)	(2,001,995)
Tax on loss on ordinary activities	7	—	338,064
<b>RETAINED LOSS ON ORDINARY ACTIVITIES</b>	15	(1,020,470)	(1,663,931)

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £1,020,470 (2002: £1,663,931).



# ANT Limited

## BALANCE SHEET at 31 December 2003

		2003 <i>Pro forma</i>	2003	2002
	Notes	£	£	£
<b>FIXED ASSETS</b>				
Tangible assets	8	91,149	91,149	174,916
Investment	9	69	69	69
		<u>91,218</u>	<u>91,218</u>	<u>174,985</u>
<b>CURRENT ASSETS</b>				
Debtors	10	581,923	581,924	829,723
Cash in bank and in hand	18	1,241,247	163,870	102,100
		<u>1,823,170</u>	<u>745,794</u>	<u>931,823</u>
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(448,658)</u>	<u>(448,658)</u>	<u>(666,100)</u>
<b>NET CURRENT ASSETS</b>		<u>1,374,512</u>	<u>297,136</u>	<u>265,723</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,465,730</u>	<u>388,354</u>	<u>440,708</u>
<b>CREDITORS: amounts falling due after more than one year</b>	12	<u>—</u>	<u>(6,604,810)</u>	<u>(5,820,369)</u>
<b>NET ASSETS/(LIABILITIES)</b>		<u>1,465,730</u>	<u>(6,216,456)</u>	<u>(5,379,661)</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	14	631,454	68,727	26,446
Share premium account	15	9,798,404	2,586,367	2,444,973
Profit and loss account	15	(8,964,128)	(8,871,550)	(7,851,080)
<b>EQUITY SHAREHOLDERS' FUNDS/(DEFICIT)</b>		<u>1,465,730</u>	<u>(6,216,456)</u>	<u>(5,379,661)</u>

S A Woodward  
Director

*S. A. Woodward*

P M R Dodd  
Director

*Paul M R Dodd*

*1 July 2004*

NOTES TO THE FINANCIAL STATEMENTS  
at 31 December 2003

1. ACCOUNTING POLICIES

*Accounting convention*

The financial statements are prepared under the historical cost convention.

In accordance with the exemption granted by section 248 of the Companies Act 1985 the company has not prepared group accounts. These accounts therefore present information about the company as an individual undertaking and not about the group.

*Basis of preparing the financial statements – going concern*

In February 2003 a funding round from existing shareholders of £711,500 was completed in the form of ordinary shares and convertible loan stock. After the year end an equity funding round of £3,428,934 and a loan stock conversion occurred, as set out in note 14. The effect of this funding and loan note conversion has

been reflected in the pro forma balance sheet and this is detailed in note 18.

*Cash flow statement*

The company has taken advantage of the exemption from preparing a cash flow statement afforded by paragraph 5(f) of FRS 1 (Revised) "Cash Flow Statements" because it is a small company as defined by the Companies Act 1985.

*Turnover*

Turnover 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 advance royalties, licence fees and support and maintenance payments.

*Fixed assets*

All fixed assets are initially recorded at cost.

*Depreciation*

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Office equipment	-	over 5 years
Computer equipment	-	over 3 years
Plant and machinery	-	over 5 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2003

1. ACCOUNTING POLICIES (continued)

**Research and development costs**

Research and development expenditure is charged to the profit and loss account as incurred.

**Deferred 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, with the following exception:

- 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.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction.

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

All differences are taken to the profit and loss account.

**Operating lease agreements**

The rental elements of the lease obligations are charged in the profit and loss account as incurred.

**Interest on convertible redeemable loan stock**

Interest on the convertible redeemable loan stock is charged at a constant rate against the outstanding balance. Further details are provided in note 12.

**Pension costs**

The company provides pension arrangements through a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year.

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

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2003

2. **TURNOVER**

Turnover is attributable to one continuing activity, the provision of computer software licensing and consultancy.

