3967525

REGISTRAR OF COMPANIES

EBIQUITY PLC
(Formerly Thomson Intermedia Plc)

Annual Report and Accounts
Year ended 30 April 2009

Highlights

Total Group revenues increased by 7% to £18.4m

- Analytics business revenue increased by 13% to £12.8m representing 69% of total revenue
- Revenue from international assignments within Analytics grew by 36%
- Platform business renewals at 84%

Return to reported profitability with underlying* operating profit up 17%

- Group underlying* operating profit of £2.4m (2008: £2.0m)
- Reported operating profit turned around to £1.4m (2008: £1.1m loss)
- Reported profit before tax of £1.2m (2008: £1.4m loss)
- Underlying diluted EPS up 20% to 5.28p (2008: 4.39p)
- Basic EPS of 0.27p (2008: 4.00p loss)

Investing in future growth from well funded, cash generative business

- New ventures in Germany and Spain
- New York office now leader in media performance evaluation
- Continual investment strengthening global presence

** before Highlighted Items (see note 3)*

Group information

Directors

Michael Higgins	*Non-Executive Chairman*
Michael Greenlees	*Chief Executive Officer*
Nick Manning	*Chief Operating Officer*
Paul Gladman	*Chief Information Officer*
Andrew Beach	*Chief Financial Officer*
Stephen Thomson	*Non-Executive Director*
Sarah Jane Thomson	*Non-Executive Director*
Fiona Driscoll	*Non-Executive Director*
Richard Nichols	*Non-Executive Director*

Company Secretary
Andrew Beach

Registered office
The Registry
Royal Mint Court
London EC3N 4QN

Registration
Registered and incorporated in England & Wales
Registration number 3967525

Independent Auditors
BDO Stoy Hayward LLP
55 Baker Street
London W1U 7EU

Nominated adviser and broker
Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

Solicitors
Lewis Silkin LLP
5 Chancery Lane
Clifford's Inn
London EC4A 1BL

DMH Limited
40 High Street
Crawley RH10 1BW

Registrars
Computershare Investor Services PLC
PO Box 82
The Pavilions
Bridgwater Road
Bristol BS99 7NH

Chairman's statement

The year to 30 April 2009 cannot be commented upon without reference to the economic environment that we and our clients have faced. The period has seen, amongst other things, the financial services sector plunged into crisis, emerging only now into a period of fragile equilibrium. However, no sector has been immune from this recession and there will inevitably be a long tail of corporate crises and failures yet to come, as the UK and the other major economies creep slowly out of this economic mire.

We entered this year with the business poised for material growth. The outturn has been one of steady progress which in the circumstances is extremely commendable. This progress has demonstrated the value we provide to our clients and has highlighted the need for all marketing spend to be subject to professional and critical monitoring and evaluation. Our clients now recognise that in the increasingly complex world of marketing, our independent advice and analysis is both a necessary and valuable contribution to their business.

Following just over 9 years service, Fiona Driscoll is stepping down from the Board at the end of July. Fiona joined the Board just before the company was floated and has been on both the audit committee and remuneration committees throughout. She also stood in as Chairman for some months prior to my appointment. On behalf of the current Board, and most particularly the founders of the business, I must thank Fiona for her substantial contribution to the company's development and stewardship throughout her tenure on the Board.

I am delighted that Richard Nichols has joined the Board during the year. He brings his previous experience not only as a former quoted company finance director to the audit committee, but also his extensive past and present experience in running significant businesses in the communications and marketing services sectors to the Board. Richard has joined both the audit and remuneration committees

Our progress has only been possible because of the commitment of all our people, and on behalf of the Board I must thank them for their continued commitment and contribution to the business.

The business has grown and developed through a period of unprecedented uncertainty and economic difficulty. The outlook is clearly better now than it was even a few months ago and our value to our clients' businesses will, we believe, enable us to progress in advance of the general economic revival. Having said this, we will combine our optimism for our business with a cautious view on the general economic outlook.

Michael J Higgins

Michael Higgins
Chairman

21 July 2009

Chief Executive's Review

Overview

I am pleased to report that this has been a year of solid progress.

Total revenue for the year to 30 April 2009 was up 7% to £18.4 million compared to the prior year. At the same time Group underlying operating profit (before highlighted items) was up 17% to £2.4 million.

Reported operating profit showed a significant turn-around at £1.4 million compared to a loss of £1.1 million for the prior year.

Underlying diluted earnings per share were up 20% to 5.28p.

Investing for future growth

As our company grows in strength and profitability, we are increasingly investing for future growth. We have recently begun to take steps to build both our international capabilities and to lay foundations for a stronger domestic performance in the future. This will enable us to deliver strong new revenue streams in the years to come.

Our international work within our Analytics business has continued to demonstrate strong growth and now accounts for 33% (2008: 26%) of total Group revenues and 47% (2008: 39%) of our Analytics business.

International client assignments have been the main driver of this performance, which has been fuelled by a growing demand for our services in the US, across Europe and increasingly in Asia Pacific, as an increasing number of global advertisers seek to build on our best practice approach to media and marketing effectiveness.

In the past year, our US office, based in New York, has carved out a significant position as the leader in media performance evaluation and now works with a number of large domestic and international advertisers.

As a consequence we have taken a number of carefully planned steps to strengthen our international capabilities to maximise this growing opportunity.

In Spain, we have negotiated an option to buy a 25% interest in Media Value, one of the country's fastest growing media performance consultancies, now called Billetts Media Value. In Germany, we have invested in Billetts Germany, which is already working with a number of significant local and international clients and is on track to make a significant contribution to our overall group performance in 2010/11.

Elsewhere we work through a federation of 'partner' offices across the world. This continues to serve us well, and we are able to work with global clients in up to twenty countries worldwide. The average number of clients we work with across the 12 major global markets has increased by over 50%.

Our clients demand the highest level of transparency, data integrity and a consistent methodology and it is for this reason that we plan to take prudent steps to further strengthen our network of international offices.

Chief Executive's Review (continued)

On the domestic front we continue to invest in Newslive 2.0, our new editorial monitoring platform. Editorial monitoring is a significant UK market and one that has perhaps never been more relevant given the growth in corporate scrutiny by the news media and the negative (and positive) impact such scrutiny can have on both corporate and personal reputations. Our data capture operation in Bromley makes us perfectly suited to build on our world leading advertising monitoring business to address an adjacent and far larger market.

We launched Newslive 2.0 into beta test in November 2008 and this gave us sufficient confidence to move to a full launch in May 2009. Our expectations are that Newslive will begin to make a contribution to profits during 2010/11.

Our business environment and economic impact

While it is impossible to understate the impact of the global recession on businesses generally, there is little doubt that the downturn can present marketers with significant opportunities to improve their media and marketing performance.

Media prices have been tumbling across the world as reduced budgets have led to contracting demand for advertising in most categories. The good news for advertisers is that they can achieve real cost savings in most markets.

Yet paradoxically, despite falling media prices, media and marketing planning has never been more complex and the opportunities for inefficiencies and waste never greater. It is this paradox that has led to advertisers demanding greater discipline in understanding the real return they can achieve for their media and marketing spend. It is this dynamic that is fuelling the growth of our Analytics business as more and more advertisers turn to us for advice and counsel. With the UK's largest media database and real time insights into media and market changes, we are frequently best equipped to provide clear independent advice.

Whilst our Analytics business has perhaps benefited from our clients placing a higher than usual emphasis on ensuring maximum media and marketing effectiveness and stronger return on their marketing investment, other parts of our business have performed less well.

Our advertising monitoring business has suffered from a negative impact on renewals as a result of many clients cutting advertising spend, increased corporate consolidations reducing available contracts and an ailing car industry. As a result renewal levels for the year have reduced to 84% (2008: 92%), which although someway behind what we expected this time last year remains reasonably good with continuing strength particularly coming from the retail sector where swift reaction to a competitor's activity remains a key business driver.

Chief Executive's Review (continued)

Outlook

The coming year will continue to be difficult economically and we will continue to take whatever measures are necessary to ensure we emerge from this recession even stronger than before.

Our priority is to continue to build a strong, growing and sustainable revenue stream by developing more ways to help our clients. To achieve this, however, will require investments that, in the short term at least, will result in some margin depression.

Having said this, we have much to feel positive about:

- Our market position is one with significant customer traction and relevance to these economic times as companies seek greater insights into their media and marketing performance;
- We have a strong balance sheet and our ability to generate cash will see it strengthening even further in the coming year;
- We have taken careful steps to invest in our future with the potential to generate new revenue streams, particularly overseas;
- Over the medium term we anticipate that we will be in a position to strengthen our margins significantly as our business begins to scale.

Overall, therefore, we have many reasons to remain positive about our future prospects.

Michael Greenlees
Chief Executive Officer

21 July 2009

Financial Review

Ebiquity plc is publishing its final results for the year ended 30 April 2009.

Revenue

	Year ended 30 April 2009 £'000	Year ended 30 April 2008 £'000
Analytics	12,786	11,310
Platform	5,633	5,910
Total Revenue	**18,419**	**17,220**

Since last year's Annual Report, our "Consulting Services" division has been renamed "Analytics" (and consists of our marketing effectiveness and media auditing and consultancy practices) and our "Technology & Data" division as "Platform" (which consists of advertising and editorial monitoring and our ePublisher business).

Total Group revenue increased by 7% to £18.4 million (2008: £17.2 million). This growth was driven by the Analytics division where revenue increased by 13% to £12.8 million, and now represents 69% of total Group revenue (2008: 66%). Within this division, revenue from international audit assignments (defined as non UK sourced revenue, or UK sourced revenue where marketing activity is analysed in more than one country) grew by 36% to £6.1m.

Revenue from the smaller Platform division was down 5%. This was in part due to a softening in the renewal rate (by value) to 84% (2008: 92%) and also due to a slow down in new sales of our advertising monitoring platform. Newslive 2.0, our newly launched editorial monitoring platform, has seen some sales traction, but these sales are not at this stage significant enough to make a notable impact on the division's revenue performance.

Gross Profit

Gross profit for the period was up 9% to £9.8m (2008: £9.0m), yielding an improved gross margin of 53% (2008: 52%).

The Analytics gross profit has improved from £5.5m to £6.9m, with margins increasing from 49% to 54%. The margin increase principally reflects the uplift in revenues, together with tight control of data costs, offset by some increase in headcount.

The Platform gross profit has reduced from £3.4m to £3.0m, with margins decreasing from 58% to 53%. The margin decrease reflects the fall in revenue driven by our advertising monitoring platform (down £277,000), together with investment in staff and production costs primarily to service the launch of Newslive 2.0 (up £147,000).

Financial Review (continued)

Operating Profit

Profit before highlighted items is termed "underlying operating profit". Certain items have been highlighted because separate disclosure is considered relevant in understanding the underlying performance of the business.

	Year ended 30 April 2009 £'000	Year ended 30 April 2008 £'000
Analytics	3,241	1,857
Platform	(355)	419
Central costs	(523)	(259)
Underlying operating profit	**2,363**	**2,017**
Highlighted items	(933)	(3,140)
Reported operating profit/(loss)	**1,430**	**(1,123)**

Underlying operating profit was £2.4m (2008: £2.0m), representing a 17% increase over the prior year. The reported operating result has seen a turnaround to a profit of £1.4m (2008: £1.1m loss).

Our Analytics division has continued to perform well with increased revenues from a well managed cost base. At the gross profit level, we have seen an increase of £1,311,000 as explained above. Administrative expenses have decreased by £75,000, primarily as a result of a decrease in central overhead allocations and a movement in foreign exchange gains.

Our Platform division has performed less well with reduced revenues from advertising monitoring, together with planned investment in the launch of Newslive 2.0. At the gross profit level, we have seen a decrease of £425,000 as explained above. Administrative expenses have increased by £349,000, primarily as a result of an increase in headcount costs to set Newslive up for future growth in our advertising monitoring platform.

Central costs consist of legal and advisory expenses not attributable to the divisions and Board director time spent on strategic planning, together with foreign exchange movements on a US dollar loan to our US subsidiary, Billetts America LLC. This loan, totalling $1.7m, generated a gain of £292,000 in the current financial year (2008: £3,000 loss). The remainder of the increase represents an increased group-wide strategic focus by the Board directors.

