



ADVENTIS GROUP PLC

Financial statements
31 December 2010



ADVENTIS GROUP PLC

Financial statements for the year ended 31 December 2010

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ADVENTIS GROUP PLC

Officers and professional advisers

| | |
|--------------------------|--|
| Directors | Nick Winks (Chairman) Charles Phillpot Andrew Pearson Julian Spooner Allan Collins |
| Secretary | Andrea Parsons |
| Registered Office | Adventis House Post Office Lane Beaconsfield Bucks HP9 1FN |
| Registered number | 3542727 |
| Principal bankers | Lloyds TSB Plc 25 Gresham Street London EC2V 7HN |
| Solicitors | Charles Russell LLP 5 Fleet Place London EC4M 7RD |
| Auditors | Mazars LLP Tower Bridge House St. Katharine's Way London E1W 1DD |
| Nominated advisor | Arbuthnot Securities Limited Arbuthnot House 20 Ropemaker Street London EC2Y 9AR |
| Registrar | Neville Registrars Limited 18 Laurel Lane Halesowen West Midlands B63 3DA |

ADVENTIS GROUP PLC

Chairman's statement

2010 was not a good year. The Group made a small profit at trading level and a big loss after a £5.4m goodwill impairment charge and exceptional costs of £0.3m arising on litigation. As in 2009, Adventis failed to generate any cash and was sustained by increased borrowings. The Chairman, the Finance Director and the Chief Executive who were in place throughout 2010 have now left the Company or are in the process of leaving.

Adventis Group is now in a period of turnaround where every aspect of the business is subject to re-examination and repair. Those business operations that are unviable will be sold if possible or closed if a buyer cannot be found.

The technology businesses, bChannels and Second2, have generated reliable levels of profit: although some strategic benefits of having them both in one Group since we acquired bChannels in February 2010 are emerging, further benefits have yet to be exploited. The Media businesses, Coltman and Adagenda are profitable, albeit at very low gross margins and with the threat of NPA recognition being withdrawn due to the Group's financial situation.

The Health and Property businesses made losses in 2010. In particular Health moved from a reasonable profit in 2009 to a significant loss.

Group overheads absorbed all of the net contribution generated by the operating businesses. Having agreed increased new facilities since the year end with our bankers, our priority for 2011 is to fix, close or sell underperforming businesses. We need to establish a strategy to enable the Group to build upon its profitable parts. We will also work with our talented managers to help integrate acquired businesses into Adventis Group so that we gain synergies without losing management flair at operating level. Group central costs will be reduced, working capital and cash managed tightly and deferred consideration obligations satisfied.

2011 will be a difficult year and success is not guaranteed. We have however made a good start in tackling the main issues and I hope to be able to report good progress this time next year.

Nick Winks
Chairman



ADVENTIS GROUP PLC

Operating and financial review

SUMMARY

On turnover of £28.7m little changed from 2009, the Group generated an operating profit before interest and exceptional items of £15,000 (2009: £1,282,000). Net finance costs were £98,000 (2009: £33,000) reflecting higher average debt levels. Exceptional items – a £5,377,000 charge for impairment of goodwill on the Health and Property businesses and £322,000 of costs on settling a legal claim – meant a pre-tax loss of £5,782,000 in 2010 against a profit of £1,251,000 in 2009.

Basic loss per share in 2010 was 12.0p (2009: earnings 1.9p). If the goodwill impairment charge is excluded, basic loss per share in 2010 was 0.8p.

These results reflect the £1.3m deterioration in underlying performance of the Health segment that reported an operating loss of £469,000 in 2010 against an operating profit of £791,000 in 2009. Until very late in the year, Health was expected to generate a much-improved performance in the second half of the year. When it became apparent in early 2011 that revenue expectations were optimistic and a goodwill impairment charge was likely, a Trading Statement was made on 27th January 2011. The statement announced an investigation and that discussions had commenced with the Group's bankers. Since the year-end senior management of Health has changed, costs reduced by a redundancy programme and current and future performance is being monitored more closely.

Technology and Telecoms – boosted by the acquisition of bChannels for an estimated £2.2m in February 2010 – performed well and reported doubled operating profits whilst Media performed creditably in the face of difficult market conditions. Property turned from a small profit into a small loss. The Operating Review below comments on the 2010 performance of individual business units in greater detail.

In March we announced that the National Publishers Association (“NPA”) was considering withdrawing the continuing membership of the Group media businesses. We have since had a constructive dialogue with the NPA but have not yet completed the appeal process.

GOING CONCERN

Since the year-end new and slightly increased facilities of £3.5m have been agreed with Lloyds Banking Group who continue to be very supportive of the Group during a period of transition. The Directors have prepared and approved detailed projections to support those facilities.

The Group has £1.6m of current deferred consideration obligations under earnout arrangements. The Directors believe that they will be able to negotiate deferred settlement of these obligations in line with the Group's available resources.

