

**Sales Activation Solutions Group Limited
and Subsidiaries**



**Consolidated Financial Statements
For the year ended 30 June 2009**

Company Registration No 4394889 (England and Wales)

Sales Activation Solutions Group Limited
Directors and Officers

Directors

D Hearn
R Clothier

Company Number

4394889

Secretary

S Biddlecombe

Registered Office

Lazenby House
32 Kingly Street
London
W1B 5QQ

Auditors

Kingston Smith LLP
141 Wardour Street
London
W1F 0UT



Sales Activation Solutions Group Limited

Contents

	Page
Report of the Directors and Extended Business Review	1-3
Independent Auditors' Report to Group	4-5
Consolidated Income Statement	6
Consolidated Balance Sheet	7
Consolidated Cashflow Statement	8
Notes to the Consolidated Financial Statements	9-21
Independent Auditors' Report to Company	22-23
Company Balance Sheet	24
Notes to the Company Financial Statements	25-30

Sales Activation Solutions Group Limited

Report of the Directors

For the year ended 30 June 2009

The directors have pleasure in presenting their report and financial statements for the year ended 30 June 2009

Principal activities and business review

The principal activities of the group and its non-dormant subsidiaries are those of retail sales activation

Business performance has improved during the year as a result of continued action to reduce and control overhead spend. Consequently losses have remained stable despite a substantial loss in revenue resulting from the loss of a major contract with a supermarket retailer.

During the year the company has successfully developed new relationships with alternative supermarket retailers resulting in stronger sales prospects moving forward. The lower overhead cost base means that the company is well positioned to take advantage of new revenue streams.

Revenues fell by 38%, whilst the decline in profits was held to 6% as a result of continued efficiency gains. Given the loss of key trading contracts the directors consider the results satisfactory. The directors expect the results to continue in the future as new retailer relationships become operational.

Results and dividends

The audited accounts for the year ended 30 June 2009 are set out on pages 1 to 30. The group's retained loss for the year was £4,116,511 (2008: £2,654,050). The company's retained loss for the year was £1,565,684 (2008: £289,109).

The directors do not recommend payment of a final dividend for the year.

The company has taken advantage of the exemption under the Companies Act 2006 and consequently a profit and loss account for the company alone is not presented.

Principal risks and uncertainties

The growth of the group is dependent upon the ongoing acquisition and retention of retail estate. The group is currently managing this risk by developing a number of new revenue streams with a major supermarket retailer. A number of new contracts have been signed after the year end and the group expects to further expand its product offering in the near future.

Sales Activation Solutions Group Limited

Report of the Directors (continued)

For the year ended 30 June 2009

Directors

The directors who served the company during the year were as follows

D Hearn

R Clothier

Subsidiary Undertakings

At 30 June 2009, none of the directors of Sales Activation Solutions Group Limited had shares or debentures in any of the subsidiary undertakings which were owned by Sales Activation Solutions Group Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations and International Financial Reporting Standards as adopted by the European Union

Company law requires the directors to prepare financial statements for each financial yearperiod Under that law, the directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards(IFRSs) as adopted by the European Union and have also chosen to prepare the Parent Company financial statements under IFRSs as adopted by the European Union Under Company Law, the directors must not approve the financial statements unless they are satisfied that they which give a true and fair view of the state of affairs of the Company and of the Group and of the financial performance and cash flows of the group for that yearprofit or loss for that period In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether in preparation of the Group and Parent Company financial statements, the Group and Parent Company have complied with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements,applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Sales Activation Solutions Group Limited

Report of the Directors (continued)

For the year ended 30 June 2009

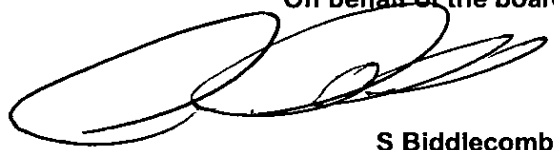
Auditors

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the board



S Biddlecombe
Secretary

Lazenby House
32 Kingly Street
London
W1B 5QQ

Date 03 . 08 . 2009

Independent Auditors' Report to the Shareholders of Sales Activation Solutions Group Limited

We have audited the financial statements of Sales Activation Solution Solutions Group Limited for the year ended 30 June 2009 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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

We have reported separately on the parent company financial statements of Sales Activation Solutions Group for the year ended 30 June 2009. That report is modified by an emphasis of matter.