During the year we have taken the decision to write off capitalised development costs with a carrying value of £106,000, most of which related to projects associated with the advertising monitoring platform following a slow down in new sales. These costs have been allocated to the appropriate divisions.

Financial Review (continued)

Highlighted Items

	Year ended 30 April 2009			Year ended 30 April 2008		
	Cash	Non-cash	Total	Cash	Non-cash	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Recurring:						
Share based expenses	-	313	**313**	-	99	**99**
Amortisation of purchased intangibles	-	362	**362**	-	369	**369**
	-	675	**675**	-	468	**468**
Non recurring:						
Restructuring costs	258	-	**258**	521	-	**521**
Development costs write off	-	-	-	-	1,457	**1,457**
Property costs	-	-	-	548	(90)	**458**
Other costs	-	-	-	236	-	**236**
	258	-	**258**	1,305	1,367	**2,672**
Total highlighted items	**258**	**675**	**933**	**1,305**	**1,835**	**3,140**

The restructuring costs of £258,000 relate primarily to a realignment of our senior management structure, closure of our Spanish office following investment in a replacement venture, and a reduction of the operations workforce due to reduced workload.

Profit before tax and EPS

	30 April 2009 £'000	30 April 2008 £'000
Reported operating profit/(loss)	1,430	(1,123)
Net finance costs	(243)	(250)
Share of loss of associates	(14)	-
Profit/(loss) before tax	**1,173**	**(1,373)**

Net finance costs were £243,000 (2008: £250,000) which reflects a broadly flat level of gross debt over the period.

Loss from associates represents our share of the losses of Billetts Germany GmbH, a company in which we have a 10% stake.

Underlying profit before tax was up 19% to £2.1m (2008: £1.8m). Reported profit before tax has turned around to £1.2m (2008: £1.4m loss).

Financial Review (continued)

Underlying diluted earnings per share was 5.28p (2008: 4.39p). Reported diluted earnings per share was 0.26p (2008: 4.00p loss).

The Board is not currently recommending the payment of a dividend, reflecting the growth nature of the Group and the opportunities for further development, particularly internationally.

Cash and Debt

	As at 30 April 2009 £'000	**As at 30 April 2008 £'000**
Cash	1,246	1,687
Loans to associates	362	-
Debt	(3,800)	(3,751)
Net Debt	**(2,192)**	**(2,064)**

Net cash from operating activities for the year was £0.8m (2008: £1.8m), reflecting the decrease in trade creditors and other payables which were high at 30 April 2008 as the result of office relocation and restructuring activity late in the financial year.

Against the backdrop of the current economic environment, we have placed significant emphasis on cash generation and collections. Cash collection during the year was up 3% on the prior year. Our focus on this area has had notable impact. Debtor days have reduced to 62 days, down from 65 days as at 30 April 2008.

Loans to associates reflect loans made to Billetts Germany GmbH. The full balance is repayable on demand.

Gross debt remains broadly flat (up £0.05m) since a further £0.5m was drawn down from our revolving credit facility but scheduled payments of £0.45 million were made to the bank and loan note holders. The net debt position has remained broadly flat at £2.2 million (2008: £2.1 million), despite positive operating cash flows, because of "one off" spends on office relocation (£254,000) and management restructuring (£436,000). During the year, the Group also invested £511,000 in intangible assets (capitalised development work).

The Group continues to trade comfortably within all of its banking facilities and covenants. As at 30 April 2009, the Group had bank revolving credit facilities totalling £3.0m, of which £1.0m remains unutilised.

Andrew Beach
Chief Financial Officer

21 July 2009

Directors' Report

The Directors present their annual report and Group audited accounts for the year ended 30 April 2009.

Business review and principal activities

Ebiquity plc is the holding company for a group which continues to provide a range of business critical data, analysis and consultancy services to advertisers, media owners and PR professionals, both in the UK and internationally. The Chief Executive Officer's Review on pages 5 to 7 sets out the full activities of the Group.

The profit for the year after taxation amounted to £89,000 (30 April 2008: £1,276,000 loss). Full details of the results for the year are set out in the Financial Review on pages 8 to 11.

Business environment

The sector in which Ebiquity operates has attractive growth characteristics due to the increasing focus by companies on bringing more accountability to their marketing spend and analysing its return on investment. The advertising market has historically operated as a "trust" industry with high fragmentation and low levels of transparency around pricing. This is now changing rapidly as a result of improved technology and measurement techniques, new media channels and an increasing focus by advertisers on value for money. As set out in the Chief Executive Officer's Review on pages 5 to 7, the Group believes that it continues to be well placed to take advantage of these market trends.

Strategy

A review of the Group's strategy is included in the Chief Executive Officer's Review on pages 5 to 7.

Research and development

The Group continues to invest in development of products. This has resulted in some breakthroughs in technology and enhancements of existing services that will benefit the Group in the medium to long term. In particular we have relaunched our Newslive service in this financial year.

Trading review and future development

A review of the business and future outlook are included in the Chief Executive Officer's Review on pages 5 to 7.

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The Directors believe that the key business risks affecting the Group are as follows:

IT systems

Ebiquity relies on its IT systems to deliver services to customers. As a technology-led business, a key risk is the possibility of an interruption to the running of the Group's hardware or software. To minimise this risk, the Group has a team of dedicated IT professionals with the skills to maintain the systems and address potential issues as they arise. The Group has also invested heavily in back-up systems and procedures to mitigate the impact of any outage.

Directors' Report (continued)

Economic cycle

During periods of economic downturn, overall spending on marketing activity is likely to decline and this in turn may impact on the Group's revenues. However, the Group believes that the products and services of the Analytics business, which are focused on helping its customers achieve maximum value from their marketing spend, will be even more valuable in a recessionary environment. This should help to shield the Group from the impact of an economic downturn.

Loss of key staff

Our Directors and staff are critical to the servicing of existing customers and the winning of new business. The departure of key individuals and the inability to recruit people with the right experience and skills could adversely affect the Group's results. With this risk in mind, key staff are subject to financial lock-ins and long term incentive arrangements linked to Group results which are designed to reward loyalty and performance. We are further reviewing our incentive packages in the current financial year.

Competition

The marketing services sector is highly competitive, with frequent new product innovations and enhancements, all of which means that there can be no guarantee that the Group will generate expected revenues. However, the Group is well placed to counter these threats given its solid market position, the quality and comprehensiveness of its database and its proprietary, world-leading technology all of which act as strong barriers to entry for potential competitors.

Directors' Report (continued)

Key performance indicators ("KPIs")

Whilst the Board monitors many financial and operational measures to track the Group's progress, there are four core KPIs which are set out below:

KPI	Year ended 30 April 2009	Year ended 30 April 2008	Definition, method of calculation and analysis
Core revenues (£k)	18,419	17,220	Revenues from our Analytics and Platform businesses. The Core business has continued to grow well during 2008/9 as a result of organic growth, particularly from our International business. Note that we have no non-core revenues in either financial year presented.
Underlying operating profit (£k)	2,363	2,017	Operating profit before highlighted items. Underlying operating profit was up 17% in 2008/9, reflecting an improved performance from our International business.
Subscriptions Renewal Rate (%)	84%	92%	Percentage of advertising monitoring business (by contract value) which has renewed over the previous 12 months. The decrease in renewal rate reflects the impact of recessionary factors on our clients, through consolidation, administration, and cost cutting exercises.
Net Cash From Operating Activities (£k)	827	1,806	Cash flow before investing and financing activities. Cash flow decreased in 2008/9 largely due to movements in working capital.

Dividends

The Directors do not recommend the payment of a dividend (2008: £nil).

Charitable and political donations

During the year the Group made charitable donations of £280 (2008: £nil) and no political donations (2008: £nil).

Creditor payment policy

The Group's policy is to comply wherever possible with any payment terms agreed with suppliers. As at 30 April 2009, the Group's average creditor days figure was 56 days (2008: 57 days). The Group had £1,075,000 trade creditors at the year end (2008: £1,555,000).

Directors' Report (continued)

Substantial shareholdings

At 21 July 2009 the following held more than 3% of the Company's ordinary share capital, other than the shareholdings held by Directors. No other person has reported an interest of more than 3% in the Company's ordinary shares.

Name	No of shares	%
Kabouter Management	3,750,000	11.7
Herald Investment Management	3,241,950	10.1
Mark H Dixon	2,250,000	7.0
Capital Group	1,544,200	4.8
Henderson Global Investors	1,400,000	4.4
Artemis Investment Management	1,125,000	3.5

Financial instruments

The Group's principal financial instruments comprise bank loans and cash. The main purpose of these financial instruments is to provide finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The Group has financed its business through a term loan and revolving credit facility. The operations of the Group generate cash and the planned growth of activities is cash generative. Full details of financial instruments are included in note 25 of the results.

Going concern

The Board is responsible for considering whether it is appropriate to prepare financial statements on a going concern basis. After making appropriate enquiries the Board concluded that the Group has adequate resources to continue in operation for the foreseeable future. For this reason the Group continues to adopt the going concern basis in preparing the financial statements.

Disclosure of information to auditors

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's Auditors for the purposes of their audit and to establish that the Auditors are aware of that information. The Directors are not aware of any relevant audit information of which the Auditors are unaware.

Directors' indemnity

The Company purchased and maintained throughout the period Directors' and officers' liability insurance in respect of its Directors and officers and those of its subsidiaries.

Directors' Report (continued)

Directors

The Directors who held office during the period and until the date of this report were as follows:

Michael Higgins	*Non-Executive Chairman*
Michael Greenlees	*Chief Executive Officer*
Nick Manning	*Chief Operating Officer*
Paul Gladman	*Chief Information Officer*
Andrew Beach	*Chief Financial Officer*
Stephen Thomson	*Non-Executive Director*
Sarah Jane Thomson	*Non-Executive Director*
Fiona Driscoll	*Non-Executive Director*
Richard Nichols	*Non-Executive Director (appointed 1 November 2008)*

Directors' interests

The beneficial interests of Directors, who were Directors at the year end, in the ordinary shares of the company and options to purchase such shares at the beginning and end of the financial year comprised:

	Number of ordinary shares 30 April 2009	**Options 30 April 2009**	**Number of ordinary shares 30 April 2008**	**Options 30 April 2008**
Michael Higgins	64,500	-	64,500	-
Michael Greenlees	50,000	1,919,760	50,000	1,919,760
Nick Manning	50,000	1,464,285	50,000	1,464,285
Paul Gladman	908,804	1,308,451	908,804	508,451
Andrew Beach	20,000	164,476	20,000	96,908
Stephen Thomson	5,302,393	145,921	5,302,393	145,921
Sarah Jane Thomson	5,302,394	145,921	5,302,394	145,921
Fiona Driscoll	33,316	-	33,316	-
Richard Nichols	-	-	-	-

No Director has any direct interest in the shares of any subsidiary company. Subsequent to the year end, Andrew Beach was awarded a further 25,000 share options. There have been no other changes in the above Directors' shareholdings between 30 April 2009 and 21 July 2009.

Auditors

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next Annual General Meeting.

By order of the Board:

Andrew Beach
Company Secretary

21 July 2009

Directors, Board Committees and Corporate Governance

Board of Directors

The Board of Directors, which comprises four Executive Directors, four independent Non-Executive Directors, and an independent Non-Executive Chairman meets approximately seven times a year. The Board is responsible for leading and controlling the Group. The four Executive Directors and a further six members of senior management comprise the Group's Business Development team, which meets on a frequent basis, and provides the principal vehicle for directing the Group's business at an operational level.

The following Board committees deal with the important aspects of the Group's affairs and provide independent, objective advice:

Audit Committee

The Audit Committee, which meets three times a year, is chaired by Michael Higgins and comprises the Non-Executive Chairman and a minimum of one other Non-Executive Director. The purpose of the committee is to ensure the preservation of good financial practices throughout the Group; to monitor that controls are in force to ensure the integrity of financial information; to review the interim and annual financial statements; and to provide a line of communication between the Board and the external Auditors.

Remuneration Committee

The Remuneration Committee, which meets at least once a year, is chaired by Michael Higgins and comprises the Non-Executive Chairman and two Non-Executive Directors. It is responsible for the Executive Directors' remuneration and other benefits and terms of employment, including performance related bonuses and share options.

Nomination Committee

Given the small size of the Board, the Board as a whole fulfils the function of the Nomination Committee.

