



Press Release

14 September 2009

Asia Digital Holdings plc

("Asia Digital" or "the Group")

Interim Results

Asia Digital Holdings plc (AIM: ADH), the independent online marketing group, today announces its interim results for the six months to 30 June 2009.

Financial Highlights:

-
- Gross Profit increase of 4% to £2.1 million for H1 2009 (£2.06 million in H1 2008)
- Operating Costs up 26% to £3.02 million for H1 2009 (£2.4 million in H1 2008)
- EBITDA* from operations showed a loss of £0.83 million, increased from £0.42 million in H1 2008

(Calculated as profit before interest, tax, amortisation, depreciation, share based payments and share of associated Group loss)

Commenting on the results, Adrian Moss, Chief Executive, said: "We are pleased to have delivered material growth in spite of the global economic environment and excited that this growth has been driven by our new Asian businesses. With the massive growth in Asian Internet users, and expected increase in regional digital advertising budgets we are confident that our growth will continue. Asia represented 35.3% of Group sales and 39% of the Group's gross profit in H1 2009. Asia Digital is well positioned to capitalise on the many opportunities that lie ahead and deliver value for shareholders."

- Ends -

For further information, please contact:

Asia Digital Holdings plc

Adrian Moss, Chief Executive

Tel: +65 6508 9202

www.adhplc.asia

Daniel Stewart & Company plc

Paul Shackleton / Stewart Dickson

Tel: +44 (0) 20 7776 6550

www.danielstewart.co.uk

Abchurch Communications

Heather Salmond / Nick Probert

Tel: +44 (0) 20 7398 7715

nick.probert@abchurch-group.com

www.abchurch-group.com

Chief Executive Statement

Trading Results

Given the backdrop of a global recession, the Group has performed well for the first six months to 30 June 2009 by delivering overall revenue growth of 28% and modest growth in gross profit of 4%. Our operating costs have increased as part of our Asian investment strategy and as a result there has been an increase in the EBITDA loss for the period.

Despite the loss of a major client in the second half of 2008 our Australian operation has been successful in the winning of new business and as a result delivered a similar level of revenues in the first half of 2009 as it did in the first half of 2008. However, a recession-driven shift in sales mix, has led to a 20% fall in gross profit from this operation.

Over the same period our Asian operations delivered a 179% growth in revenue and a 147% growth in gross profit, thereby delivering the Group's entire revenue increase and more than offsetting the fall in gross profit from Australia.

Our Asian businesses represented 35.3% of Group sales for the H1 2009 (16.2% in H1 2008, zero in H1 2007) and this percentage is increasing. Similarly, 39% of the Group's gross profit in H1 2009 was from Asia. (16.6% in H1 2008, zero in H1 2007)

Operational costs have seen a 26% increase in the period driven predominantly by increased investment in Asia and the one off costs of installing a new accounting software system necessitated by the increased geographical diversity of the Group's operations.

In April 2009, less than two years post launch, our Asian businesses went into profit and have shown profitable growth since then.

Asia Digital's operations in South Africa were discontinued within the first half of 2009 on the grounds of inconsistent profitability and to facilitate an increased focus on Asian expansion.

Underlying monthly trends for the Group as a whole have seen a reduction in EBITDA loss through the second quarter of 2009. We are confident that those trends will continue.

Regional Growth Prospects

The Board feels that the growth opportunity in Asia is as attractive now as was the case in 2007 when our head office was relocated to Singapore in order to execute an Asian expansion strategy.

In 2007, there were reportedly 462 million Internet users in Asia, and that number has grown to 704 million in 2009. This represents the largest Internet user base in the world and is significantly larger than the current internet user base in Europe of 402 million users.

However, the estimated internet advertising spend in Asia (excluding Japan) for 2009 of \$7 billion equates to only \$11 per user, per year. In 2000, the internet advertising spend per user in the UK was also \$11 but by 2009 it has grown by 945% to \$106. Other territories such as North America and Europe have experienced similar growth in spend per user. . Material growth is therefore expected in Asia internet advertising budgets. [Sources: Zenith Optimedia July 2000 and 2007 Advertising Forecasts, www.InternetWorldStats.com]

Whilst search engine marketing and display advertising are the two key recipient channels within digital advertising spend in the Asia Pacific region, the pursuit of a return from digital advertising budgets is expected to dominate spend allocation decisions, particularly in a post recession environment.