An analysis of turnover by geographical market is given below:

	2003	2002
	£	£
United Kingdom	691,788	682,066
Rest of Europe	386,511	329,909
United States	494,160	257,864
Far East	146,654	105,263
	<u>1,719,113</u>	<u>1,375,102</u>

3. **OPERATING LOSS**

This is stated after charging:

	2003	2002
	£	£
Auditors' remuneration		
- audit services	12,000	8,500
- non-audit services	26,500	20,500
Operating lease rentals		
- land and buildings	164,954	363,668
Depreciation of tangible fixed assets	80,540	106,217
Research and development costs	596,670	1,031,765
	<u></u>	<u></u>

4. **STAFF COSTS**

	2003	2002
	£	£
Wages and salaries	1,201,709	1,698,549
Social security costs	128,160	149,369
Other pension costs	102,990	169,647
	<u>1,432,859</u>	<u>2,017,565</u>

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

	2003	2002
	No.	No.
Engineering	14	20
Sales	3	6
Administration	13	6
	<u>30</u>	<u>32</u>

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2003

5. DIRECTORS' EMOLUMENTS

	2003 £	2002 £
Emoluments	333,205	320,518
Company contributions paid to defined contribution pension schemes	30,947	10,863
	<u>364,152</u>	<u>331,381</u>

During the year, 5 of the directors were members of defined contribution pension schemes (2002: 3).

The emoluments of the highest paid director are as follows:

	2003 £	2002 £
Emoluments	100,000	81,000
Company contributions paid to defined contribution pension schemes	6,497	6,020
	<u>106,497</u>	<u>87,020</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £	2002 £
Bank interest	—	4,536
Interest on convertible redeemable loan stock	324,595	302,167
	<u>324,595</u>	<u>306,703</u>

NOTES TO THE FINANCIAL STATEMENTS  
at 31 December 2003

7. TAX ON LOSS ON ORDINARY ACTIVITIES

The tax credit represents:

	2003	2002
	£	£
Research and development tax credit	—	338,064

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

	2003	2002
	£	£
Loss on ordinary activities before tax	(1,020,470)	(2,001,995)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2002: 30%)	(306,141)	(600,599)
Effect of:		
Disallowed expenses and non-taxable income	15,000	3,968
Depreciation in excess of capital allowances	9,998	12,375
Tax losses	285,191	579,347
Research and development tax credit	—	(338,064)
Other timing differences	(4,048)	4,909
Current tax credit for the year	—	(338,064)

There are approximately £6.8 million (2002: £6.5 million) of tax losses available to be carried forward subject to the agreement of the Inland Revenue.

## NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2003

## 8. TANGIBLE FIXED ASSETS

	<i>Office equipment £</i>	<i>Computer equipment £</i>	<i>Plant and machinery £</i>	<i>Total £</i>
Cost:				
At 1 January 2003	209,430	193,294	49,770	452,494
Additions	577	3,783	—	4,360
Disposals	(12,186)	(8,226)	—	(20,412)
Transfers	—	(809)	809	—
At 31 December 2003	197,821	188,042	50,579	436,442
Depreciation:				
At 1 January 2003	97,060	131,148	49,370	277,578
Charge during the year	32,677	47,219	644	80,540
Disposals	(5,529)	(7,296)	—	(12,825)
Transfers	1,152	(1,717)	565	—
At 31 December 2003	125,360	169,354	50,579	345,293
Net book value:				
At 31 December 2003	72,461	18,688	—	91,149
At 1 January 2003	112,370	62,146	400	174,916

## 9. INVESTMENT

	<i>2003 £</i>	<i>2002 £</i>
At 31 December - subsidiary	69	69

<i>Name of company</i>	<i>Holding</i>	<i>Country of Registration</i>	<i>Proportion held</i>	<i>Nature of business</i>
ANT Communications Inc	Ordinary shares	USA	100%	Dormant
ANT Employee Benefits Limited	Ordinary shares	UK	100%	Non-trading

NOTES TO THE FINANCIAL STATEMENTS  
at 31 December 2003

## 10. DEBTORS

	2003 £	2002 £
Trade debtors	210,356	280,385
Prepayments and accrued income	371,567	549,338
	<u>581,923</u>	<u>829,723</u>

Included in prepayments and accrued income is an amount of £64,638 which is due after more than one year (2002: £209,024).

## 11. CREDITORS: amounts falling due within one year

	2003 £	2002 £
Trade creditors	161,910	325,358
Taxation and social security	51,273	87,352
Accruals	167,793	160,151
Deferred income	67,682	93,239
	<u>448,658</u>	<u>666,100</u>

## 12. CREDITORS: amounts falling due after more than one year

	2003 £	2002 £
Unsecured convertible redeemable loan stock (due within 2 to 5 years)		
2006 loan stock	6,104,536	5,820,369
2008 loan stock	500,274	—
	<u>6,604,810</u>	<u>5,820,369</u>

In 2003 the company created a second type of loan stock. Details of the 2006 and 2008 loan stock are given below:

*2006 loan stock*

The 6% unsecured convertible redeemable loan stock is convertible at the direction of the stockholders into 1,476,681 fully paid up ordinary shares of the company at £0.01 per ordinary share up to and including 30 June 2006. Redemption occurs on an exit event, and also, subject to approval by the stockholders, the company may redeem at any time in tranches of £100,000.