Compliance with the Combined Code

Under the rules of the AiM market the Group is not required to comply with the Combined Code. However, the Directors have taken steps to comply with the Combined Code in so far as it can be applied practically, given the size of the Group and the nature of its operations.

The Directors acknowledge that fully listed companies are required to report on internal controls in compliance with The Combined Code. Despite the fact that the Group is not bound to comply, as it is listed on the AiM market, the Directors recognise the need to focus on significant risks and related controls, procedures and reports. The Directors consider that such matters are dealt with appropriately bearing in mind the Group's present size and its potential for expansion.

Statement of Directors' Responsibilities

The Directors are responsible for keeping adequate accounting records that show and explain the Company's transactions, 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 requirements of the Companies Act 2006.

The Directors are required by the Companies Act 2006 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit or loss of the Group for the financial year. The Directors are required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market. The Directors have chosen to prepare financial statements for the company in accordance with United Kingdom Generally Accepted Accounting Practice.

In preparing the Group and Company 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;
- for the Group financial statements, state whether they have been prepared in accordance with IFRS as adopted by the EU;
- for the Company financial statements, state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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.

Website Publication

The Directors are responsible for ensuring the annual report and financial statements are made available on a website. Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Ebiquity Plc

Independent auditor's report

To the shareholders of Ebiquity Plc

We have audited the financial statements of Ebiquity plc for the year ended 30 April 2009 which comprise the consolidated income statement, the consolidated statement of recognised income and expense, the consolidated and Company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements 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 sections 495 and 496 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 statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the 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 (APB'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 and 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 financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 30 April 2009 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

BDO Stoy Hayward LLP

Andrew Viner (senior statutory auditor)
For and on behalf of BDO Stoy Hayward LLP, statutory auditor
London
21 July 2009

Consolidated Income Statement
for the year ended 30 April 2009

	Note	Year ended 30 April 2009	Year ended 30 April 2008
		£'000	£'000
Revenue		18,419	17,220
Cost of Sales		(8,574)	(8,261)
Gross Profit		**9,845**	**8,959**
Administrative expenses – excluding highlighted items		(7,482)	(6,942)
Administrative expenses – highlighted items	3	(933)	(3,140)
Total administrative expenses		**(8,415)**	**(10,082)**
Operating profit before highlighted items	4	**2,363**	**2,017**
Administrative expenses – highlighted items	3	**(933)**	**(3,140)**
Operating profit/(loss)		**1,430**	**(1,123)**
Finance income		25	62
Finance expenses		(268)	(312)
Net finance costs		**(243)**	**(250)**
Share of loss of associates	13	(14)	-
Profit/(loss) before taxation		**1,173**	**(1,373)**
Tax (expense)/income	7	(1,084)	97
Profit/(loss) for the year		**89**	**(1,276)**
Attributable to:			
Equity holders of the parent		87	(1,276)
Minority interests		2	-
		89	**(1,276)**
Earnings/(loss) per share			
Basic	8	0.27p	(4.00)p
Diluted	8	0.26p	(4.00)p

The notes on pages 25 to 61 form part of these financial statements.

Consolidated Statement of Recognised Income and Expense
for the year ended 30 April 2009

	Year ended 30 April 2009	Year ended 30 April 2008
	£'000	**£'000**
Exchange differences on translation of overseas subsidiary	(180)	13
Deferred tax movement on share based expenses	-	(80)
Total income and expense recognised directly in equity	(180)	(67)
Profit/(loss) for the year	89	(1,276)
Total recognised income and expense for the year	**(91)**	**(1,343)**
Attributable to:		
Equity holders of the parent	(93)	(1,343)
Minority interest	2	-
	(91)	**(1,343)**

Consolidated Balance Sheet
as at 30 April 2009

	Note	30 April 2009 £'000	30 April 2008 £'000
Non current assets			
Goodwill	9	8,754	8,754
Other intangible assets	10	2,795	2,876
Property, plant & equipment	11	971	882
Investment in joint ventures	12	115	115
Investment in associates	13	17	-
Loans and other financial assets	14	77	-
Deferred tax asset	20	142	979
Total non current assets		**12,871**	**13,606**
Current assets			
Trade & other receivables	15	5,932	5,753
Cash & cash equivalents	16	1,246	1,687
Loans and other financial assets	14	362	-
Total current assets		**7,540**	**7,440**
Total assets		**20,411**	**21,046**
Current liabilities			
Other financial liabilities	17	(2,513)	(1,951)
Trade & other payables	18	(1,852)	(2,273)
Current tax liabilities		(306)	(226)
Provisions	19	(51)	(156)
Accruals & deferred income		(4,266)	(4,703)
Total current liabilities		**(8,988)**	**(9,309)**
Non current liabilities			
Other financial liabilities	17	(1,332)	(1,800)
Provisions	19	(99)	(65)
Deferred tax liability	20	(565)	(667)
Total non current liabilities		**(1,996)**	**(2,532)**
Total liabilities		**(10,984)**	**(11,841)**
Total net assets		**9,427**	**9,205**
Capital & reserves			
Share capital	22	8,035	8,035
Share premium	23	1,846	1,846
Merger reserve	23	(4,504)	(4,504)
Translation reserve	23	(117)	63
Retained earnings	23	4,167	3,765
Capital and reserves attributable to the equity holder of the parent	23	**9,427**	**9,205**
Minority interest		-	-
Total equity		**9,427**	**9,205**

The financial statements on pages 21 to 61 were approved and authorised for issue by the Board of Directors on 21 July 2009 and were signed on its behalf by:

Michael Greenlees
Director

Andrew Beach
Director

The notes on pages 25 to 61 form part of these financial statements.

Consolidated Cashflow Statement
for the year ended 30 April 2009

	Year ended 30 April 2009	Year ended 30 April 2008
	£'000	£'000
Cashflows from operating activities		
Profit/(loss) before taxation	1,173	(1,373)
Adjustments for:		
Depreciation	364	333
Amortisation	487	434
Capitalised development costs write off	106	1,457
Foreign exchange gain on intercompany balances	(298)	-
Share option charges	313	99
Finance income	(25)	(62)
Finance expenses	268	312
Call/put options valuation (net)	(6)	-
Share of loss of associates	14	-
	2,396	**1,200**
Increase in trade receivables	(10)	(41)
(Decrease)/increase in trade payables	(951)	849
(Decrease)/increase in provisions	(71)	3
Cash generated from operations	**1,364**	**2,011**
Finance expenses	(268)	(312)
Income taxes (paid)/refunded	(269)	107
Net cash from operating activities	***827***	***1,806***
Cashflows from investing activities		
Purchase of property, plant & equipment	(454)	(610)
Purchase of intangible assets	(511)	(335)
Purchase of investments	(26)	(128)
Purchase of investments in associates	(17)	-
Grant of loan to associates	(362)	-
Finance income	25	62
Net cash used in investing activities	***(1,345)***	***(1,011)***
Cashflows from financing activities		
Proceeds from issue of share capital	-	104
Proceeds from long term borrowings	1,113	-
Repayment of bank loans	(1,013)	(863)
Loan note settlement	(51)	(443)
Net cashflow used in financing activities	***49***	***(1,202)***
Net decrease in cash, cash equivalents and bank overdrafts	**(469)**	**(407)**
Effect of unrealised foreign exchange gains	28	(11)
Cash, cash equivalents and bank overdraft at beginning of period	**1,687**	**2,105**
Cash, cash equivalents and bank overdraft at end of period (note 16)	**1,246**	**1,687**

Notes to the consolidated financial statements

1. Accounting policies

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by European Union (Adopted IFRSs) and with those parts of the Companies Act 2006 applicable to companies preparing their financial statements under Adopted IFRSs.

Significant Accounting Policies

The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The results of each subsidiary are included from the date that control is transferred to the Group until the date that control ceases.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests represents the portion of profit and net assets in subsidiaries that is not held by the Group.

Business combinations

Purchase method of accounting

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

1. Accounting policies (continued)

Merger method of accounting

Under IFRS 1, the Group is not required to re-state acquisitions or business combinations prior to the date of transition. Therefore the Group is permitted to retain its historical merger accounting position in the consolidated accounts.

Investments in Joint Ventures

A jointly controlled entity is an entity over which the Group exercises joint control through a contractual arrangement. The Group's investment in its jointly controlled entities is recognised using the equity method of accounting. The investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss of the jointly controlled entity after the date of acquisition. The Group's share of the profit or loss of the jointly controlled entity is recognised in the Group's profit or loss. To the extent that distributions received from the jointly controlled entity are made out of pre-acquisition profits then such dividends are applied to reduce the carrying amount of the investment.

Investments in associates

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that identifiable net assets of the associate at the date of acquisition (i.e. discount on acquisition) is credited in profit or loss in the period of acquisition.

Where a group company transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate. Losses may provide evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the Income Statement and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Goodwill arising on other acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes. Income is recognised evenly over the period of the contract for media monitoring, news and vouching subscription, and in accordance with the stage of completion of the contract activity for consultancy income.

If the outcome of a contract cannot be estimated reliably, the contract revenue is recognised to the extent of contract costs incurred that it is probable would be recoverable. Costs are recognised as an expense in the period in which they are incurred.

Finance income and expenses

Finance income and expense represents interest receivable and payable. Finance income and expense is recognised on an accruals basis, based on the interest rate applicable to each bank or loan account.

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Foreign currencies

For the purposes of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rate for the period, which approximates to the rate applicable at the dates of the transactions.

The exchange differences arising from the retranslation of the balance sheet amounts of foreign subsidiaries and the difference on translation of the results of those subsidiaries into the presentational currency of the Group are recognised in the translation reserve. All other exchange differences are dealt with through the Income Statement.

Highlighted items

Highlighted items comprise significant recurring non-cash items, and cash and non-cash non-recurring items which are highlighted in the income statement because separate disclosure is considered relevant for an understanding of the underlying performance of the business.

Taxation

The tax expense included in the Consolidated Income Statement comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted by the balance sheet date.

Tax is recognised in the Consolidated Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Using the balance sheet liability method, deferred tax is provided on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, except for differences arising on:

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

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date.

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

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

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- *the same taxable group company; or*
- different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives. The rates generally applicable are:

Motor vehicles	25% per annum reducing balance
Fixtures, fittings and equipment	25% per annum reducing balance
Computer equipment	25% per annum on costs
Short leasehold land and buildings improvements	Over the life of the lease
Plant and equipment	Straight line over 3-10 years

Other intangible assets

Internally-generated intangible assets – development expenditure

An internally-generated intangible asset arising from the Group's development expenditure is recognised only if all of the following conditions are met:

- It is technically feasible to develop the asset so that it will be available for use or sale;
- Adequate resources are available to complete the development and to use or sell the asset;
- There is an intention to complete the asset for use or sale;
- The Group is able to use or sell the intangible asset;
- It is probable that the asset created will generate future economic benefits; and
- The development cost of the asset can be measured reliably.

Internally-generated intangible assets are amortised on a straight-line basis over their useful lives. Amortisation commences when the asset is available for use and useful lives range from 1-5 years. Where an internally-generated intangible asset cannot be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Purchased intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives. The amortisation expense is included within the administrative expenses line in the Income Statement. Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques. In-process research and development programmes acquired in such combinations are recognised as an asset even if subsequent expenditure is written off because the criteria specified in the policy for development costs above are not met.

The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	*Useful economic life*	*Cost method*
Media Consulting - customer relationships	Straight line over 10 years	Estimated discounted cash flow
Marketing Sciences - customer relationships	Straight line over 5 years	Estimated discounted cash flow
Billetts America - customer relationships	Straight line over 2 years	Estimated discounted cash flow
Trade name	Straight line over 10 years	Estimated royalty stream if rights were to be licensed
Non-compete agreement	Straight line over 1.5 years	Estimated discounted cash flow of potentially lost revenue

Impairment

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, estimates are made of the cashflows of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value, less costs to sell, and value in use. In assessing value in use, estimated future cashflows are discounted to their present value using a discount rate appropriate to the specific asset or cash generating unit.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying value of the asset or cash generating unit is reduced to its recoverable amount. Impairment losses are recognised immediately in the income statement.

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if impairment loss had been recognised.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

The Group classifies its financial assets as 'loans and receivables' and 'other financial assets'. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary asset. They are carried at cost less any provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Other financial assets consist of option acquisition costs and call options, which are carried at fair value with changes in fair value being reflected in the income statement.