Therefore, the Board believes that the current offering of the Group is well placed to benefit from the growth in digital advertising in Asia. The Group offering is based on core capabilities in search engine marketing, display advertising and affiliate marketing, it and has been built around the delivery of a demonstrable return on advertising budget investment.

The Group's offering is further strengthened strategically as a result of our ownership of our core affiliate marketing technology and our strategic holding in DC Storm, the provider of our search engine marketing and analytics technologies

Strategic Alliances

There has been a great deal of focus placed on building a solid route to market through strategic alliances with relevant agencies that have clients as our target customers. Though the two key strategic relationships signed and announced in the second half of 2009 are yet to deliver material benefit to the Group, the potential and expectations remain for growth and positive contribution from these partnerships as we progress through the remainder of 2009 and beyond.

Other Matters

Name Change

On 30 June 2009, we completed the formalities relating to the change of the Group's name to Asia Digital Holdings Plc in recognition of our Asia focus and to assist in differentiation of the Group's different offerings.

Board Changes

On the 7 August 2009, we were delighted to welcome Tina Beattie to the Board as a non-executive director. She brings a wealth of experience and will undoubtedly be a great asset to the Board as we continue to grow the business and create value for shareholders.

On the 30 April 2009, we announced the departure of Zoe Tang from the Group. Zoe had occupied the role of Chief Financial Officer ("CFO") since September 2008 and left the Group for personal reasons. Adrian Moss, Group CEO, assumed the role of CFO in the short term and the Group is actively looking to replace Zoe over the second half of 2009. The Board would like to thank Zoe for her contribution.

Finally the Board would like to thank the shareholders and staff for their patience, resolve and support. With this support, the Group is now in a strong position to take advantage of the significant opportunity that lies ahead.

Adrian Moss

Chief Executive Officer

11 September 2009

Consolidated income statement for the six months ended 30 June 2009

	6 months to 30 June 2009	6 months to 30 June 2008	Year to 31 Dec 2008
	£'000	£'000	£'000
Continuing operations			
Revenue	8,576	6,694	14,700
Cost of sales	<u>(6,440)</u>	<u>(4,635)</u>	<u>(10,511)</u>
GROSS PROFIT	2,136	2,059	4,189
ADMINISTRATIVE EXPENSES			
- Amortisation	(137)	(137)	(274)
- Depreciation	(49)	(61)	(148)
- Share based payment	(22)	(160)	(179)
- Other administrative expenses	<u>(3,022)</u>	<u>(2,400)</u>	<u>(6,021)</u>
	(3,230)	(2,758)	(6,622)
LOSS FROM OPERATIONS	(1,094)	(699)	(2,433)
Interest received	-	6	4
Interest payable	(40)	(1)	(25)
Share of (loss) of associates	(4)	(49)	(343)
	<u>(1,138)</u>	<u>(743)</u>	<u>(2,797)</u>
LOSS BEFORE TAX	(1,138)	(743)	(2,797)
Taxation	<u>-</u>	<u>-</u>	<u>(41)</u>
TOTAL LOSS AFTER TAXATION FOR PERIOD FROM CONTINUING OPERATIONS	<u>(1,138)</u>	<u>(743)</u>	<u>(2,838)</u>
Discontinued operations			
PROFIT/(LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS	54	(76)	-
TOTAL LOSS FOR THE PERIOD	<u>(1,084)</u>	<u>(819)</u>	<u>(2,838)</u>
Attributable to:			
Equity holders of the parent	(1,084)	(819)	(2,838)
Minority interest	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(1,084)</u>	<u>(819)</u>	<u>(2,838)</u>

Earnings per share

BASIC AND DILUTED LOSS PER SHARE	(0.24p)	(0.18p)	(0.62p)
BASIC AND DILUTED LOSS PER SHARE FROM CONTINUING OPERATIONS	(0.25p)	(0.16p)	(0.62p)
BASIC AND DILUTED PROFIT/(LOSS) PER SHARE FROM DISCONTINUED OPERATIONS	0.01p	(0.02p)	-