Respective responsibilities of Directors and Auditors

The directors' responsibilities for preparing the Group financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Scope of the Audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's circumstances and have 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 the financial statements

In our opinion the Group financial statements

- give a true and fair view of the state of the Group's affairs as at 30 June 2009 and of the Group's loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union,
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going Concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1(c) to the financial statements concerning the Group's ability to continue as a going concern. The Group incurred a net loss of £4,116,511 during the year ended 30 June 2009 and, at that date, the Group's liabilities exceeded its assets by £2,642,745. As noted in note 1(c) to the financial statements, the directors have prepared cash flow forecasts which they believe to be achievable and which indicate that the Group is anticipated to have sufficient working capital for its requirements. These conditions, along with the other matters explained in note 1(c) to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

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



Esther Carder (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

3/8/10

Chartered Accountants
Statutory Auditor

141 Wardour Street
London
W1F 0UT

Sales Activation Solutions Group Limited

Consolidated Income Statement
For the year ended 30 June 2009

	Note	2009 £	2008 £
Gross Revenue	1	3,309,248	4,602,487
Direct Costs		<u>(3,637,748)</u>	<u>(3,375,295)</u>
Net Revenue		(328,500)	1,227,192
Operating expenses		(2,562,548)	(3,990,621)
Operating Loss	3	<u>(2,891,048)</u>	<u>(2,763,429)</u>
Impairment of goodwill		(1,207,719)	-
Investment income	5	3,260	109,379
Finance costs	6	<u>(21,004)</u>	<u>-</u>
Loss before tax		(4,116,511)	(2,654,050)
Tax	7	<u>-</u>	<u>-</u>
Retained loss for the year		<u><u>(4,116,511)</u></u>	<u><u>(2,654,050)</u></u>
Attributable to Equity Holders of the parent		<u>(4,116,511)</u>	<u>(2,654,050)</u>
Consolidated statement of recognised income and expenses			
Retained loss for the year		(4,116,511)	(2,654,050)
Total recognised losses for the year		<u><u>(4,116,511)</u></u>	<u><u>(2,654,050)</u></u>

Sales Activation Solutions Group Limited
Consolidated Balance Sheet as at 30 June 2009

	Note	2009 £	2008 £
Non-current assets			
Goodwill	8	132,970	1,340,689
Other intangible assets	9	299,000	309,909
Plant and equipment	10	<u>305,738</u>	<u>621,689</u>
		<u>737,708</u>	<u>2,272,287</u>
Current assets			
Trade and other receivables	12	2,063,793	995,858
Cash and cash equivalents		<u>130,585</u>	<u>292,677</u>
		<u>2,194,378</u>	<u>1,288,535</u>
Total Assets		<u><u>2,932,086</u></u>	<u><u>3,560,822</u></u>
Current liabilities			
Trade and other payables	13	<u>(5,074,848)</u>	<u>(2,261,943)</u>
		<u>(5,074,848)</u>	<u>(2,261,943)</u>
Net current liabilities		<u><u>(2,880,470)</u></u>	<u><u>(973,408)</u></u>
Non-current liabilities			
Other payables	15	<u>(499,983)</u>	-
		<u>(499,983)</u>	-
Net (liabilities) / assets		<u><u>(2,642,745)</u></u>	<u><u>1,298,879</u></u>
Equity			
Issued share capital	17	1,775	1,735
Share premium account	19	12,260,635	12,180,113
Retained earnings	19	(15,274,818)	(11,158,307)
Non-distributable reserves	19	<u>369,663</u>	<u>275,338</u>
Equity attributable to equity holders of the parent		<u><u>(2,642,745)</u></u>	<u><u>1,298,879</u></u>
Minority interest		-	-
Total equity		<u><u>(2,642,745)</u></u>	<u><u>1,298,879</u></u>

Approved by the Board for issue on 3/8/10



D Hearn
Director

Company registration number 4394889

Sales Activation Solutions Group Limited
Consolidated Cash Flow Statement as at 30 June 2009

	Note	2009 £	2008 £
Cash flows from operating activities			
Operating loss		(2,891,048)	(2,763,429)
Adjustments for			
Non-cash charge for share options	19	94,325	206,045
Depreciation	3	390,361	673,653
Amortisation of intangible assets	3	21,511	29,618
Impairment of goodwill	3	1,207,719	-
Operating loss before working capital changes		(1,177,132)	(1,854,113)
Decrease/(increase) in trade and other receivables		(1,067,935)	1,346,653
(Decrease)/increase in trade and other payables		2,792,895	(1,404,248)
Decrease/(increase) in inventories		-	-
Net cash outflow from operating activities		<u>547,828</u>	<u>(1,911,708)</u>
Investing activities			
Interest received	5	3,260	109,379
Purchases of property, plant and equipment		(74,410)	(201,488)
Purchases of other intangible assets		(10,602)	(27,516)
Proceeds in sale property, plant and equipment		-	450
Net cash used in investing activities		<u>(81,752)</u>	<u>(119,175)</u>
Financing activities			
Interest paid		(1,004)	-
Proceeds on issue of shares (net of fundraising costs)	18	80,522	-
Net cash from financing activities		<u>79,518</u>	<u>-</u>
Net (decrease) in cash and cash equivalents		<u>545,594</u>	<u>(2,030,882)</u>
Net funds at beginning of year		292,677	2,323,559
Cash and cash equivalents at end of year		<u>838,271</u>	<u>292,677</u>
Cash at bank and in hand and short term deposits		130,585	292,677
Bank overdraft	13	(10)	-
Non current other loans	15	(499,983)	-
Cash and cash equivalents at end of year		<u>(369,408)</u>	<u>292,677</u>