Financial liabilities

The Group classifies its financial liabilities as 'Other financial liabilities'. These are initially recognised at fair value. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. "Interest expense" in this context includes initial transaction costs as well as any interest or coupon payable while the liability is outstanding. Put options are carried at fair value with changes in fair value being reflected in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and short term deposits. Bank overdrafts are an integral part of the Group's cash management and are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Employee Share Ownership Plan (ESOP)

As the Company is deemed to have control of its ESOP trust, it is treated as a subsidiary and consolidated for the purposes of the Group accounts. The ESOP's assets (other than investments in the company's shares), liabilities, income and expenses are included on a line-by-line basis in the Group financial statements. The ESOP's investment in the Company's shares is deducted from shareholders' funds in the Group balance sheet as if they were treasury shares, except that profits on the sale of ESOP shares are not credited to the share premium account.

Share-based payments

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity investments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. A charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Retirement benefits

Defined contribution schemes: Contributions to defined contribution pension schemes are charged to the Income Statement in the year to which they relate.

Leased assets

Where substantially all of the risks and rewards incidental to ownership are retained by the lessor (an "operating lease"), the total rentals payable under the lease are charged to the Income Statement on a straight-line basis over the lease term. The land and buildings elements of property leases are considered separately for the purposes of lease classification.

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Critical accounting estimates and judgements

The Group makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Carrying value of goodwill and other intangible assets

Determining whether goodwill and other intangibles should be capitalised, the amortisation period appropriate to intangible assets and whether or not these assets are impaired requires estimation of the value in use of the cash-generating units to which the goodwill and other intangible assets has been allocated. The value in use calculation requires the entity to estimate future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Details regarding the goodwill and other intangible assets carrying value and assumptions used in carrying out the impairment reviews are provided in notes 9 and 10.

Income taxes

The Group is primarily subject to income taxes in the UK and the US, and judgement and estimates of future profitability are required to determine the Groups deferred tax position. If the final tax outcome is different to that assumed, resulting changes will be reflected in the Income Statement, unless the tax relates to an item charged to equity in which case the changes in the tax estimates will also be reflected in equity. The company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

Valuation of share based payments

In determining the fair value of share based payments management have to assess which valuation models are appropriate and estimate various inputs into these models, in particular, expected option lives and share price volatility.

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

Adoption of new standards and interpretations

Certain new standards, amendments to new standards and interpretations have been published that are mandatory to the Group's future accounting period but have not been adopted early in these financial statements. These are set out below:

Title	*Implementation*	*Anticipated effect on the Group*
IFRIC 13: Customer Loyalty programmes	Periods commencing on or after 1 July 2008	None.
IFRIC 15: Agreements for the construction of real estate	Periods commencing on or after 1 January 2009	None.
IFRIC 16: Hedges of net investment in a foreign operation	Periods commencing on or after 1 October 2008	None.
IFRIC 17: Distribution of non-cash assets to owners	Periods commencing on or after 1 July 2009	None.
IFRIC 18: Contributions of Assets from Customers	Transfers received on or after 1 July 2009.	Management is currently assessing the impact on the financial statements.
Improvements to IFRS (May 2008)	Periods commencing on or after 1 January 2009	Management is currently assessing the impact on the financial statements.
Improvements to IFRS (April 2009)	Periods commencing on or after 1 July 2009 or 1 January 2010	Management is currently assessing the impact on the financial statements.
IAS 1 (Revised 2007): Presentation of financial statements	Periods commencing on or after 1 January 2009	Changes to presentation of primary financial statements. Management is currently assessing impact.
IAS 16: Property plan and equipment	Periods commencing on or after 1 January 2009	None.
IAS 19: Employee benefits	Periods commencing on or after 1 January 2009	None.
IAS 20: Government grants	Periods commencing on or after 1 January 2009	None.
IAS 23: Borrowing costs	Periods commencing on or after 1 January 2009	Management is currently assessing the impact of IAS 23 on the financial statements.
IAS 27: Consolidated and separate financial statements	Periods commencing on or after 1 July 2009	Management is currently assessing the impact on the financial statements.
IAS 32 (Amendment): Presentation and IAS 1 Presentation of financial statements – puttable financial instruments and obligations arising on liquidation	Periods commencing on or after 1 July 2009	None.
IAS 39 (Amendment): Eligible hedged items	Periods commencing on or after 1 July 2009	None.

Notes to the consolidated financial statements (continued)

1. Accounting policies (continued)

IFRS 2: Vesting conditions and cancellations	Periods commencing on or after 1 January 2009	None.
IFRS 3 (Amendment); Business combinations	Periods commencing on or after 1 July 2009	Management is currently assessing the impact of IFRS 3 on the financial statements.
IFRS 8: Operating segments	Periods commencing on or after 1 January 2009	Additional disclosures only.
Embedded Derivatives (Amendments to IFRIC 9 and IAS 39)	Periods ending on or after 30 June 2009.	None.
Amendments to IFRS 7: Improving disclosures about financial instruments	Periods commencing on or after 1 January 2009	Additional disclosures. Management is currently assessing impact.

2. Segmental reporting

The Group offers its clients a range of media information products and services. These products and services were considered under a number of criteria (including nature of the products and services, type or class of clients, methods of distribution and supply).

Since last year's Annual Report, the "Consulting Services" division has been renamed "Analytics" (and consists of the Group's marketing effectiveness and media auditing and consultancy practices) and the "Technology and Data" division as "Platform" (which consists of advertising and editorial monitoring and ePublisher services). It was concluded that the following segments generally have separate risks and returns:

- Analytics: comprising revenue from audit services and marketing effectiveness consultancy, which are delivered by teams of media professionals using proprietary technology solutions and support services.
- Platform: comprising revenue from competitive advertising monitoring, news monitoring and e-vouching, all of which are delivered via online platforms.

During the year, the allocation methods of central costs were reviewed and adjusted to provide a more accurate representation of the costs associated with the operation of each segment. The prior year comparatives have subsequently been restated to reflect the revised methods.

The effect on the prior year figures as a result of this change is a £469,000 reduction in Analytics profit, a £170,000 decrease in loss in the Platform division and a £299,000 reduction in central costs.

Notes to the consolidated financial statements (continued)

2. Segmental reporting (continued)

Primary reporting format – business segments

Year ended 30 April 2009

	Analytics	Platform	Central	Total continuing operations
	£'000	£'000	£'000	£'000
Revenue				
External	12,786	5,633	-	18,419
Total revenue	**12,786**	**5,633**	**-**	**18,419**
Result				
Operating profit/(loss) before highlighted items	3,241	(355)	(523)	2,363
Highlighted items - administrative expenses	(573)	(226)	(134)	(933)
Operating profit/(loss)	2,668	(581)	(657)	1,430
Finance income				25
Finance expenses				(268)
Share of loss of associates				(14)
Profit before tax				1,173
Tax expense				(1,084)
Profit				**89**
Other information				
Segment assets	12,689	7,436	154	20,279
Investments in equity method associates/JVs	-	-	132	132
Consolidated total assets	**12,689**	**7,436**	**286**	**20,411**
Segment liabilities	(3,085)	(4,514)	(3,385)	(10,984)
Consolidated total liabilities	**(3,085)**	**(4,514)**	**(3,385)**	**(10,984)**
Capital expenditure on PP&E and IFAs	**138**	**381**	**446**	**965**
Depreciation of PP&E	**(152)**	**(212)**	**-**	**(364)**
Amortisation of intangible fixed assets	**(362)**	**(125)**	**-**	**(487)**
Other non-cash expenses - foreign exchange	**175**	**3**	**279**	**457**

Notes to the consolidated financial statements (continued)

2. Segmental reporting (continued)

Year ended 30 April 2008 (Restated)

	Analytics	Platform	Central	Total continuing operations
	£'000	£'000	£'000	£'000
Revenue				
External	11,310	5,910	-	17,220
Total revenue	**11,310**	**5,910**	**-**	**17,220**
Result				
Operating profit/(loss) before highlighted items	1,857	419	(259)	2,017
Highlighted items - administrative expenses	(1,102)	(2,029)	(9)	(3,140)
Operating profit/(loss)	755	(1,610)	(268)	(1,123)
Finance income				62
Finance expenses				(312)
Loss before tax				(1,373)
Tax income				97
Loss				**(1,276)**
Other information				
Segment assets	17,375	3,489	67	20,931
Investments in equity method associates/JVs	-	-	115	115
Consolidated total assets	**17,375**	**3,489**	**182**	**21,046**
Segment liabilities	(3,836)	(5,486)	(2,519)	(11,481)
Consolidated total liabilities	**(3,836)**	**(5,486)**	**(2,519)**	**(11,481)**
Capital expenditure on PP&E and IFAs	**6**	**632**	**307**	**945**
Depreciation of PP&E	**(138)**	**(195)**	**-**	**(333)**
Amortisation of intangible fixed assets	**(369)**	**(65)**		**(434)**
Other non-cash expenses - foreign exchange	**32**	**10**	**(3)**	**39**

Notes to the consolidated financial statements (continued)

2. Segmental reporting (continued)

Secondary reporting format – geographical segments

The Group's business segments operate in 4 main geographical areas. The home country of the Group is the United Kingdom.

	Year to 30 April 2009			Year to 30 April 2008		
	External revenue by location of customers £'000	**Total assets by location of assets £'000**	**Capital expenditure by location of assets £'000**	External revenue by location of customers £'000	Total assets by location of assets £'000	Capital expenditure by location of assets £'000
United Kingdom	13,904	19,586	965	13,993	20,555	939
Rest of Europe	1,198	21	-	663	108	1
North America	2,207	804	-	1,978	383	5
Rest of world	1,110	-	-	586	-	-
Total	**18,419**	**20,411**	**965**	17,220	21,046	945

3. Highlighted items

Highlighted items comprise significant non-cash charges and non-recurring items which are highlighted in the income statement because separate disclosure is considered relevant in understanding the underlying performance of the business.

	Year ended 30 April 2009			Year ended 30 April 2008		
	Cash £'000	**Non-cash £'000**	**Total £'000**	Cash £'000	Non-cash £'000	Total £'000
Recurring:						
Share based expenses	-	313	**313**	-	99	99
Amortisation of purchased intangibles	-	362	**362**	-	369	369
	-	675	**675**	-	468	468
Non recurring:						
Restructuring costs	258	-	**258**	521	-	521
Development costs write off	-	-	-	-	1,457	1,457
Property costs	-	-	-	548	(90)	458
Other costs	-	-	-	236	-	236
	258	-	**258**	1,305	1,367	2,672
Total highlighted items	**258**	**675**	**933**	1,305	1,835	3,140

Notes to the consolidated financial statements (continued)

3. Highlighted items (continued)

The restructuring costs of £258,000 relate primarily to a realignment of our senior management structure, closure of our Spanish office following investment in a replacement venture, and a reduction of the operations workforce due to reduced workload.

4. Operating profit

Operating profit is stated after charging/(crediting):

	Year to 30 April 2009 £'000	Year to 30 April 2008 £'000
Operating lease rentals		
- motor vehicles	**21**	21
- land and buildings	**460**	451
Depreciation – owned assets	**364**	333
Amortisation of capitalised development costs	**125**	66
Amortisation of purchased intangible assets	**362**	369
Development costs - expensed	**470**	464
Foreign exchange gain	**(457)**	(39)
Income from sub-lease	**(86)**	(22)

Auditor remuneration

During the period the Group (including its overseas subsidiaries) obtained the following services from the Group's auditors at costs as detailed below:

	Year to 30 April 2009 £'000	Year to 30 April 2008 £'000
Fees payable to the company's auditors for the audit of the parent company and consolidated financial statements	**5**	5
Fees payable to the company's auditors and its associates for other services:		
- The audit of the company's subsidiaries, pursuant to legislation	**68**	64
- Other taxation services	**-**	15
- Other services	**12**	11
	85	95

Notes to the consolidated financial statements (continued)

5. Employee information

The average number of employees of the Group, including Executive Directors, was as follows:

	2009	2008
	No.	No.
Sales and marketing	**98**	96
Information technology development	**16**	18
Production	**115**	103
Administration	**18**	15
Directors	**8**	8
	255	240

All employee costs (with the exception of employees of overseas subsidiaries) were borne by Ebiquity Associates Limited. Staff costs for all employees, including Executive Directors, consist of:

	Year ended 30 April 2009	Year ended 30 April 2008
	£'000	£'000
Wages and salaries	**8,077**	7,948
Social security costs	**922**	879
Pension costs	**164**	171
Share options charge	**313**	99
	9,476	9,097

Directors' Remuneration

	Year ended 30 April 2009	Year ended 30 April 2008
	Total	Total
	£'000	£'000
Michael Higgins	**68**	68
Michael Greenlees	**304**	185
Nick Manning	**253**	129
Michael Uzielli[1]	**-**	119
Andrew Beach[2]	**101**	2
Paul Gladman	**181**	160
Stephen Thomson	**72**	97
Sarah Jane Thomson	**70**	95
Fiona Driscoll	**36**	36
Richard Nichols[3]	**14**	-
	1,099	891

1 resigned on 22 February 2008
2 appointed Director on 23 April 2008
3 appointed on 1 November 2008

Notes to the consolidated financial statements (continued)

5. Employee information (continued)

Highest paid director	**Year ended 30 April 2009 £'000**	Year ended 30 April 2008 £'000
Salary	**304**	185
	304	185

No Directors were part of a company pension scheme as at 30 April 2009 (2008: nil). Contributions totalling £39,000 (2008: £37,000) were made to Directors' private pension schemes (£nil to the highest paid Director, 2008: nil) during the year. No performance bonuses were paid to Directors (2008: nil).