Consolidated statement of comprehensive income for the six months ended 30 June 2009

	6 months to 30 June 2009	6 months to 30 June 2008	Year to 31 Dec 2008
	£'000	£'000	£'000
Loss for the period	(1,084)	(819)	(2,838)
Other comprehensive income			
Exchange differences on translation of foreign operations	11	(159)	(524)
Total comprehensive income for the period	<u>(1,073)</u>	<u>(978)</u>	<u>(3,362)</u>
Attributable to:			
Equity holders of the parent	(1,073)	(978)	(3,362)
Minority interest	-	-	-
	<u>(1,073)</u>	<u>(978)</u>	<u>(3,362)</u>

Consolidated statement of financial position as at 30 June 2009

	6 months to 30 June 2009	6 months to 30 June 2008	Year to 31 Dec 2008
	£'000	£'000	£'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	134	212	190
Intangible assets	267	579	404
Investment in associates	131	428	135
Deferred tax	3	10	3
	<u>535</u>	<u>1,229</u>	<u>732</u>
CURRENT ASSETS			
Trade and other receivables	4,104	3,811	4,227
Cash and cash equivalents	674	873	528
	<u>4,778</u>	<u>4,684</u>	<u>4,755</u>
TOTAL ASSETS	<u><u>5,313</u></u>	<u><u>5,913</u></u>	<u><u>5,487</u></u>
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT			
Called up share capital	4,537	4,537	4,537
Capital redemption reserve	13,188	13,188	13,188
Share based payment reserve	905	864	883
Share premium account	22,683	22,683	22,683
Translation reserve	(459)	(105)	(470)
Retained earnings	<u>(42,744)</u>	<u>(39,642)</u>	<u>(41,660)</u>
TOTAL EQUITY	<u>(1,890)</u>	<u>1,525</u>	<u>(839)</u>
CURRENT LIABILITIES			
Trade and other payables	6,554	4,388	5,677
Lease commitments provision	608	-	608
Corporation tax	41	-	41
TOTAL LIABILITIES	<u>7,203</u>	<u>4,388</u>	<u>6,326</u>
TOTAL EQUITY AND LIABILITIES	<u><u>5,313</u></u>	<u><u>5,913</u></u>	<u><u>5,487</u></u>

The consolidated interim financial statements were approved by the board of directors and signed on their behalf on 11 September 2009

Consolidated statement of changes in equity for the six months ended 30 June 2009

	Share capital	Share premium	Capital redemption reserve	Share based payment reserve	Translation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2009	4,537	22,683	13,188	883	(470)	(41,660)	(839)
Dividends	-	-	-	-	-	-	-
Share options issued in share-based payments	-	-	-	22	-	-	22
Issue of share capital	-	-	-	-	-	-	-
Transactions with owners	4,537	22,683	13,188	905	(470)	(41,660)	(817)
Loss for the period	-	-	-	-	-	(1,084)	(1,084)
Other comprehensive income:							
Exchange differences on translation of foreign operations	-	-	-	-	11	-	11
Total comprehensive income for the period	-	-	-	-	11	(1,084)	(1,073)
Balance at 30 June 2009	4,537	22,683	13,188	905	(459)	(42,744)	(1,890)
Balance at 1 January 2008	4,537	22,683	13,188	704	54	(38,823)	2,343
Dividends	-	-	-	-	-	-	-
Share options issued in share-based payments	-	-	-	160	-	-	160
Issue of share capital	-	-	-	-	-	-	-
Transactions with owners	4,537	22,683	13,188	864	54	(38,823)	2,503
Loss for the period	-	-	-	-	-	(819)	(819)
Other comprehensive income:							
Exchange differences on translation of foreign operations	-	-	-	-	(159)	-	(159)
Total comprehensive income for the period	-	-	-	-	(159)	(819)	(978)
Balance at 30 June 2008	4,537	22,683	13,188	864	(105)	(39,642)	1,525