Sales Activation Solutions Group Limited

Notes to the Financial Statements
For the year ended 30 June 2009

1 Accounting Policies

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and interpretations for use in the European Union and issued by the International Accounting Standards Board

b) Basis of preparation

The financial statements are reported under the historical cost convention and in accordance with applicable IFRSs. The principal accounting policies which have been consistently applied are described below

The financial statements are prepared in Pounds Sterling, which is the functional currency of Sales Activation Solutions Group Limited, rounded to the nearest pound

c) Going concern

The Directors undertake regular reviews of the working capital position of the Group. Management have recently prepared a forecast to 31st July 2011 which demonstrates that the Group anticipates being able to meet its working capital requirements during the period and meet its liabilities as they fall due. Whilst forecasts, as they involve considering the future, are never certain, the forecast indicates that SAS will retain cash on hand throughout the next twelve months and is able to maintain this position without additional external funding

Cash flow forecasts for Financial Year 2010/11 are based on the current rate of monthly sales as at June 2010 and do not reflect any of growth anticipated by the development of clients, products and retailers. The Group's most recent sales forecast indicates that over 80% of revenue for the next six months is already contracted. Therefore it is safe to assume that revenues, and subsequent debt collections, are achievable in the light of recent historic sales growth. Turnover for the year to 30 June 2010 increased by 159% to £8.4million, based on unaudited Management Accounts, which also indicate an operating loss of £0.5million. These numbers reflect a tangible improvement in revenue and profitability over the most recent twelve month period. In addition, SAS has continued to drive efficiency through its cost base, and the recent substantial improvement in revenue has been achieved without marked change to the overhead cost of the business. These actions combine to significantly improve the working capital position throughout 2010 and thereafter. On this basis the Directors believe that it is appropriate to prepare accounts on a going concern basis

d) Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiaries for financial periods ended 30 June 2009. Control is achieved where the Group has the power to govern the financial and operating policies of an investee so as to obtain benefits from its activities

On acquisition the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the income statement in the period of acquisition

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or disposal, as appropriate

Where necessary, adjustments are made to the financial statements of subsidiary undertakings to bring the accounting policies used in line with those used by the group

All intra-group transactions, balances, income and expenses are eliminated on consolidation

Sales Activation Solutions Group Limited

Notes to the Financial Statements

For the year ended 30th June 2009 (continued)

e) Gross revenue recognition

Gross revenue is measured at the fair value of the consideration received or receivable and comprises the gross amounts billed to clients in respect of fees earned, expenses recharged and commission-based income. Net revenue comprises commission and fees earned in respect of gross revenue. Direct costs include fees paid to external suppliers where they are retained to perform part or all of a specific project for a client, and the resulting expenditure is directly attributable to the gross revenue earned. Both gross and net revenue are stated exclusive of VAT, sales taxes and trade discounts.

f) 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, liabilities and contingent liabilities recognised.

Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised in the income statement and is not subsequently reversed.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRSs has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date. Goodwill written off to reserves under UK GAAP prior to 1 July 2004 has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

Negative goodwill representing the excess of the fair value of assets acquired over the cost of an acquisition is written off to profit and loss reserves at the date of acquisition in accordance with IFRS 3.

Goodwill impairment is assessed by comparing the carrying value of goodwill to the net present value of future cash flows derived from the underlying assets.

g) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases or, if lower, the present value of minimum lease payments. The excess of the lease payments over the recorded lease obligations is treated as finance charges which are amortised over each lease term to give a constant rate of charge on the

Rental costs under operating leases are charged to the income statement in equal annual amounts over the periods of the leases.

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term or the period to the next review.

Sales Activation Solutions Group Limited

Notes to the Financial Statements

For the year ended 30th June 2009 (continued)

h) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax

The tax currently payable is based on taxable profit for the year. The taxable loss differs from the net loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

i) Other intangible assets

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal instalments over their estimated useful life of 20 years.

j) Cash and cash equivalents

Cash comprises cash, overdrafts and cash held on short-term deposit (up to three months). Cash equivalents are cash deposits held on three months deposit at the Royal Bank of Scotland plc.