These financial statements are prepared on a Going Concern basis.

CASH FLOW AND NET DEBT

Cash flow from operations in the year was £598,000 (2009: £1,596,000) after exceptional legal costs of £322,000 but helped by a working capital inflow of £692,000 mainly from reduced receivables (2009: inflow of £116,000). Capex, tax and interest payments absorbed £757,000 (2009: absorbed £1,343,000).

The acquisition of bChannels was initially cash enhancing: cash consideration of £705,000 was less than the £1,266,000 of cash balances that the business had on acquisition. However, the Group continued to make significant cash earnout payments and paid out £1,486,000 in the year (2009: £2,710,000) and no funds were raised from share issues (2009: £804,000).

Net debt rose by £1,313,000 to £3,078,000 comprising a fully drawn £3m Revolving Credit Facility and bank overdraft balances of £78,000. At the year end the Group had an £250,000 overdraft facility.

ADVENTIS GROUP PLC

Operating and financial review (continued)

NET ASSETS

Group net assets declined by £5,961,000 to £7,722,000 – equivalent to 14.8p per Ordinary share currently in issue – principally due to the impairment charge against Health and Property goodwill carried on consolidation. Net assets reflects £12.6m of remaining goodwill and intangible expenditure on the development of Partnermarketing.com. Intangibles for development costs carried by Health of £106,271 were written off at the year end and are charged against Health operating results for the year.

Liabilities include £2.7m of estimated payments due on earnout consideration for acquisitions of which £1.6m is classified as a current obligation. At the Company's option an element of deferred consideration liabilities can be settled in new ordinary shares.

KPIs

Key performance indicators (KPIs) used internally and commonly throughout the industry include staff costs as a proportion of gross profit (revenue) which was 75% in 2010 (2009: 68%) and staff costs per employee which fell slightly to £48,100 (2009: £49,600). Productivity KPIs include revenue earned per employee which fell by 12% to £63,900 (2009: £72,600).

DIVIDENDS

In view of the loss for the year and the resultant deficiency on the Company's distributable reserves, no final dividend is recommended (2009: 0.484p). No interim dividend was paid for the year. Payment of the final 2009 dividend of £230,000 was made in June 2010.



ADVENTIS GROUP PLC

Operating and financial review (continued)

REVIEW OF OPERATIONS

Technology & Telecoms

Since the acquisition of bChannels in February 2010, the Group's Technology and Telecoms businesses, bChannels and Second2, have begun to work together effectively to develop joint services and target joint clients, including Cisco, Sony and Symantec. Together the businesses offer a comprehensive range of services to technology vendors, from channel consulting, project management and helpdesk outsourcing, to creative campaign development, digital marketing services and web application development. Both companies delivered strong performances in 2010 and continued to reinforce their relationships with key clients. Second2's digital creative services achieved significant growth in 2010, with many clients benefiting from improved campaign return on investment that the effective use of video and interactive applications provides. We are increasingly dealing with clients at both a regional and global level and our list of blue chip technology clients continues to expand.

bChannels continued to expand during 2010 and successfully relocated to larger new offices late in the year. Particular growth has come from telephone-based Marketing Support Desk which delivers training services to resellers of technology across Europe. Major clients include Symantec and SAP. 2010 also saw the expansion of this service into Asia, with a team of ten agents being located in the offices of a partner company in Beijing and Singapore. bChannels continues to be active with clients in North America. The technology market in general continued to show growth, particularly in the software sector. Major new project wins in 2010 included work with SAP, HP Software and Citrix. The outlook for 2011 is positive.

During the second half of 2010 we launched partnermarketing.com, a web application platform that draws on the services and experience of both bChannels and Second2 to enable technology vendors to better support their reseller channels. Partnermarketing.com is now in use by a diverse group of clients including Avaya, LG, Psion, Sony and Symantec. This platform is part of the increasing collaboration taking place between the two companies to win and deliver services to joint clients.

Together Technology & Telecoms became the Group's largest segment in terms of operating profits, delivering full year operating profit of £1,067,000 on turnover of £7.5m, an operating margin of 14.3%. Operating profits almost doubled over 2009, reflecting both the bChannels acquisition and organic growth in Second2 earnings.

Media

Trading remained challenging throughout 2010, however our three media planning and buying firms, Adagenda Media, Adventis Coltman Media and Premium Media have continued to prosper in their niche sectors of property, finance and travel with their combined billings allowing them to feature as one of the UK's top 30 buying points. Offering either pure media solutions or working closely with creative businesses they have been successful in consolidating relationships with current clients and securing new business.

Sixteen significant new client wins were recorded in 2010.

Whilst gross revenues for the year of £16.3m were 4% down on 2009, second half revenues were 6% ahead of the prior year and operating profits and margin were up on those of the first half. Full year operating profit was £758,000, down 26% on 2009.