6. Finance income and expenses

	Year ended 30 April 2009 £'000	Year ended 30 April 2008 £'000
Bank interest	**20**	62
Interest on loan to associates	**5**	-
Finance income	**25**	62
Bank loans and overdrafts interest	**267**	304
Loan note interest	**1**	8
Finance expenses	**268**	312

7. Taxation

	Year ended 30 April 2009 £'000	Year ended 30 April 2008 £'000
UK tax		
Current year	**420**	108
Prior year	**(80)**	115
	340	223
Foreign tax		
Current year	**9**	-
Total current tax	**349**	223
Deferred tax		
Origination and reversal of temporary differences	**735**	(202)
Rate change	**-**	22
Prior year	**-**	(140)
	735	(320)
Total tax expense/(income)	**1,084**	(97)

Notes to the consolidated financial statements (continued)

7. Taxation (continued)

The difference between tax as charged in the financial statements and tax at the nominal rate is explained below:

	Year ended 30 April 2009 £'000	Year ended 30 April 2008 £'000
Profit/(loss) before tax	**1,173**	(1,373)
Corporation tax at 28% (2008: 30%)	**328**	(412)
Non deductible taxable expenses	**36**	98
Overseas tax rate differential	**(5)**	-
Overseas losses unrecognised	**4**	55
Capital allowances	**4**	(26)
Additional deduction for R&D expenditure	**(47)**	-
Effect of rate change	**-**	22
Over provision of current and prior year tax	**(80)**	(156)
Other temporary differences	**844**	322
Total tax expense/(income)	**1,084**	(97)

Notes to the consolidated financial statements (continued)

8. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Year ended 30 April 2009	Year ended 30 April 2008
	£'000	£'000
Earnings/(loss) for the purpose of basic earnings per share being net profit attributable to equity holders of the parent	**87**	(1,276)
Adjustments:		
Deferred tax	**735**	(320)
Highlighted items – recurring[1]	**675**	467
Highlighted items – non recurring[1]	**258**	2,673
Earnings for the purpose of underlying earnings per share	**1,755**	1,544
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**32,139,435**	31,877,389
Effect of dilutive potential ordinary shares Share options[2]	**1,082,978**	3,255,634
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**33,222,413**	35,133,023
Basic earnings/(loss) per share	**0.27p**	(4.00)p
Diluted earnings/(loss) per share[2]	**0.26p**	(4.00)p
Underlying basic earnings per share	**5.46p**	4.84p
Underlying diluted earnings per share[2]	**5.28p**	4.39p

1. Highlighted items (see note 3).
2. Note that certain share options have been excluded from the calculation of diluted EPS as their exercise price is greater than the weighted average share price during the year (i.e. they are out-of-the-money) and therefore it would not be advantageous for the holders to exercise those options. 1,601,673 (2008: 400,862) share options have not been included within the diluted earnings per share calculation at 30 April 2009 as they are anti-dilutive for the periods presented. These shares could potentially dilute earnings per share in the future.

There have been no movement in shares since the balance sheet date.

Since the balance sheet date 326,800 share options were issued to employees of the Group.

Notes to the consolidated financial statements (continued)

9. Goodwill

	£'000
At 30 April 2008 and 2009	**8,754**

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill may be impaired. The recoverable amounts are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and growth rates. Management estimates discount rates using rates that reflect current market assessments of the time value of money and risk specific to the cash-generating units. The group prepares cash flow forecasts, and these are consistent with the business acquisitions plans. The cash flows have been discounted at 10%. The growth rates applied were between 7-16%. No impairment of goodwill was recognised in 2009 (2008: £nil).

10. Other intangible assets

	Capitalised development costs	Purchased intangible assets	Total intangible assets
	£'000	£'000	£'000
Cost			
At 1 May 2007	3,488	3,395	6,883
Additions	335	-	335
Write off	(3,251)	-	(3,251)
At 1 May 2008	572	3,395	3,967
Additions	511	-	511
Write off	(131)	-	(131)
At 30 April 2009	**952**	**3,395**	**4,347**
Amortisation			
At 1 May 2007	(1,805)	(646)	(2,451)
Provision for the year	(66)	(368)	(434)
Write off	1,794	-	1,794
At 1 May 2008	(77)	(1,014)	(1,091)
Provision for the year	(125)	(362)	(487)
Write off	26	-	26
At 30 April 2009	**(176)**	**(1,376)**	**(1,552)**
Net book value			
At 30 April 2009	**776**	**2,019**	**2,795**
At 30 April 2008	495	2,381	2,876
At 30 April 2007	1,683	2,749	4,432

Notes to the consolidated financial statements (continued)

10. Other intangible assets (continued)

Amortisation is charged within administrative expenses so as to write off the cost of the purchased intangible assets over their estimated useful lives. The assets, initial values and amortisation periods used are as follows:

Purchased intangibles	Cost at acquisition £'000	Current carrying value £'000	Useful economic life Years	Remaining period of amortisation Years
Media Consulting customer relationships	2,859	1,811	10	6.3
Marketing Sciences customer relationships	271	72	5	1.3
Billetts America customer relationships	43	-	2	-
Trade name	215	136	10	6.3
Non-compete	7	-	1.5	-
Total	**3,395**	**2,019**		

11. Property, plant and equipment

	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Computer equipment £'000	Short leasehold land and buildings improvements £'000	Plant and equipment £'000	Total £'000
Cost						
At 1 May 2007	1	749	1,586	308	26	2,670
Additions	-	178	242	190	-	610
Disposals	-	(96)	(82)	(308)	(126)	(612)
Transfers	-	(238)	138	-	100	-
At 1 May 2008	1	593	1,884	190	-	2,668
Additions	-	48	334	72	-	454
Disposals	(1)	-	-	-	-	(1)
At 30 April 2009	**-**	**641**	**2,218**	**262**	**-**	**3,121**
Depreciation						
At 1 May 2007	-	609	1,183	252	16	2,060
Charge for the year	1	38	238	46	10	333
Disposals	-	(92)	(81)	(308)	(126)	(607)
Transfers	-	(212)	97	15	100	-
At 1 May 2008	1	343	1,437	5	-	1,786
Charge for the year	-	72	249	44	-	365
Disposals	(1)	-	-	-	-	(1)
At 30 April 2009	**-**	**415**	**1,686**	**49**	**-**	**2,150**
Net Book Value						
At 30 April 2009	**-**	**226**	**532**	**213**	**-**	**971**
At 30 April 2008	-	250	447	185	-	882
At 30 April 2007	1	140	403	56	10	610

No assets are held under finance leases.

Notes to the consolidated financial statements (continued)

12. Investment in joint ventures

	£'000
At 30 April 2008 and 2009	115

The investment in joint ventures relates to the Group's 50% fixed capital investment in Thomson Media Control Gmbh & Co Kg (TMC), a media monitoring business incorporated in Baden-Baden, Germany. TMC is currently loss making. In accordance with the contractual arrangement, the Group is not required to fund losses of the joint venture, but will share in profits once TMC has cumulative profits.

Subsidiaries

At 30 April 2009 the Company had interests in the following subsidiary undertakings:

Subsidiary undertaking	Country of incorporation	Class of share capital held	Direct	Indirect	Nature of business
Ebiquity Associates Limited (formerly Thomson Intermedia Associates Limited)	England and Wales	Ordinary £1	100%	-	Technology and media monitoring business
BCMG Limited	England and Wales	Ordinary £1	100%	-	Holding company
Billetts Media Consulting Limited	England and Wales	Ordinary £1	-	100%	Media consultants
Billetts International Limited	England and Wales	Ordinary £1	-	100%	Media consultants
Billetts Marketing Sciences Limited	England and Wales	Ordinary £1	-	100%	Marketing consultants
Barsby Rowe Limited	England and Wales	Ordinary £1	-	100%	Dormant
Billetts Consulting Limited	England and Wales	Ordinary £1	-	100%	Holding company
BCMG Acquisitions Limited	England and Wales	Ordinary £1	-	100%	Holding company
Billetts Marketing Investment Management Limited (formerly Billetts Media Management Limited)	England and Wales	Ordinary £1	-	100%	Dormant
The Billetts Consultancy Limited	England and Wales	Ordinary £1	-	100%	Dormant
Billetts Limited	England and Wales	Ordinary £1	-	100%	Dormant
Baystar Limited	England and Wales	Ordinary £1	-	100%	Dormant
BCMG US Inc	US	Ordinary $1	-	100%	Holding company
Billetts America LLC	US	Ordinary $1	-	95%	Media consultants
Thomson Intermedia Spain, S.L.	Spain	Ordinary €1	100%	-	Non trading

Notes to the consolidated financial statements (continued)

13. Investment in associates

	30 April 2009
	£'000
Aggregated amounts relating to associates	
Total assets	372
Total liabilities	(489)
Revenues	253
Loss	(140)
Group's investment in associate	31
Group's share of loss	(14)
Net investment in associates as at 30 April 2009	17

The above amounts relate solely to the Group's associate in Germany, 'Billetts Germany GmbH'. Billetts Germany GmbH was incorporated in Germany and BCMG Limited (a 100% owned subsidiary of Ebiquity plc) holds 10% of the voting interest in the company. Since two employees of the Group sit on the Board of Billetts Germany, it was concluded that Ebiquity has significant influence.

14. Loans and other financial assets

	30 April 2009
	£'000
Current	
Loans to associates	362
Non current	
Option acquisition costs	26
Call option	51
	77
Total loans and other financial assets	439

The loans to associate relates to the loan to Billetts Germany GmbH. This loan is repayable on demand. The entire balance is to be repaid by 30 October 2011 if not called earlier. Interest is payable at 3% above the 12-month Euribor.

During the year, Ebiquity plc acquired the right to purchase 25% of the share capital of Media Value S.L., a media auditing and consultancy business registered in Spain. The call option can be exercised when certain criteria have been met. The amount shown is the fair value as at the balance sheet date valued in accordance with IAS 39. See note 17 for the corresponding put option.

Notes to the consolidated financial statements (continued)

15. Trade and other receivables

	30 April 2009 £'000	30 April 2008 £'000
Trade and other receivables due within one year		
Trade receivables	**3,223**	3,069
Less provision for doubtful debts	**(105)**	(17)
Net trade receivables	**3,118**	3,052
Other receivables	**362**	337
Prepayments & accrued income	**2,452**	2,364
	5,932	5,753

The Directors consider that the carrying amount of receivables are reasonable approximations of their fair value.

16. Cash and cash equivalents

	30 April 2009 £'000	30 April 2008 £'000
Cash & cash equivalents	**1,246**	1,687

The Group has a legally enforceable right of set off for cash and cash equivalents and bank overdrafts with the Bank of Scotland.

Cash and cash equivalents earn interest at between 0% and 5%.

There were no significant non-cash transactions during the year.