Sales Activation Solutions Group Limited

Notes to the Financial Statements

For the year ended 30th June 2009 (continued)

k) Financial risk management objectives and policies

The main purpose of the Group's use of financial instruments is for day-to-day working capital. The Group seeks to avoid undue concentrations of risk. The main risks arising from the group's use of financial instruments are interest rate risk, liquidity risk, credit risk and exchange rate risk.

The group looks to achieve the best interest rates available whilst maintaining flexibility and minimising interest rate risk. Accordingly, cash deposits are not exposed to significant interest rate risk.

The Group seeks to ensure that sufficient liquidity is available to meet working capital needs and the repayment terms of the Group's financial instruments as they mature.

Credit risk exposure of trade receivables is managed by credit control procedures adopted by the group. The group has secured a high risk debtor on equity instruments of the related debtor to mitigate the related credit risk.

To manage exchange rate risk, receipts and payments of cashflows are required and made in the functional currency in which the receivables and payables are denominated.

l) Trade receivables and Trade payables

Trade receivables do not carry any interest and are stated at fair value being their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Trade receivables are expected to be collected in accordance with their terms.

The Group's policy is to settle trade payables in accordance with the agreed terms subject to satisfactory fulfilment of the creditor's contractual obligations. The group seeks to ensure that sufficient liquidity is available.

m) Retirement benefit costs

The pension cost is the amount of contributions payable by the Group to the defined contribution pension scheme and to personal pension schemes of certain employees during the accounting period. These are charged as an expense as they fall due.

n) Plant and equipment

Plant and equipment are stated at cost net of depreciation and any provision for impairment. Depreciation of 33% straight line is provided in equal instalments over the estimated useful economic lives of assets.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Sales Activation Solutions Group Limited

Notes to the Financial Statements

For the year ended 30th June 2009 (continued)

o) Foreign Currencies

Transactions in UK companies denominated in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the 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. Gains and losses arising on retranslation are included in the income statement for the period.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at the exchange rates prevailing on the balance sheet date. Income and expenses are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation reserve differences are recognised as income or as expenses in the period in which the disposal of the operation occurs.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

p) Share-based payment transactions

The fair value of share options granted to employees is required to be treated as remuneration within the income statement. Equity-settled share-based payments, such as share options, are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest.

Fair value is measured by use of an option pricing model on the grounds that there are no market related vesting conditions. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. See note 21 to the group accounts for further information.

q) Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations have been issued by the IASB that are not yet effective. The Group has not adopted any of these standards, amendments or interpretations early.

- IFRS 8 Operating segments (effective 1 January 2009)
 - IAS 1 (amendment) Presentation of financial statements (effective 1 January 2009)
 - IAS 36 (amendment) Impairment of assets (effective 1 January 2009)
 - IAS 38 (amendment) Intangible assets (effective 1 January 2009)
 - IAS 39 (amendment) Financial instruments: Recognition and measurement (effective 1 January 2009)
-

Sales Activation Solutions Group Limited

Notes to the Financial Statements

For the year ended 30th June 2009 (continued)

2. Segment Reporting

Business segments

The group operates in only one business segment that of providing direct marketing through retail sales activation solutions

3. Operating Loss

	2009 £	2008 £
The loss from continuing operations is stated after charging		
Depreciation - owned plant and equipment	390,361	673,653
Amortisation - intellectual property rights	21,511	29,618
Staff costs (note 4)	1,560,887	2,207,665
Operating lease rentals - land and buildings	135,790	119,350
Operating lease rentals - plant and machinery	1,736	-
Directors' remuneration (note 4)	83,000	39,623
Auditors remuneration for audit services	22,500	25,000

Sales Activation Solutions Group Limited

Notes to the Financial Statements

For the year ended 30th June 2009 (continued)

4 Staff costs

The average monthly number of employees (including executive directors) was

	2009 number	2008 number
Direct Marketing	13	19
Management	5	5
	<u>18</u>	<u>24</u>

Their total aggregate remunerations comprised.

	2009 £	2008 £
Wages and salaries	1,392,889	1,749,604
Social security costs	141,331	232,016
Pension costs	26,667	20,000
Fair value of share-based payments	-	206,045
	<u>1,560,887</u>	<u>2,207,665</u>

The fair value of share-based payments included within the above relates entirely and only to key management personnel

Directors' remuneration during the year was as follows:

	2009 £	2008 £
Emoluments	91,983	39,623
Pension Contributions	-	-
	<u>91,983</u>	<u>39,623</u>

The fair value of share-based payments to directors included within the above total £8 983 (2008 £19,623)

Pension contributions made during the year were in respect of directors £nil (2008 nil)

Amounts paid to the highest paid director were as follows.