An exit event is defined as the earlier of:

- (i) 30 June 2006;
- (ii) a Listing; or
- (iii) a Sale.

Unless previously redeemed or converted, it will be redeemed at par on 30 June 2006.



## NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2003

**12. CREDITORS:** amounts falling due after more than one year (continued)

Interest accrues at a rate of nil% per annum for the first year, 3% per annum for the second year and 6% per annum from the third year onwards. However, interest is charged to the profit and loss account at a constant rate on the carrying amount of debt, as required by FRS 4 "Capital instruments". Interest charged in the year in respect of the convertible debt amounted to £302,167 (2002: £302,167).

On 28 April 2004, £4,946,811 of the 2006 loan stock was converted into ordinary shares and the balance outstanding of £1,657,999 plus accrued interest of £693,558 was repaid, as set out in note 14.

*2008 loan stock*

The 5% secured convertible redeemable loan stock is secured by a fixed charge over the companies property and assets and is convertible at the direction of the stockholders into 10,005,480 fully paid up ordinary shares of the company at £0.01 per share up to and including 6 February 2008. Redemption occurs on an exit event, and also, subject to approval by the stockholders, the company may redeem at any time in tranches of £50,000.

An exit event is defined as the earlier of:

- (i) 6 February 2008;
- (ii) a Listing; or
- (iii) a Sale.

Unless previously redeemed or converted, it will be redeemed at par on 6 February 2008.

Interest accrues daily at a rate of 5% per annum on the basis of a 365 day year. Interest is charged to the profit and loss account at a constant rate, as required by FRS 4 "Capital Instruments". Interest charged in the year in respect of 2008 convertible debt amounted to £22,428.

On 28 April 2004 the 2008 loan stock was fully converted into ordinary shares.

**13. DEFERRED TAX**

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

	<i>Provided</i>		<i>Not provided</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	£	£	£	£
Capital allowances in arrears of depreciation	—	—	20,128	11,706
Losses	—	—	2,032,039	1,950,696
Other short term timing differences	—	—	2,250	4,950
	<u>—</u>	<u>—</u>	<u>2,054,417</u>	<u>1,967,352</u>

## NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2003

## 14. SHARE CAPITAL

	2003 No.	2003 £	2002 No.	2002 £
<i>Authorised</i>				
Ordinary shares of 1p each	30,000,000	300,000	10,000,000	100,000
<i>Allotted, called-up and fully paid</i>				
Ordinary shares of 1p each	6,872,739	68,727	2,644,609	26,446
<i>Warrants</i>				
Ordinary shares of 1p each	3,693,353	36,933	3,693,353	36,933

Warrants are exercisable at par on the occurrence of a specified event in accordance with the deed of warrant. As noted below all warrants were exercised after the year end.

During the year the authorised share capital was increased by £200,000 by the creation of 20,000,000 ordinary shares of £0.01 each and 4,228,130 ordinary shares of £0.01p each, with an aggregate nominal value of £42,281, were issued fully paid for cash proceeds of £211,226.

After the year end the authorised share capital was increased by £900,000 by the creation of 90,000,000 ordinary shares of £0.01 each. On 28 April 2004, as part of the equity funding round, 19,952,945 ordinary shares of £0.01 each, with an aggregate nominal value of £199,529, were issued fully paid for cash of £3,392,000. A further 3,693,353 ordinary shares of £0.01 each were issued at par in March and April 2004, on exercise of all outstanding warrants.

In addition, on 28 April 2004, the 2008 loan stock was converted into ordinary shares at a conversion rate of £0.05 per ordinary share and £4,946,811 of the 2006 loan stock was converted into ordinary shares at a conversion rate of £0.17 per ordinary share with the balance of £1,657,999 plus accrued interest of £693,558 being repaid. These transactions result in the following share capital structure at 28 April 2004 which have been presented as pro forma information.