**Consolidated statement of changes in equity for the six months ended 30 June 2009
(Continued)**

	Share capital	Share premium	Capital redemption reserve	Share based payment reserve	Translation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2008	4,537	22,683	13,188	704	54	(38,823)	2,343
Dividends	-	-	-	-	-	-	-
Share options issued in share-based payments	-	-	-	179	-	-	179
Issue of share capital	-	-	-	-	-	-	-
Transactions with owners	4,537	22,683	13,188	883	54	(38,823)	2,522
Loss for the period	-	-	-	-	-	(2,838)	(2,838)
Other comprehensive income:							
Exchange differences on translation of foreign operations	-	-	-	-	(524)	-	(524)
Total comprehensive income for the period	-	-	-	-	(524)	(2,838)	(3,362)
Balance at 31 December 2008	4,537	22,683	13,188	883	(470)	(41,660)	(839)

Consolidated statement of cash flows for the six months ended 30 June 2009

	6 months to 30 June 09	6 months to 30 June 08	Year to 31 Dec 08
	£'000	£'000	£'000
Operating activities			
Loss after tax	(1,084)	(819)	(2,838)
Depreciation	49	61	148
Amortisation	137	137	274
Share based payment	22	160	179
Decrease/(increase) in receivables	123	(656)	(1,063)
Increase in payables	377	1,469	3,402
Foreign exchange differences	11	(159)	(524)
Interest Expense	40	(5)	21
Share of loss from associated undertakings	4	49	343
Tax charge/(credit)	-	-	41
Net cash flow from operations	(321)	237	(17)
Investing activities			
Disposal/Purchase of property, plant and equipment	7	(39)	(104)
Interest received	-	6	4
Net cash used in investing activities	7	(33)	(100)
Net cash outflow before financing activities	(314)	204	(117)
Financing activities			
Issue of Convertible Loan Notes	500	-	-
Interest paid	(40)	(1)	(25)
Net cash generated from/(used in) financing activities	460	(1)	(25)
Net (decrease)/increase in cash and cash equivalents	146	203	(142)
Cash and cash equivalents at start of period	528	670	670
Cash and cash equivalents at end of period	674	873	528

1 GENERAL INFORMATION

The condensed interim Financial Statements for the six months ended 30 June 2009 were authorised for issue in accordance with a resolution of the Board of Directors on 11 September 2009.

The Company is a public limited company incorporated in the United Kingdom. The address of its registered office is 19 Cavendish Square, London, W1A 2AW

The Company is listed on the London Stock Exchange's Alternative Investment Market.

The financial information for the year ended 31 December 2008 set out in this interim report does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The Group's statutory financial statements for the year ended 31 December 2008 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under Section 237(2) and Section 237(3) of the Companies Act 1985.

2 BASIS OF PREPARATION

These condensed interim Financial Statements for the six months ended 30 June 2009 have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the European Union. These condensed interim Financial Statements should be read in conjunction with the annual Financial Statements for the year ended 31 December 2008, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

Going Concern

The Directors have undertaken a detailed review of the Group's trading budgets, cash flow forecasts and available financial facilities in order to ensure that the preparation of the financial statements on the going concern basis is appropriate.

The Directors consider the forecasts to have been prepared on a reasonable basis representing management's best estimates of the Group's trading and cash flow. The Group announced on Monday, 17 August 2009 that it expected to achieve a positive Group EBITA within quarter four 2009 on a month by month basis. The board still believes this to be the case.

Based on their review of the forecasts, the Directors have assessed that the Group has access to adequate resources to enable it to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the interim report and accounts.

3 ACCOUNTING POLICIES

The accounting policies applied in these condensed interim Financial Statement are consistent with those of the annual Financial Statements for the year ended 31 December

2008, as described in the annual Financial Statements, except for the adoption of IAS 1 Presentation of Financial Statements (Revised 2007) and IFRS 8 Operating Segments.

The adoption of IAS 1 (Revised 2007) does not affect the financial position or profits of the Group, but gives rise to additional disclosures. The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged, however some items that were recognised directly in equity are now recognised in other comprehensive income, for example exchange differences on translation of foreign operations. IAS 1 (Revised 2007) affects the presentation of owner changes in equity and introduces a 'Statement of comprehensive income'. In accordance with the new standard the entity does not present a 'Statement of recognised income and expenses (SORIE)', as was presented in the 2008 consolidated financial statements. Further, a 'Statement of changes in equity' is presented.