	2009 £	2008 £
Emoluments	53,000	20,000
Pension Contributions	-	-
	<u>53,000</u>	<u>20,000</u>

5. Investment income

	2009 £	2008 £
Interest on bank deposits	3,260	109,379
	<u>3,260</u>	<u>109,379</u>

6. Finance costs

	2009 £	2008 £
Interest on overdrafts and loans	21,004	-
	<u>21,004</u>	<u>-</u>

Sales Activation Solutions Group Limited

Notes to the Financial Statements

For the year ended 30th June 2009 (continued)

7 Tax

	2009 £	2008 £
Current tax		
UK corporation tax at 28% (2008 30%)	-	-
Adjustment in respect of prior years	-	-
	<u>-</u>	<u>-</u>
Foreign tax	-	-
Adjustment in respect of prior years	-	-
	<u>-</u>	<u>-</u>
Deferred tax	-	-
Adjustment in respect of prior years	-	-
	<u>-</u>	<u>-</u>
Tax charge for the year	<u>-</u>	<u>-</u>

The group has tax losses of £9,967,479 (2008 7,288,768) to carry forward and use against future trading profits. The deferred tax asset, at current tax rates, arising on these losses, but not recognised would be £2,790,894 (2008 £2,186,630)

8. Goodwill

	2009 £
Cost	
At 1 July 2008 and at 30 June 2009	<u>1,340,689</u>
Amortisation and Impairment	
At 1 July 2008	-
Impairment charge	1,207,719
At 30 June 2009	<u>1,207,719</u>
Net book value as at 30 June 2009	<u>132,970</u>
Net book value as at 30 June 2008	<u>1,340,689</u>
Goodwill is comprised of the following substantial holdings	
Sales Activations Solutions (UK) Limited	-
Floor Image Holdings Proprietary Limited	132,970
Total Goodwill	<u>132,970</u>

The goodwill impairment charge for 2009 arose in respect of Sales Activation Solutions (UK) Limited. As noted in note 1 to the accounts the directors test annually for impairment by calculation of future cash flows derived from the underlying assets. The future cash flow calculation did not support the carrying value of goodwill and the resulting impairment has been charged to the income statement. No other impairments were identified as a result of the impairment testing.

Sales Activation Solutions Group Limited

Notes to the Financial Statements

For the year ended 30th June 2009 (continued)

9 Other intangible assets

Intellectual Property Rights

	2009
	£
Cost	
At 1 July 2008	408,007
Additions	10,602
Disposals	-
At 30 June 2009	<u>418,609</u>
Amortisation	
At 1 July 2008	98,098
Charge in year	21,511
Eliminated on disposal	-
At 30 June 2009	<u>119,609</u>
Carrying amount	
At 30 June 2009	<u>299,000</u>
At 30 June 2008	<u>309,909</u>

10 Plant and equipment

	Total
Cost	
At 1 July 2008	2,339,821
Additions	74,410
Disposals	
At 30 June 2009	<u>2,414,231</u>
Depreciation	
At 1 July 2008	1,718,132
Charge for the year	390,361
Eliminated on Disposal	
At 30 June 2009	<u>2,108,493</u>
Net book value	
At 30 June 2009	<u>305,738</u>
At 30 June 2008	<u>621,689</u>

Sales Activation Solutions Group Limited

Notes to the Financial Statements

For the year ended 30 June 2009 (continued)

11 Subsidiaries, associates and joint ventures

The group's subsidiaries are listed below:

Name of subsidiary undertaking	Country of incorporation	Principal Activity	Holding
Floor Image Holdings Proprietary Limited	Australia	Sales	100%
Committed Investments Proprietary Limited	Australia	Holding company	100%
Sales Activation Solutions (UK) Limited	England & Wales	Sales Activation Solutions	100%

Floor Image Holdings Proprietary Limited is 55.5% directly owned by the company and 44.5% indirectly owned, via Committed Investments Proprietary Limited

During the year Floor Image (UK) Limited, ActiveFM Limited, SAS Brandtaxi Limited and Floor Image (SA) Limited dormant 100% subsidiaries of Sales Activation Solutions Group Limited were dissolved

12 Trade and other receivables

	2009 £	2008 £
Amounts receivable from provision for services	1,609,539	568,914
Other debtors	281,899	301,872
Prepayments and accrued income	172,355	125,072
	<u>2,063,793</u>	<u>995,858</u>

The directors consider that the carrying value of trade and other receivables approximates their fair value