NOTES TO THE FINANCIAL STATEMENTS  
at 31 December 2003

## 15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £	Share premium £	Profit and loss account £	Total share- holders' funds £
At 1 January 2002	26,446	2,444,973	(6,187,149)	(3,715,730)
Retained loss for the year	—	—	(1,663,931)	(1,663,931)
At 1 January 2003	26,446	2,444,973	(7,851,080)	(5,379,661)
Proceeds from issue of shares	42,281	141,394	—	183,675
Retained loss for the year	—	—	(1,020,470)	(1,020,470)
At 31 December 2003	68,727	2,586,367	(8,871,550)	(6,216,456)
<i>Pro forma</i>				
At 1 January 2003	26,446	2,444,973	(7,851,080)	(5,379,661)
Proceeds from issue of shares in 2003	42,281	141,394	—	183,675
Retained loss for year	—	—	(1,020,470)	(1,020,470)
Proceeds from shares issued in 2004	236,463	3,192,471	—	3,428,934
Conversion of loan stock	326,264	4,019,566	(92,578)	4,253,252
At 31 December 2003	631,454	9,798,404	(8,964,128)	1,465,730

## 16. OTHER FINANCIAL COMMITMENTS

*Operating leases*

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	2003	2002	2003	2002
	£	£	£	£
Expiring within two to five years	100,000	363,668	962	962

## 17. PENSION ARRANGEMENTS

The company provides pension arrangements to all full time employees through a defined contribution scheme. The costs are disclosed in note 4.

## 18. NOTE TO THE PRO FORMA BALANCE SHEET

The pro forma balance sheet of the company is based on the audited balance sheet of the company as at 31 December 2003, adjusted in accordance with the notes set out below which reflect the equity funding round and conversion and redemption of loan notes, both of which occurred in April 2004.

In April 2004, subsequent to the balance sheet date, the company completed a financial restructuring and funding round under which it raised £3.392m of new equity funding and converted £4.346m of loan stock to ordinary shares. The remaining £2.352m of loan stock and accrued interest was repaid.

# NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2003

## 18. NOTE TO THE PRO FORMA BALANCE SHEET (continued)

	<i>Cash</i>	<i>Loan</i>	<i>Share</i>	<i>Share</i>	<i>Profit and</i>
	<i>£</i>	<i>stock</i>	<i>capital</i>	<i>premium</i>	<i>loss</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
At 31 December 2003	163,870	(6,604,810)	(68,727)	(2,586,367)	8,871,550
Proceeds from shares	3,428,934	—	(236,463)	(3,192,471)	—
Loan stock interest in 2004	—	(92,578)	—	—	92,578
Conversion of loan stock	—	4,345,831	(326,264)	(4,019,566)	—
Repayment of loan stock and interest	(2,351,557)	2,351,557	—	—	—
Pro forma	1,241,247	—	631,454	9,798,404	8,964,128

The directors consider the commercial impact of the transactions significant enough to justify separate identification on a pro forma basis as at 31 December 2003 as follows:

	<i>Notes</i>	<i>As at 31 December 2003</i>	<i>Effect of restructuring</i>	<i>Pro forma 2003</i>
		<i>£</i>	<i>£</i>	<i>£</i>
<b>FIXED ASSETS</b>				
Tangible assets	8	19,149	—	91,149
Investment	9	69	—	69
		91,218	—	91,218
<b>CURRENT ASSETS</b>				
Debtors	10	581,924	—	581,924
Cash in bank and in hand		163,870	1,077,376	1,241,246
		745,794	1,077,376	1,823,170
<b>CREDITORS: amounts falling due within one year</b>	11	(448,658)	—	(448,658)
<b>NET CURRENT ASSETS</b>		297,136	1,077,376	1,374,512
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		338,354	1,077,376	1,465,730
<b>CREDITORS: amounts falling due after more than one year</b>	12	(6,604,810)	6,604,810	—
<b>NET ASSETS/(LIABILITIES)</b>		(6,216,456)	7,682,186	1,465,730
<b>CAPITAL AND RESERVES</b>				
Called up share capital	14	68,727	562,727	631,454
Share premium account	15	2,586,367	7,212,037	9,798,404
Profit and loss account	15	(8,871,550)	(92,578)	(8,964,128)
<b>EQUITY SHAREHOLDERS' DEFICIT</b>		(6,216,456)	7,682,186	1,465,730

The details of share movements arising from the financial restructuring are given in note 14.