As part of the adoption of IFRS 8, the Group has disclosed revenue and segmental results by the main operating segments in addition to the geographical segment. This is also in line with how the information is reported internally to the Group's chief operating decision makers.

Borrowings are recognised at fair value, net of transaction costs incurred. They are then accounted for using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

4 REVENUE AND SEGMENTAL INFORMATION

The Group is principally engaged in the provision of online marketing services. Revenue is attributable to the principal activity, which is mainly carried out in Australia and the Asia Pacific region. In addition to these geographical segments, Management also considers the business from an operating segment perspective.

The main operating segments are DGM and AKTIV. The other operating segments do not meet the quantitative thresholds required by IFRS 8 to be reported as separate segments.

The DGM segment is a specialist, online marketing operation focusing on the delivery of customers to advertisers through search engine marketing, affiliate and display advertising, servicing both agencies and direct clients.

The AKTIV segment is an advertising sales network working with digital media owners to monetise their inventory of advertising slots (banner, emails, SMS) through an in-house team selling to both agencies representing advertisers and direct advertisers.

An analysis of revenue and segment result by geography and operating segment is shown below:

Six months to 30 June 2009	Australia	Asia Pacific	*Other	Operating Central Costs	Holding Company Costs	Total
	£'000	£'000	£'000	£'000	£'000	£'000
External revenue						
DGM	5,548	1,930	-	-	-	7,478
AKTIV	-	910	-	-	-	910
OTHER	-	188	-	-	-	188
	<u>5,548</u>	<u>3,028</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,576</u>
Segment result						
DGM	347	(42)		(385)		(80)
AKTIV	-	198		(145)		53
OTHER	-	(105)	54	(12)	(742)	(805)
	<u>347</u>	<u>51</u>	<u>54</u>	<u>(542)</u>	<u>(742)</u>	<u>(832)</u>
Amortisation						(137)
Depreciation						(49)
Share based payment						(22)
Interest						(40)
Share of loss of associates						(4)
Tax						-
Total Loss for the period						(1,084)
Six months to 30 June 2008	Australia	Asia Pacific	*Other	Operating Central Costs	Holding Company Costs	Total
	£'000	£'000	£'000	£'000	£'000	£'000
External revenue						
DGM	5,426	627	-	-	-	6,053
AKTIV	-	303	-	-	-	303
OTHER	-	153	185	-	-	338
	<u>5,426</u>	<u>1,083</u>	<u>185</u>	<u>-</u>	<u>-</u>	<u>6,694</u>
Segment result						
DGM	708	(104)	-	(366)	-	238
AKTIV	-	(39)	-	(78)	-	(117)
OTHER	-	(3)	(58)	(12)	(465)	(538)
	<u>708</u>	<u>(146)</u>	<u>(58)</u>	<u>(456)</u>	<u>(465)</u>	<u>(417)</u>
Amortisation						(137)
Depreciation						(61)
Share based payment						(160)
Interest						5
Share of loss of associates						(49)
Tax						-
Total Loss for the period						(819)

4 REVENUE AND SEGMENTAL INFORMATION (Continued)

Year to 31 December 2008	Australia £'000	Asia Pacific £'000	*Other £'000	Operating Central Costs £'000	**Holding Company Costs £'000	Total £'000
External revenue						
DGM	11,391	1882	-	-	-	13,273
AKTIV	-	895	-	-	-	895
OTHER	-	163	369	-	-	532
	<u>11,391</u>	<u>2,940</u>	<u>369</u>	<u>-</u>	<u>-</u>	<u>14,700</u>
Segment result						
DGM	1,060	(147)	-	(768)	-	145
AKTIV	-	59	-	(156)	-	(97)
OTHER	-	(91)	(368)	(25)	(1,396)	(1,880)
	<u>1,060</u>	<u>(179)</u>	<u>(368)</u>	<u>(949)</u>	<u>(1,396)</u>	<u>(1,832)</u>
Amortisation						(274)
Depreciation						(148)
Share based payment						(179)
Interest						(21)
Share of loss of associates						(343)
Tax						(41)
Total Loss for the year						(2,838)

* This relates to discontinued operations

** Holding Company Costs for the year ended 31 December 2008 includes £727,000 in leasehold and other provisions

5 SEASONAL FLUCTUATIONS

The business of Asia Digital Holdings Plc is subject to seasonal fluctuations, with stronger demand for services in the second half of the year.