13 Trade and other payables

	2009 £	2008 £
Bank overdraft	10	-
Amounts due under invoice discounting	196,000	-
Trade creditors	3,053,350	455,391
Other taxation and social security	408,317	66,528
Accruals and deferred income	1,397,171	1,739,959
Other creditors	20,000	65
	<u>5,074,848</u>	<u>2,261,943</u>

14. Pension Contributions

	2009 £	2008 £
Defined contribution		
Contributions payable by the company in the year	<u>26,667</u>	<u>20,000</u>

Sales Activation Solutions Group Limited

Notes to the Financial Statements

For the year ended 30 June 2009 (continued)

15 Trade and other non current payables

2009 2008

£ £

Other loans

499,983	-
<u>499,983</u>	<u>-</u>

16 Future Financial Commitments

Operating Leases

At 30 June 2009 the group had annual commitments under non-cancellable operating leases as set out below

	Other		Land and buildings	
	2009	2008	2009	2008
	£	£	£	£
Expiring in not later than one year	<u>1,736</u>	<u>-</u>	<u>-</u>	<u>70,000</u>
Expiring later than one year and not later than five years	<u>-</u>	<u>3,472</u>	<u>159,941</u>	<u>-</u>

Minimum payment guarantee

During the year ended 30 June 2005, the group signed a contract with a retail client which provides for a minimum guaranteed amount payable in respect of a licence fee. The minimum agreed payments are as follows

During the year ended 30 June 2010 £625,000

17 Share Capital

Authorised

2009 2008
£ £

2,500,000,000 Ordinary Shares of £0.00004 each
8,200,000 A preferred ordinary Shares of £0.00004 each

100,000	100,000
328	328
<u>100,328</u>	<u>100,328</u>

Issued, called up and fully paid

36,210,500 Ordinary Shares of £0.00004 each
8,173,334 A preferred ordinary Shares of £0.00004 each

1,448	1,408
327	327
<u>1,775</u>	<u>1,735</u>

18 Share premium account

£

Balance at 30 June 2008
Additions
Balance at 30 June 2009

12,180,113
<u>80,522</u>
<u>12,260,635</u>

Sales Activation Solutions Group Limited

Notes to the Financial Statements

For the year ended 30 June 2009 (continued)

19 Consolidated reconciliation of total equity

	Called up share capital £	Share premium account £	Retained Earnings £	Staff remuneration reserve £	Translation Reserve £	Total £
Balance at 30 June 2009	1,735	12,180,113	(11,158,307)	281,045	(5,707)	1,298,879
Fair value of share options issued	-	-	-	94,325	-	94,325
Retained loss for the year	-	-	(4,116,511)	-	-	(4,116,511)
Movement in the year	40	80,522	-	-	-	80,562
Balance at 30 June 2009	<u>1,775</u>	<u>12,260,635</u>	<u>(15,274,818)</u>	<u>375,370</u>	<u>(5,707)</u>	<u>(2,642,745)</u>

The staff remuneration reserve represents charges to the profit and loss account to reflect the fair value of the share options issued to employees during the year. See Notes 1 and 21 to the accounts for further information.

Sales Activation Solutions Group Limited

Notes to the Financial Statements

For the year ended 30 June 2009 (continued)

21 Share-based payments

During February 2007 and March 2007 a total of 2,100,000 share options in the parent company were granted to 10 key employees of the Group, including one director, under a share-based payment arrangement. Under the arrangement one third are entitled to be exercised from the first anniversary of the grant and one third in each of the two succeeding years or on termination of employment by the company, business sale or IPO. Unless otherwise approved by the board, options are only exercisable on 30th September each year. All unexercised options lapse on the tenth anniversary of the grant or on the date the employee terminates employment. There are no performance related conditions. The exercise price is 15p per share. No options expired or were exercised during the year.

Fair value is measured by use of an option pricing model on the grounds that there are no market related vesting conditions. On the date of the grant of the options the shares had a fair value, equal to that agreed with HMRC, of 30p a share. Key inputs factored into the option pricing model were as follows:

- The exercise price
- Expected volatility of 33% based on historic amounts subscribed for the shares
- A risk free rate of interest equal to the UK bank base rate on the date of the grant of 5.75%
- An exit rate of 0% has been used since no employees are expected to leave before the options are exercised
- A dividend yield of 0% has been used since no dividend has ever been paid

The total fair value of all options granted is estimated at £407,626 (2008 407,626) and the charge to the income statement for the year is £94,325 (2008 £206,245).

22 Related Party Transactions

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note (details of subsidiaries are included in note 11). Other transactions with related parties are detailed below.

During the year Voltrant No1440 Pty Limited invoiced the group £nil (2008 £104,000) for the services of D Hearn, a director of both companies.