17. Other financial liabilities

	30 April 2009 £'000	30 April 2008 £'000
Current		
Bank borrowings	**2,513**	1,900
Loan notes	**-**	51
	2,513	1,951
Non current		
Bank borrowings	**1,287**	1,800
Put option	**45**	-
	1,332	1,800
Total other financial liabilities	**3,845**	3,751

Notes to the consolidated financial statements (continued)

17. Other financial liabilities (continued)

Bank borrowings comprise a Bank of Scotland term loan of £3,000,000 (of which £1,800,000 remains outstanding at 30 April 2009) and a £3,000,000 revolving credit facility (of which £2,000,000 was the total amount drawn down as at 30 April 2009) with a maturity date of July 2012. Repayments are made on a quarterly basis over the 7 years following drawdown. These initially bore variable interest of LIBOR plus 1.5% plus mandatory costs. The mandatory costs relate to standard banking industry practice of continual assessment of the Group's ratios. The margin rate of 1.5% may be lowered from 3 August 2006 depending on the Company's net borrowings to EBITDA ratio. This was lowered to 1.25% from November 2006 and then to 1% from November 2007. The undrawn amount of the revolving credit facility is liable to a fee at 0.6% (which may be lowered in line with the term loan interest depending on the Company's net borrowing to EBITDA ratio), and from November 2006 was lowered to 0.5%. The Group may elect to prepay all or part of the term loan subject to a break fee, by giving 5 business days notice. All or part of the undrawn amount can be cancelled with 5 business days notice.

All amounts owing to the bank are guaranteed by way of fixed and floating charges over the current and future assets of the Group. As such a composite guarantee has been given by all subsidiary companies with the exception of the US subsidiaries.

The loan notes were issued on 8 August 2006, and were redeemed in full on 31 August 2008, together with accrued interest.

The put option reflects Media Value's shareholders' right to enforce Ebiquity plc to purchase 25% of Media Value where the call option criteria have been met but not yet exercised (see note 14 for corresponding call option). These options are fair valued in accordance with IAS 39.

18. Trade and other payables

	30 April 2009 £'000	30 April 2008 £'000
Trade payables	**1,075**	1,555
Other taxation & social security	**650**	493
Other creditors	**127**	225
	1,852	2,273

The Directors consider that the carrying amount of trade and other payables are reasonable approximations of their fair value.

Notes to the consolidated financial statements (continued)

19. Provisions

	Onerous lease £'000	Dilapidations £'000	Total £'000
At 1 May 2008			
Current	51	105	156
Non current	65	-	65
	116	**105**	**221**
Increase/(decrease) in provision	-	-	-
Utilisation of provision	(51)	(20)	(71)
At 30 April 2009	**65**	**85**	**150**
Current	51	-	51
Non current	14	85	99

The onerous property lease obligation relates to a property that the Group vacated in the prior period for which there is a shortfall between the head lease costs and sub lease income. The provision will be fully utilised by August 2010, the date of the next break clause.

The dilapidations provision is also associated with the Group's office relocation. This provision relates to two properties that the Group vacated during the period. This provision is expected to be fully utilised by August 2010.

20. Deferred tax

	Intangible assets £'000	Share based payment £'000	Tax losses £'000	Other timing differences £'000	Total £'000
At 1 May 2007	(1,329)	400	969	32	72
Charge/(credit) to income	530	(273)	67	(4)	320
Charge/(credit) to equity	-	(80)	-	-	(80)
At 30 April 2008	**(799)**	**47**	**1,036**	**28**	**312**
Charge to income	17	37	(793)	4	(735)
At 30 April 2009	**(782)**	**84**	**243**	**32**	**(423)**

Certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balance (after offset) for financial reporting purposes:

	30 April 2009 £'000	30 April 2008 £'000
Deferred tax assets	**142**	979
Deferred tax liabilities	**(565)**	(667)
	(423)	312

At the balance sheet date, the Group had unused tax losses of £868,000 available for offset against future profits. A deferred tax asset of £243,000 (2008: £1,036,000) has been recognised in respect of such losses. During the year the deferred tax asset was written down by £793,000.

Notes to the consolidated financial statements (continued)

21. Operating leases

Operating leases - lessee

The Group had future minimum lease payments under non-cancellable operating leases at 30 April 2009 and 30 April 2008 which expire on each of the following periods:

	30 April 2009		30 April 2008	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
Within one year	**729**	**14**	499	18
Between one and five years	**2,178**	**-**	2,448	14
After five years	**-**	**-**	690	-
	2,907	**14**	3,637	32

Operating leases - lessor

In the prior period, the Group vacated one of its properties prior to the end of the lease term. This property was sub-let in January 2008. Since the rents receivable over the lease term are contracted to be less than the obligation to the head lessor an onerous lease provision has been recognised (note 19). The sub-lease rental income for the year to 30 April 2009 was £86,000.

The minimum rent receivables under non-cancellable operating leases are as follows:

	30 April 2009 £'000	30 April 2008 £'000
Within one year	**95**	95
Between one and five years	**25**	120
	120	215

22. Share capital

	30 April 2009 £'000	30 April 2008 £'000
Authorised		
40,000,000 ordinary shares of 25p each	**10,000**	10,000
Allotted, called up and fully paid		
32,139,435 ordinary shares - 25p each	**8,035**	8,035

Ordinary shares carry voting rights and are entitled to share in the profits of the Company (dividends).

At the year end 478,671 shares were held by the ESOP (2008: 478,671).

Notes to the consolidated financial statements (continued)

23. Reconciliation of total equity

	Share capital	Share premium	Merger reserve	Translation reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
1 May 2007	7,828	1,840	(4,504)	50	5,161	10,375
Issue of shares	207	6	-	-	(130)	83
Profit for the year	-	-	-	-	(1,276)	(1,276)
Share options charge (net of deferred tax)	-	-	-	-	99	99
Deferred tax movement	-	-	-	-	(80)	(80)
Currency translation differences	-	-	-	13	(9)	4
30 April 2008	**8,035**	**1,846**	**(4,504)**	**63**	**3,765**	**9,205**
Profit for the year	-	-	-	-	89	89
Share options charge (net of deferred tax)	-	-	-	-	313	313
Currency translation differences	-	-	-	(180)	-	(180)
30 April 2009	**8,035**	**1,846**	**(4,504)**	**(117)**	**4,167**	**9,427**

The share premium reserve shows the amount subscribed for share capital in excess of nominal value.

The merger reserve arose on the issuance of shares at a premium on a group restructure, where the premium on issue qualified for merger relief.

The translation reserve arises on the translation into Sterling of the net assets of the Group's foreign operations, offset by any changes in fair value of financial instruments used to hedge this exposure. At this time there are no hedges in place.

The retained earnings reserve shows the cumulative net gains and losses recognised in the consolidated income statement.

Notes to the consolidated financial statements (continued)

24. Share based payments

The total number of shares under option at the year end was 6,351,966 (2008: 5,058,875).

No. of options	Exercise price (pence)	Dates when exercisable
476	105	5 May 2003 to 5 May 2010
400,000	25	31 October 2005 to 31 October 2012
112,616	46	5 May 2007 to 5 May 2014
15,000	88	22 September 2007 to 22 September 2014
400,293	Nil	26 March 2007 to 7 January 2015
12,627	198	7 July 2008 to 7 July 2015
4,376	229	2 May 2009 to 2 May 2016
7,000	207	29 June 2009 to 29 June 2016
22,858	210	25 July 2009 to 25 July 2016
42,195	228	18 October 2009 to 18 October 2016
17,543	114	24 July 2010 to 24 July 2017
114,285	88	1 October 2010 to 1 October 2017
119,760	84	10 October 2010 to 10 October 2017
304,117	34	17 March 2011 to 17 March 2018
1,575,000	25	31 October 2009 to 1 April 2018
1,575,000	25	30 April 2011 to 1 April 2018
95,238	32	23 April 2011 to 23 April 2018
463,312	37	8 September 2011 to 8 September 2018
400,000	25	31 March 2010 to 8 September 2018
400,000	25	30 September 2011 to 8 September 2018
135,135	37	31 October 2009 to 8 September 2018
135,135	37	30 November 2011 to 8 September 2018

Enterprise management incentive scheme (EMI Scheme)

The EMI scheme is a discretionary share option scheme, which provides that options with a value at the date of grant of up to £120,000 may be granted to employees. The EMI scheme provides a lock in incentive to key management and is also utilised to attract key staff. Rights to EMI share options lapse if the employee leaves the Company.

Unapproved company share option plan (UCSOP)

This is a discretionary scheme, which provides that options may be granted where employees are not eligible to the EMI scheme. The UCSOP provides a lock in incentive to key management. Rights to UCSOP options lapse if the employee leaves the Company.

Notes to the consolidated financial statements (continued)

24. Share based payments (continued)

During the current period 867,568 share options were granted to Directors. No share options were exercised by directors during the year. Options were granted under both the EMI and UCSOP schemes. All options are equity settled. There are no performance criteria attached to the EMI scheme options. The performance criteria attached to the share options granted under the UCSOP scheme on 1 April 2008 are as follows:

Market Conditions

- The options were divided into 2 parts. Part 1 of the options would vest if the share price of the Company equals or exceeds 150 pence on any 10 dealing days within the period of 30 days preceding 31 October 2009. Failing to satisfy the above mentioned vesting criteria, Part 1 options would also vest if the share price equals or exceeds 150 pence on any 10 dealing days within any 30-day period during the Measurement Period (the period beginning 31 October 2009 and ending 31 October 2011).
- Part 2 of the options would vest if the share price equals or exceeds 150 pence on any 10 dealing days in any 30-day period during the six month period preceding 30 April 2011. Failing to satisfy the above mentioned criteria, Part 2 options would also vest if the share price equals or exceeds the 150 pence on any 10 dealing days within any 30 days period during the Measurement Period (the period beginning 30 April 2011 and ending 31 October 2011).

Non-Market Conditions

- Share options would vest if the Company is subjected to a liquidation or change of control. Also, Part 1 and Part 2 of the options would only vest if the recipients remain employed by the Company until the end of the Holding Period (being 31 October 2009 for Part 1 and 30 April 2011 for Part 2).
- Upon vesting, the options can be exercised by the recipients during the period commencing on the date the relevant part of the options vest and expiring on the Lapse Date (31 March 2018).

The performance criteria attached to the share options granted under the UCSOP scheme on 8 September 2008 are as follows:

Market Conditions

- The options were divided into 2 parts. Part 1 of the options would vest if the share price of the Company equals or exceeds 150 pence on any 10 dealing days within the period of 30 days preceding 31 March 2010. Failing to satisfy the above mentioned vesting criteria, Part 1 options would also vest if the share price equals or exceeds 150 pence on any 10 dealing days within any 30-day period during the Measurement Period (the period beginning 31 March 2010 and ending 31 March 2012).
- Part 2 of the options would vest if the share price equals or exceeds 150 pence on any 10 dealing days in any 30-day period during the six month period preceding 30 September 2011. Failing to satisfy the above mentioned criteria, Part 2 options would also vest if the share price equals or exceeds the 150 pence on any 10 dealing days within any 30 days period during the Measurement Period (the period beginning 30 September 2011 and ending 31 March 2012).

Notes to the consolidated financial statements (continued)

24. Share based payments (continued)

Non-Market Conditions

- Share options would vest if the Company is subjected to a liquidation or change of control. Also, Part 1 and Part 2 of the options would only vest if the recipients remain employed by the Company until the end of the Holding Period (being 31 March 2010 for Part 1 and 30 September 2011 for Part 2).
- Upon vesting, the options can be exercised by the recipients during the period commencing on the date the relevant part of the options vest and expiring on the Lapse Date (8 September 2018).

The share options issued on 7 January 2005 under the UCSOP scheme includes an element of group performance criteria (these represented 376,764 of the outstanding share options at the current period end and at 30 April 2008). The performance criteria have been met.

The following share options were outstanding at 30 April 2009 and 30 April 2008:

	30 April 2009		30 April 2008	
	Number of share options	**Weighted average exercise price (pence)**	Number of share options	Weighted average exercise price (pence)
Outstanding at beginning of period	**5,058,875**	**33**	1,483,382	42
Granted during the period	**1,533,582**	**31**	4,036,824	32
Exercised during the period	**-**	**-**	(350,506)	18
Forfeited during the period	**(240,491)**	**79**	(110,825)	144
Outstanding at the end of the period	**6,351,966**	**31**	5,058,875	33
Exercisable at the end of the period	**941,012**	**20**	956,240	19

The options outstanding at the end of the period have a weighted average remaining contractual life of 7.9 years (2008: 8.6 years), with a range of exercise prices being between nil and 229p.