6 LOSS PER SHARE

The calculation for the basic loss per share is based upon the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

Reconciliation of the loss and weighted average number of shares used in the calculations are set out below:

	6 months to 30 Jun 09	6 months to 30 Jun 08	Year to to 31 Dec 08
Continuing operations			
Loss after tax and attributable to ordinary shareholders (£'000)	(1,138)	(743)	(2,838)
Weighted average number of shares	453,768,684	453,768,684	453,768,684
Basic and diluted earnings per share	<u>(0.25p)</u>	<u>(0.16p)</u>	<u>(0.62p)</u>
Discontinued operations			
Profit/(Loss) after tax and attributable to ordinary shareholders (£'000)	54	(76)	-
Weighted average number of shares	453,768,684	453,768,684	453,768,684
Basic and diluted earnings per share	<u>0.01p</u>	<u>(0.02p)</u>	<u>-</u>
Total operations			
Loss after tax and attributable to ordinary shareholders (£'000)	(1,084)	(819)	(2,838)
Weighted average number of shares	453,768,684	453,768,684	453,768,684
Basic and diluted earnings per share	<u>(0.24p)</u>	<u>(0.18p)</u>	<u>(0.62p)</u>

In view of the loss for the period, options have no dilutive effect

7 SHARE BASED PAYMENTS

During the period 8,525,000 options (June 2008: 14,579,999) were issued at an average fair value of 0.35 pence per share (June 2008: 0.54 pence).

The fair values of the options granted during the period ended 30 June 2009 were determined using the binomial valuation model. The value of the options has been adjusted for future dividends, assuming that they will be paid from 2013 at a yield of 3%.

The model takes into account a volatility rate of 100% which has been derived from historical experience. A weighted average risk free interest rate of 2.4% has been applied. The share price at grant date was 0.60 pence and the weighted average exercise price was 1.43 pence per share.

The options were granted in accordance with the Group's Enterprise Management Incentive Scheme. The options have lives of 10 years and vest in three equal tranches over the first three years of their lives provided the employees continue to work for group. The expected lives of the options used in application of the binomial model were 5 years for managerial staff and 4 years for non-managerial staff.

The amount of employee remuneration expense for the 6 months ended 30 June 2009, in respect of unvested share options granted in this period and earlier periods, amounts to £21,665 (June 2008: £19,186).

8 LEASE COMMITMENTS PROVISION

There has been no movement in the period to 30 June 2009.

9 RELATED PARTY TRANSACTIONS

During the period the Group entered into the following related party transactions. All transactions were made on an arm's length basis:

Howard Kennedy

Keith Lassman, Non-Executive Director and shareholder, is a partner of Howard Kennedy, Solicitors. During the period, the Group paid £7,050 (2008: £3,590) in respect of legal services provided to the Group. The balance due to Howard Kennedy, Solicitors, at the period end was £21,772 (2008: £7,050)

DC Storm Limited

DC Storm Limited is an associated undertaking company. During the period the Group was charged £45,000 (2008: £75,000) in respect of software licensing provided to the Group. The balance due to DC Storm Limited at period end was £Nil (2008: £Nil).

dealgroupmedia (UK) Limited

dealgroupmedia (UK) Limited is an associated undertaking company. During the period the Group was charged £180,000 (2008: £180,000) in respect of technical services provided to the Group. The Group also charged office rental and software licensing of £75,640 (2008: £39,482) and £15,000 (2008: £15,000) respectively.

Transactions involving major shareholder

An amount of £500,000 was raised by way of a convertible loan note which carries a 15% coupon payable with principal on repayment. This has been issued to River Don Limited, a company controlled by John Porter, a major shareholder in the Group and also a director of an associated undertaking company.