Independent Auditors' Report to the Shareholders of Sales Activation Solutions Group Limited

We have audited the parent company financial statements of Sales Activation Solutions Group Limited for the year ended 30 June 2009 which comprise the Balance Sheet and the related notes. These parent company financial statements have been prepared under the accounting policies set out therein.

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

We have reported separately on the Group financial statements of Sales Activation Solutions Group Limited for the year ended 30 June 2009. That report is modified by an emphasis of matter.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, 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 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 company's circumstances and have 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 the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going Concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 23(a) to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £1,565,684 after providing against an inter-company debtor during the year ended 30 June 2009 and the group has net liabilities of £2,642,745. As noted in note 23(a) to the financial statements, the directors have prepared cash flow forecasts which they believe to be achievable and which indicate that the group is anticipated to have sufficient working capital for its requirements. This, along with the other matters explained in note 23(a) to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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



Esther Carder (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

Chartered Accountants
Statutory Auditor

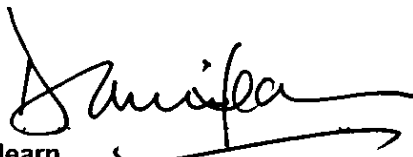
3/8/10

141 Wardour Street
London
W1F 0UT

Sales Activation Solutions Group Limited
Company Balance Sheet as at 30 June 2009

	Note	2009 £	2008 £
Fixed Assets			
Intangible assets	22	289,853	300,437
Investments in subsidiary undertakings	23	<u>431,243</u>	<u>1,053,467</u>
		721,096	1,353,904
Current Assets			
Debtors	24	281,839	375,376
Cash at bank and in hand		<u>3,485</u>	<u>174,535</u>
		285,324	549,911
Creditors, amounts falling due within one year	25	(188,202)	(100,458)
Net Current Assets		<u>97,122</u>	<u>449,453</u>
Creditors' amounts falling due after more than one year	26	(499,983)	-
Net Assets		<u>318,235</u>	<u>1,803,357</u>
Equity			
Share capital	27	1,775	1,735
Share premium account	28	12,260,635	12,180,113
Profit and loss account	29	<u>(11,944,175)</u>	<u>(10,378,491)</u>
Total equity		<u>318,235</u>	<u>1,803,357</u>

Approved by the Board for issue on 3/8/10


D Hearn
Director

Company registration number 4394889

Sales Activation Solutions Group Limited

Notes to the Company Financial Statements

For the year ended 30 June 2009

23 Accounting Policies

a) Basis of preparation and Going Concern

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 applicable United Kingdom Generally Accepted Accounting Practice.

The principal accounting policies, which have been consistently applied, are described below.

The Directors undertake regular reviews of the Working Capital position of the Group and Company. Management have recently prepared a forecast to 31st July 2011 which demonstrates that the Group and Company anticipate being able to meet its Working Capital requirements during the period and meet its liabilities as they fall due. Whilst forecasts, as they involve considering the future, are never certain, the forecast indicates that SAS will retain cash on hand throughout the next twelve months and is able to maintain this position without additional external funding.

Cash flow Forecasts for Financial Year 2010/11 are based on the current rate of monthly sales as at June 2010 and do not reflect any of the growth anticipated by the development of clients, products and retailers. The Group's most recent sales forecast indicates that over 70% of revenue for the next six months is already contracted. Therefore the directors believe it is safe to assume that Revenues and subsequent debt collections are achievable in the light of recent historic sales growth. Turnover in the period to 30 June 2010 has increased by 159% and, based on draft figures, losses have been able to be significantly reduced. In addition, SAS has continued to drive efficiency through its cost base, and the recent substantial improvement in revenue has been achieved without marked change to the overhead cost of the business. These actions have combined to significantly improve the Working Capital position throughout 2010 and are expected to continue to do so thereafter. On this basis the Directors believe that it is appropriate to prepare accounts on a going concern basis.

b) Gross revenue recognition

Gross revenue is measured at the fair value of the consideration received or receivable and comprises the gross amounts billed to clients in respect of fees earned, expenses recharged and commission-based income. Net revenue comprises commission and fees.

c) Finance costs

Finance costs, which include interest, bank charges and unwinding of the discount on deferred consideration, are recognised as profit or loss in the period in which they are incurred.

d) Operating loss

Loss from operations is stated after charging restructuring costs and after the share of post-tax results of associates and equity accounted joint ventures but before investment income and finance costs.

e) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases or, if lower, the present value of minimum lease payments. The excess of the lease payments over the recorded lease obligations is treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term or the period to the next review.

f) Foreign currencies

Transactions in UK companies denominated in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the 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. Gains and losses arising on retranslation are included in the profit and loss account for the period.