During the period, share options were granted with a weighted average fair value of 16p (2008: 16p). These fair values (with the exception of options that are subject to market based performance conditions) were calculated using the Black-Scholes model with the following inputs:

	30 April 2009	30 April 2008
Weighted average share price	**37p**	50p
Exercise price	**37p**	50p
Expected volatility[1]	**66%**	66%
Option life	**3 years**	3 years
Risk-free interest rates	**6%**	6%

1. Expected volatility is based on historical volatility of the Company over the period commensurate with the expected life of the options.

There are no expected dividends.

Notes to the consolidated financial statements (continued)

25. Financial instrument risk exposure and management

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Market risk
  - Interest rate risk
  - Currency risk
- Liquidity risk

Categories of financial assets and liabilities

The following table sets out the categories of financial instruments held by the Group. All of the Group's financial assets are in the category of loans and receivables measured at amortised cost, except Call option which is held at fair value through income statement and all of its financial liabilities are in the category of other financial liabilities measured at amortised cost, except Put option which is held at fair value through income statement.

Financial assets

	30 April 2009	30 April 2008
	£'000	£'000
Current financial assets		
Trade and other receivables	**3,480**	3,389
Cash and cash equivalents	**1,246**	1,687
Loans to associates	**362**	-
	5,088	5,076
Non-current financial assets		
Call option	**51**	-
	51	-
Total financial assets	**5,139**	5,076

Notes to the consolidated financial statements (continued)

25. Financial instrument risk exposure and management (continued)

Financial liabilities

	30 April 2009 £'000	30 April 2008 £'000
Current financial liabilities		
Trade and other payables	**1,202**	1,780
Loans and borrowings	**2,513**	1,900
Loan notes	**-**	51
	3,715	3,731
Non current financial liabilities		
Loans and borrowings	**1,287**	1,800
Put option	**45**	-
	1,332	1,800
Total financial liabilities	**5,047**	5,531

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management polices and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports from the Group's finance function through which it reviews the effectiveness of the processes put in place and the appropriateness of the policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations.

Trade receivables

The Group operates in an industry where most of its customers are reputable and well-established businesses. When the credit worthiness of a new customer is in doubt, credit limits and payment terms are established and authorised by the Chief Financial Officer. The Group will suspend the services provided to customers who fail to meet the terms and conditions specified in their contract where it is deemed necessary.

The credit control function of the Group monitors all outstanding debts of the Group. Debtor reports are reviewed and analysed on a weekly basis. Trade receivables are analysed by the aging and value of the debts. Customers with any overdue debts are contacted for payment and progress is tracked on the credit control report.

There is no concentration of credit risk within the Group. The maximum credit risk exposure relating to financial assets is represented by the carrying values as at the balance sheet date.

Notes to the consolidated financial statements (continued)

25. Financial instrument risk exposure and management (continued)

Financial assets past due but not impaired

The following is an analysis of the Group's trade receivables identifying the totals of trade receivables which are past due but not impaired:

	Total	Past due +30 days	Past due +60 days
	£'000	**£'000**	**£'000**
At 30 April 2009	**314**	**143**	**171**
At 30 April 2008	623	376	247

The following is an analysis of the Group's provision against trade receivables:

	30 April 2009			30 April 2008		
	Gross value	**Provision**	**Carrying value**	Gross value	Provision	Carrying value
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Trade receivables	**3,223**	**105**	**3,118**	3,069	17	3,052
	3,223	**105**	**3,118**	3,069	17	3,052

The Group records impairment losses on its trade receivables separately from the gross amounts receivable. The movements on this allowance during the year are summarised below:

	30 April 2009	30 April 2008
	£'000	£'000
Opening balance	**17**	574
Increase in provisions	**105**	-
Written off against provisions	**(17)**	(326)
Recovered amount reversed	**-**	(231)
Closing balance	**105**	17

Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. There is a risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Interest rate risk

The Group is exposed to interest rate risk from bank loans and a revolving credit facility.

Interest rate risk is mitigated through the use of floating- to fixed-interest rate swaps, however, the Group does not apply hedge accounting.

To illustrate the Group's exposure to interest rate risk;

A 0.5% increase or decrease in the rate applied to the Group's fixed-term loan would have resulted in a post-tax movement of £6,508 (2008: £7,700), and a 0.5% increase/decrease in the rate applied to the Group's revolving credit facility would have resulted in a post-tax movement of £7,200 (2008: £5,250).

Notes to the consolidated financial statements (continued)

25. Financial instrument risk exposure and management (continued)

Currency risk

The Group is exposed to currency risk on its trade debtors, and also on the foreign currency bank accounts which it holds.

The Group's exposure to currency risk can be illustrated by the following:

A 10c strengthening of the US Dollar would, all other variables held constant, have resulted in an increase in the Group's current assets (cash and trade receivables) of £86,567 (2008: £34,010). A 10c weakening in the exchange rate would, on the same basis, have decreased the Group's current assets by £75,552 (2008: £30,742).

A 10c strengthening of the Euro would, on the same basis, have resulted in an increase in current assets for the Group of £82,941 (2008: £49,668), whilst a weakening of the Euro would have decreased these current assets by £69,276 (2008: £42,414)

The Group is exposed to currency risk on the Equity in its US and Spanish subsidiaries. This risk can be illustrated by the following:

A 10c strengthening of the US Dollar would, all other variables held constant, have resulted in a decrease in equity in the US subsidiary of £52,757 (2008: £30,737), whilst a weakening of the US Dollar would, on the same basis, have increased the equity in the US subsidiary by £46,044 (2008: £27,784).

The currency risk exposure on Equity in the Group's Spanish subsidiary as at 30 April 2009 is not material.

Subsequent to the current financial year, Ebiquity converted its outstanding sterling bank loan (£1.8m) into US dollars to act as a natural hedge against its intercompany loan ($1.7m), and US dollar bank and debtor balances.

The currency profile of the financial assets at 30 April 2009 is as follows:

	Cash and cash equivalents		**Gross trade receivables**	
	2009	2008	**2009**	2008
	£'000	£'000	**£'000**	£'000
Pounds sterling	**602**	1,026	**1,840**	2,614
US Dollar	**242**	428	**945**	137
Euros	**402**	233	**438**	318
	1,246	1,687	**3,223**	3,069

Other price risks

The Group does not have any material exposure to other price risks.

Notes to the consolidated financial statements (continued)

25. Financial instrument risk exposure and management (continued)

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group may not meet its financial obligations as they fall due.

The liquidity risk of each group company is managed centrally by the Group. All surplus cash is held centrally to maximise the returns on deposits through economies of scale. The type of cash instrument used and its maturity date will depend on the Group's forecast cash requirements. The Group maintains a draw down facility with the Bank of Scotland (see note 17) to manage any unexpected short-term cash shortfalls. At 30 April 2009, £1,000,000 is undrawn. The facility expires in July 2012 at which point drawn down amounts will be repayable.

The following table illustrates the contractual maturity analysis of the Group's financial liabilities.

	Within one year £'000	One to five years £'000	Total £'000
At 30 April 2009			
Trade and other payables	1,852	-	1,852
Bank loans and overdrafts	2,513	1,287	3,800
Total financial liabilities	**4,365**	**1,287**	**5,652**
At 30 April 2008			
Trade and other payables	2,273	-	2,273
Bank loans and overdrafts	1,900	1,800	3,700
Loan notes	51	-	51
Total financial liabilities	**4,224**	**1,800**	**6,024**

Other instruments

During the year, BCMG limited ("BCMG") (a 100% owned subsidiary of Ebiquity plc) formed a company in Germany called Billetts Germany GmbH. BCMG has a 10% stake in this company and the balance of the 90% is held by other external shareholders. BCMG have a call option over 41% of the shares held by external shareholders. The call may be exercised within one year after Ebiquity has determined that the economic forecast for Billetts Germany for the next consecutive 12 months is showing a profit (after subtracting any gains from Ebiquity and affiliated companies). The option price is either a) mutually agreed between the parties, or b) failing an agreement, as determined by a Chartered Accountant. No financial asset is recognised in relation to this option since the call is likely to be exercised at a fair market value.

Notes to the consolidated financial statements (continued)

25. Financial instrument risk exposure and management (continued)

Capital disclosures

The Group considers its capital to comprise of its ordinary share capital, share premium, minority interest, reserves and accumulated retained earnings.

The Group's objective when maintaining capital is to safeguard the entity's ability to continue as a going concern so that it can continue to invest in the growth of the business and ultimately to provide an adequate return to its shareholders. There were no significant movements in the Group's capital during the year and the Group has sufficient capital to continue trading in the foreseeable future. Refer to note 23 for a breakdown of the Group's capital.

26. Related party transactions

The ultimate controlling party of the Group is Ebiquity plc (incorporated in the United Kingdom). The Group has a related party relationship with its subsidiaries (note 12), joint venture (note 12), associates (note 14), key management personnel, and with close family members of these individuals.

Transactions between the Company and its subsidiaries, or between subsidiaries, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Compensation of key management personnel

The remuneration of the Directors, who are considered the key management personnel of the Group, is set out below:

	30 April 2009	30 April 2008
	£'000	£'000
Short-term employee benefits	**1,099**	891
Share base payments	**277**	41
	1,376	932

There were no post-employment or other long-term benefits. The share based payments charge in relation to directors for the year to 30 April 2009 was £277,017 (2008: £40,890).

Transactions with joint venture

Other than limited cross selling of products, there were no other related party transactions between the Group and its joint venture. There were no amounts due from TMC at 30 April 2009 (2008: nil).

Transactions with associates

During the year, loans totalling £362,000 were made to associates (2008: nil). The full amount remains outstanding at balance sheet date (2008: nil).

Company Balance Sheet
as at 30 April 2009

	Note	30 April 2009 £'000	30 April 2008 £'000
Fixed assets			
Investments	5	18,777	18,025
Current assets			
Debtors	6	20	374
Cash at bank and in hand		-	5
		20	**379**
Creditors: amounts falling due within one year	7	(2,513)	(1,951)
Net current liabilities		**(2,493)**	**(1,572)**
Total assets less current liabilities		**16,284**	**16,453**
Creditors: amounts falling due after one year	8	(6,081)	(5,803)
Accruals and deferred income	9	(45)	(46)
Total assets less liabilities		**10,158**	**10,604**
Capital & Reserves			
Share capital	10	8,035	8,035
Share premium	12	1,820	1,820
Other reserve	12	746	746
Profit and loss account	12	(443)	3
Shareholders' funds	11	**10,158**	**10,604**

The financial statements on pages 62 to 71 were approved and authorised for issue by the Board of Directors on 21 July 2009 and were signed on its behalf by:

Michael Greenlees
Director

Andrew Beach
Director

The notes on pages 63 to 71 form part of these financial statements.

Notes to the company financial statements

1. Accounting policies

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 United Kingdom Accounting Standards and law.

Significant Accounting Policies

The principal accounting policies adopted are set out below.

Investments

Investments held as fixed assets are held at cost less any provision for impairment.

Share-based payments

The Group issues equity-settled share-based payments only. These are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, with a corresponding credit to equity, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

For share options without performance conditions, fair value is measured by use of the Black-Scholes Model. The expected life used in the model has been adjusted, based on management's best estimated, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Where share options granted to employees are subject to market and non-market based performance conditions, the fair value for these options are determined by an independent financial advisor using an approved pricing model.

In accordance with the first-time adoption exemptions available, FRS 20 has only been applied to all grants of options after 7 November 2002 that had not vested at 1 February 2005.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Notes to the company financial statements (continued)

1. Accounting policies (continued)

Financial Instruments

- The Group does not hold or issue derivative financial instruments for trading purposes.
- The value payable on loan notes issued will be derived from the results of the earn out period.
- Financial instruments are initially and subsequently recorded at cost.

Detailed information in respect of financial instruments is included in the Group IFRS financial statements.

Pension costs

Company contributions to personal pension schemes are charged to the Profit and Loss account as incurred.

Foreign currency transactions

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into. Assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial period.

All transactions involving foreign exchange gains and losses are dealt with through the Profit and Loss as and when they arise.