Sales Activation Solutions Group Limited

Notes to the Company Financial Statements

For the year ended 30th June 2009 (continued)

g) **Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax

Current tax payable is based on taxable profit for the year. The taxable loss differs from the net loss as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

h) **Impairment of intangible assets**

At each balance sheet date, the company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is immediately recognised as an expense in the profit and loss account.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

Sales Activation Solutions Group Limited

Notes to the Company Financial Statements

For the year ended 30 June 2009 (continued)

24 Intangible assets

	Intellectual Property Rights
	£
Cost	
At 1 July 2008	369,266
Additions	8,102
At 30 June 2009	<u>377,368</u>
Amortisation	
At 1 July 2008	68,829
Charge in year	18,686
At 30 June 2009	<u>87,515</u>
Carrying amount at 30 June 2009	<u><u>289,853</u></u>
Carrying amount at 30 June 2008	<u><u>300,437</u></u>

25 Fixed asset investments

	Shares in subsidiary undertaking £
Cost	
At 1 July 2008	1,053,467
Impairment	(622,224)
At 30 June 2009	<u><u>431,243</u></u>

The companies subsidiaries are listed below:

Name of subsidiary undertaking	Country of incorporation	Principal Activity	Holding
Floor Image Holdings Proprietary Limited	Australia	Dormant	100%
Committed Investments Proprietary Limited	Australia	Holding	100%
Sales Activation Solutions (UK) Limited	England & Wales	Marketing	100%

Floor Image Holdings Proprietary Limited is 55.5% directly owned by the company and 44.5% indirectly owned, via Committed Investments Proprietary Limited

During the year Floor Image (UK) Limited, ActiveFM Limited, SAS Brandtaxi Limited and Floor Image (SA) Limited dormant 100% subsidiaries of Sales Activation Solutions Group Limited were dissolved

Sales Activation Solutions Group Limited

Notes to the Company Financial Statements

For the year ended 30 June 2009 (continued)

26 Debtors	2009 £	2008 £
Trade debtors	-	-
Other debtors	281,839	279,884
Amounts owed by group undertakings	7,439,094	6,817,243
Less Amounts provided against group balances	<u>(7,439,094)</u>	<u>(6,721,751)</u>
	<u>281,839</u>	<u>375,376</u>
27 Creditors: amounts falling due within one year	2009 £	2008 £
Trade creditors	12,487	11,643
Amounts owed to group undertakings	55,465	55,465
Other creditors	20,000	-
Accruals and deferred income	100,250	33,350
	<u>188,202</u>	<u>100,458</u>
28 Creditors: amounts falling due after more than one year	2009 £	2008 £
Other loans	499,983	-
	<u>499,983</u>	<u>-</u>
Loan maturity analysis		
Included in creditors due within one year	20,000	-
Included in creditors due after more than one year	499,983	-
	<u>519,983</u>	<u>-</u>

Sales Activation Solutions Group Limited

Notes to the Company Financial Statements

For the year ended 30 June 2009 (continued)

29 Share Capital

Authorised	2009 £	2008 £
At 1 July 2008	100,000	100,000
8,200,000 A preferred ordinary Shares of £0 00004 each	328	328
At 30 June 2009	<u>100,328</u>	<u>100,328</u>

Called up, allotted and fully paid

36,210,500 Ordinary Shares of £0 00004 each	1,448	1,408
8,173,334 A preferred ordinary Shares of £0 00004 each	<u>327</u>	<u>327</u>
	<u>1,775</u>	<u>1,735</u>

30 Share premium account

	£
Balance at 30 June 2008	12,180,113
Additions	<u>80,562</u>
Balance at 30 June 2009	<u>12,260,675</u>

31 Company reconciliation of total equity

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 July 2008	1,735	12,180,113	(10,378,491)	1,803,357
Movement in Year	<u>40</u>	<u>80,522</u>	<u>(1,565,684)</u>	<u>(1,565,684)</u>
At 30 June 2009	<u>1,775</u>	<u>12,260,635</u>	<u>(11,944,175)</u>	<u>237,673</u>

Sales Activation Solutions Group Limited

Notes to the Company Financial Statements

For the year ended 30 June 2009 (continued)

32 Related Party Transactions

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note (details of subsidiaries are included in note 11). Other transactions with related parties are detailed below.

During the year Voltrant No1440 Pty Limited invoiced the company £nil (2008: £104,000) for the services of D Hearn, a director of both companies.

During the year the company received a £500,000 unsecured loan from Committed Capital GN Nominees Pty Ltd, a significant shareholder. Interest is payable on the loan at 25% per annum. The loan is repayable by 1 April 2011. £20,000 was also paid to Committed Capital GN Nominees Pty Ltd by the group, for costs incurred in raising finance.