Finance costs

Finance costs are charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

Cash flow statement

The Company has applied the exemption available under FRS 1 (Revised) and has not presented a cash flow statement. The cash flow statement has been presented in the Group financial statements.

Related party transactions

In accordance with FRS 8 Related Party Disclosures, the Company is exempt from disclosing transactions with entities that are part of the Ebiquity plc group, or investees of the Group, or investees of the Group qualifying as related parties, as it is a parent company publishing consolidated financial statements.

Notes to the company financial statements (continued)

1. Accounting policies (continued)

Employee Share Ownership Plan (ESOP)

As the Company is deemed to have control of its ESOP trust, it is treated as a subsidiary and consolidated for the purposes of the Group accounts. The ESOP's assets (other than investments in the Company's shares), liabilities, income and expenses are included on a line-by-line basis in the Group financial statements. The ESOP's investment in the Company's shares is deducted from shareholders' funds in the Group balance sheet as if they were treasury shares, except that profits on the sale of ESOP shares are not credited to the share premium account.

2. Company results for the period

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 not to present its own profit and loss account in these financial statements. The Company acts as a holding company. The movement in reserves of the Company shows a loss of £950,000 (2008: £312,000).

3. Operating profit

Auditor remuneration

Fees for the audit of the Company are £1,000 (2008: £1,000). Fees paid to the Company's auditors for services other than the statutory audit of the Company are disclosed in the consolidated financial statements. The audit fees are borne by Ebiquity Associates Limited.

4. Directors' remuneration

	2009 No.	2008 No.
Directors	**8**	7

Total Directors' remuneration for the Group is disclosed in note 5 to the Group financial statements.

5. Investments

	£'000
Cost and net book value	
At 1 May 2008	18,025
Additions	752
At 30 April 2009	**18,777**

The addition relates to the costs associated with the acquisition of the right to purchase 25% of the share capital of Media Value S.L. (£26,000) and the UITF 44 'Group and Treasury Share Transactions' adjustment (£726,000).

Notes to the company financial statements (continued)

5. Investments (continued)

At 30 April 2009 the Company had interests in the following undertakings:

Undertaking	Country of incorporation	Class of share capital held	Direct	Indirect	Nature of business
Ebiquity Associates Limited (formerly Thomson Intermedia Associates Limited)	England and Wales	Ordinary £1	100%	-	Technology and media monitoring business
BCMG Limited	England and Wales	Ordinary £1	100%	-	Holding company
Billetts Media Consulting Limited	England and Wales	Ordinary £1	-	100%	Media consultants
Billetts International Limited	England and Wales	Ordinary £1	-	100%	Media consultants
Billetts Marketing Sciences Limited	England and Wales	Ordinary £1	-	100%	Marketing consultants
Barsby Rowe Limited	England and Wales	Ordinary £1	-	100%	Dormant
Billetts Consulting Limited	England and Wales	Ordinary £1	-	100%	Holding company
BCMG Acquisitions Limited	England and Wales	Ordinary £1	-	100%	Holding company
Billetts Marketing Investment Management Limited (formerly Billetts Media Management Limited)	England and Wales	Ordinary £1	-	100%	Dormant
The Billetts Consultancy Limited	England and Wales	Ordinary £1	-	100%	Dormant
Billetts Limited	England and Wales	Ordinary £1	-	100%	Dormant
Baystar Limited	England and Wales	Ordinary £1	-	100%	Dormant
BCMG US Inc	US	Ordinary $1	-	100%	Holding company
Billetts America LLC	US	Ordinary $1	-	95%	Media consultants
Thomson Intermedia Spain, S.L.	Spain	Ordinary €1	100%	-	Non trading

6. Debtors

	2009 **£'000**	2008 £'000
Other debtors	**20**	20
Deferred tax asset	**-**	354
	20	374

Notes to the company financial statements (continued)

7. Creditors: Amounts falling due within 1 year

	2009 £'000	2008 £'000
Loan notes	-	51
Bank loans	2,513	1,900
	2,513	1,951

8. Creditors: Amounts falling due after 1 year

	2009 £'000	2008 £'000
Bank loans – between 2 and 5 years	1,287	1,800
Amounts due to subsidiaries	4,794	4,003
	6,081	5,803

All amounts owing to the bank are guaranteed by way of fixed and floating charges over the current and future assets of the Group. As such a composite guarantee has been given by all subsidiary companies.

9. Accruals and deferred income

	2009 £'000	2008 £'000
Accruals	45	46

10. Share capital

	£'000
Authorised	
At 1 May 2008 and 30 April 2009:	
40,000,000 ordinary shares of 25p each	10,000
Allotted, called up and fully paid	
At 1 May 2008 and 30 April 2009:	
32,139,435 ordinary shares - 25p each	8,035

Notes to the company financial statements (continued)

11. Reconciliation of movement in shareholders funds

	2009	2008
	£'000	£'000
Opening shareholders' funds	**10,604**	10,152
Issue of shares	-	207
Share premium	-	7
Transfer from ESOP reserve	-	(130)
Loss for the financial period	**(950)**	(312)
Share options charge	**134**	-
UITF 44 adjustment	**370**	680
Closing shareholders' funds	**10,158**	10,604

The ESOP trust was created to award shares to certain employees at less than market value. The trust holds unallocated shares costing £130,000 funded by the Company. The sponsoring company is responsible for the administration and maintenance of the trust. The number of shares held by the trust is 478,671, all of which are under option to the employees of the Group. As at the balance sheet date the market value of the shares hold by the trust which have not yet vested unconditionally in employees was £156,000. The fall or rise in the market value of the shares does not give rise to a recognised gain or loss.

12. Reserves

	Share premium £'000	**Other reserve £'000**	**Profit and loss account £'000**
At 1 May 2008	1,820	746	3
Loss for the financial period	-	-	(950)
Share options charge	-	-	134
UITF 44 adjustment	-	-	370
At 30 April 2009	**1,820**	**746**	**(443)**

Notes to the company financial statements (continued)

13. Share-based payments

The total number of shares under option at the period end was 6,351,966 (2008: 5,058,875).

No. of options	Exercise price (pence)	Dates when exercisable
476	105	5 May 2003 to 5 May 2010
400,000	25	31 October 2005 to 31 October 2012
112,616	46	5 May 2007 to 5 May 2014
15,000	88	22 September 2007 to 22 September 2014
400,293	Nil	26 March 2007 to 7 January 2015
12,627	198	7 July 2008 to 7 July 2015
4,376	229	2 May 2009 to 2 May 2016
7,000	207	29 June 2009 to 29 June 2016
22,858	210	25 July 2009 to 25 July 2016
42,195	228	18 October 2009 to 18 October 2016
17,543	114	24 July 2010 to 24 July 2017
114,285	88	1 October 2010 to 1 October 2017
119,760	84	10 October 2010 to 10 October 2017
304,117	34	17 March 2011 to 17 March 2018
1,575,000	25	31 October 2009 to 1 April 2018
1,575,000	25	30 April 2011 to 1 April 2018
95,238	32	23 April 2011 to 23 April 2018
463,312	37	8 September 2011 to 8 September 2018
400,000	25	31 March 2010 to 8 September 2018
400,000	25	30 September 2011 to 8 September 2018
135,135	37	31 October 2009 to 8 September 2018
135,135	37	30 November 2011 to 8 September 2018

Enterprise management incentive scheme (EMI Scheme)

The EMI scheme is a discretionary share option scheme, which provides that options with a value at the date of grant of up to £120,000 may be granted to employees. The EMI scheme provides a lock in incentive to key management and is also utilised to attract key staff. Rights to EMI share options lapse if the employee leaves the Company.

Unapproved company share option plan (UCSOP)

This is a discretionary scheme, which provides that options may be granted where employees are not eligible to the EMI scheme. The UCSOP provides a lock in incentive to key management. Rights to UCSOP options lapse if the employee leaves the Company.

Notes to the company financial statements (continued)

13. Share-based payments (continued)

Options held by Directors are shown in the Directors Report. During the current period 867,568 share options were granted to directors. No share options were exercised by directors during the year. Options were granted under both the EMI and UCSOP schemes. All options are equity settled. There are no performance criteria attached to the EMI scheme options. The performance criteria attached to the share options granted under the UCSOP scheme on 1 April 2008 are as follows:

Market Conditions

- The options were divided into 2 parts. Part 1 of the options would vest if the share price of the Company equals or exceeds 150 pence on any 10 dealing days within the period of 30 days preceding 31 October 2009. Failing to satisfy the above mentioned vesting criteria, Part 1 options would also vest if the share price equals or exceeds 150 pence on any 10 dealing days within any 30-day period during the Measurement Period (the period beginning 31 October 2009 and ending 31 October 2011).
- Part 2 of the options would vest if the share price equals or exceeds 150 pence on any 10 dealing days in any 30-day period during the six month period preceding 30 April 2011. Failing to satisfy the above mentioned criteria, Part 2 options would also vest if the share price equals or exceeds the 150 pence on any 10 dealing days within any 30 days period during the Measurement Period (the period beginning 30 April 2011 and ending 31 October 2011).

Non-Market Conditions

- Share options would vest if the Company is subjected to a liquidation or change of control. Also, Part 1 and Part 2 of the options would only vest if the recipients remain employed by the Company until the end of the Holding Period (being 31 October 2009 for Part 1 and 30 April 2011 for Part 2).
- Upon vesting, the options can be exercised by the recipients during the period commencing on the date the relevant part of the options vest and expiring on the Lapse Date (31 March 2018).

The performance criteria attached to the share options granted under the UCSOP scheme on 8 September 2008 are as follows:

Market Conditions

- The options were divided into 2 parts. Part 1 of the options would vest if the share price of the Company equals or exceeds 150 pence on any 10 dealing days within the period of 30 days preceding 31 March 2010. Failing to satisfy the above mentioned vesting criteria, Part 1 options would also vest if the share price equals or exceeds 150 pence on any 10 dealing days within any 30-day period during the Measurement Period (the period beginning 31 March 2010 and ending 31 March 2012).
- Part 2 of the options would vest if the share price equals or exceeds 150 pence on any 10 dealing days in any 30-day period during the six month period preceding 30 September 2011. Failing to satisfy the above mentioned criteria, Part 2 options would also vest if the share price equals or exceeds the 150 pence on any 10 dealing days within any 30 days period during the Measurement Period (the period beginning 30 September 2011 and ending 31 March 2012).

Notes to the company financial statements (continued)

13. Share-based payments (continued)

Non-Market Conditions

- Share options would vest if the Company is subjected to a liquidation or change of control. Also, Part 1 and Part 2 of the options would only vest if the recipients remain employed by the Company until the end of the Holding Period (being 31 March 2010 for Part 1 and 30 September 2011 for Part 2).
- Upon vesting, the options can be exercised by the recipients during the period commencing on the date the relevant part of the options vest and expiring on the Lapse Date (8 September 2018).

The share options issued on 7 January 2005 under the UCSOP scheme includes an element of group performance criteria (these represented 376,764 of the outstanding share options at the current period end and at 30 April 2008). The performance criteria have been met.

The following share options were outstanding at 30 April 2009 and 30 April 2008:

	30 April 2009		30 April 2008	
	Number of share options	**Weighted average exercise price (pence)**	Number of share options	Weighted average exercise price (pence)
Outstanding at beginning of period	**5,058,875**	**33**	1,483,382	42
Granted during the period	**1,533,582**	**31**	4,036,824	32
Exercised during the period	**-**	**-**	(350,506)	18
Forfeited during the period	**(240,491)**	**79**	(110,825)	144
Outstanding at the end of the period	**6,351,966**	**31**	5,058,875	33
Exercisable at the end of the period	**941,012**	**20**	956,240	19

The options outstanding at the end of the period have a weighted average remaining contractual life of 7.9 years (2008: 8.6 years), with a range of exercise prices being between nil and 229p.

During the period, share options were granted with a weighted average fair value of 16p (2008: 16p). These fair values (with the exception of options that are subject to market based performance conditions) were calculated using the Black-Scholes model with the following inputs:

	30 April 2009	30 April 2008
Weighted average share price	**37p**	50p
Exercise price	**37p**	50p
Expected volatility[1]	**66%**	66%
Option life	**3 years**	3 years
Risk-free interest rates	**6%**	6%

1. Expected volatility is based on historical volatility of the Company over the period commensurate with the expected life of the options.

There are no expected dividends.