ADVENTIS GROUP PLC

Operating and financial review (continued)

Healthcare

2010 was a challenging year for the Health division, with sector consolidation resulting in aggressive discounting as procurement seeks to further rationalise agency rosters. This has resulted in the loss of an account to a global network and the scope of some accounts narrowing to specific activities. Nevertheless, there have been some notable successes, with the successful launch of a new antibiotic for a European pharmaceutical business, and the early interest of manufacturers into our ground breaking patient adherence programme utilising social marketing techniques. There have also been important new account wins relating to our digital offering including a new web portal for a leading international pharmaceutical business.

After reporting a small operating profit in the first half, second half revenues declined by 42% to £1.25m and an operating loss of £494,000 for the second half was the result. Overall revenues fell by 44% year on year.

Since the year-end changes have been made to the senior management team and the business has reduced headcount through a redundancy programme in April. The costs and savings from that decision will flow in 2011.

Health continues to focus on developing innovative digital solutions to clients' needs. At the same time the agency is improving its strategic offer and has developed tools that will help clients build in digital strategy within their overall marketing and communication planning.

In a highly competitive market the business development team is striving for organic growth within existing strong client relationships whilst aggressively pursuing new clients.

Property Marketing

2010 proved a challenging year for GDO, with a significant decrease in projects from the UK commercial property sector. The company experienced an overall increase in sales, largely due to a significant uplift in business from Registered Providers (also known as RSL or Housing Associations). The margins on this business were, however, lower than historically could be expected from either the private or commercial development sectors. The protracted procurement process involved in winning public sector business also put pressure on internal costs, reducing still further our margins.

Andrew Pearson

Finance Director

Nick Winks £ – Chairman, age 63

Nick was appointed as a Chairman with effect from February 11th 2011. His early career saw a variety of senior management roles including CEO of a listed group. He has worked with many businesses to bring about change in operating performance, cash generation and debt structures often as a hands-on Chief Recovery Officer or executive chairman. Nick is currently a Senior Partner of WayPoint Change LLP which specialises in business turnaround.

Charles Phillpot – Chief Executive Officer, age 56

Charles has been the Managing Director of Adventis Group Plc since 1998. He joined the marketing department of Savills in 1988 rising to Marketing Director. He began his career in marketing with J Walter Thompson and Ogilvy & Mather. Before joining Savills he was a regional Marketing Director for De Beers in the largest global market, in Japan and Europe. He has extensive experience on the strategic and commercial aspects of marketing in the UK and overseas, at both client and agency level. Charles will leave the board on 31 May 2011.

Andrew Pearson – Finance Director, age 53

Andrew, a chartered accountant, was appointed Finance Director of Adventis Group PLC on April 20th 2011. As a Senior Partner for 16 years, he formed and led KPMG's Transaction Services business in the Midlands, building a multi-disciplined team of over 40 senior professionals supporting corporate, PE and bank clients on every type of M & A transaction. Andrew currently is a Senior Partner in WayPoint Change LLP specialising in hands-on business turnaround and M & A projects for banks and PE funds.

Allan Collins * § £ – Non-Executive Director and Chairman of the audit committee, age 49

Allan was appointed as part-time Finance Director of Adventis in 2000 and moved into his non-Executive role in 2006. He is a chartered accountant and is Finance Director of Savills (L&P) Limited. He started his career at PricewaterhouseCoopers working in the Corporation Taxation Department and the Advisory Division gaining experience of mergers and acquisitions.

Julian Spooner * § £ – Non-Executive Director and Chairman of remuneration and nominations committee, age 56

Julian was appointed as non-executive Director on September 15th 2010. He spent more than 20 years of his career in marketing and general management roles latterly at Diageo. He led a MBI/MBO of Media Audits group with private equity funding in 2001 and subsequently sold the business to Accenture which he then joined as COO Accenture Marketing Sciences. Since then Julian has taken a number of directorships of businesses specialising in marketing services and thereby brings significant client and agency experience to Adventis.

§ *Denotes membership of the Audit Committee*
 £ *Denotes membership of the Remuneration*
 * *Denotes membership of the Nominations Committee*

ADVENTIS GROUP PLC

Directors' report for the year ended 31 December 2010

The Directors submit their report and the audited financial statements of the Group for the year ended 31 December 2010.

Principal activity and review of the business

The principal activity of the Group is the provision of advertising and marketing services. 2010 was a very challenging year for Adventis in particular for the health business and the results were: gross profit of £10.1m (2009: £10.8m); an operating profit, before exceptional costs, of £15,000 (2009: £1.3m) and basic (loss)/earnings per share ("EPS") (11.9p) (2009: earnings 1.9p).

The principal activity of the Company is that of a holding company.

Results and dividends

The results of the Group are shown on page 15. In the year a dividend of £230,000 was paid. The Directors do not recommend the payment of a final dividend.

Post Balance Sheet event

The Board of Directors announced on the May 12th 2011 that Charles Phillpot, the Group Chief Executive, will be leaving the Group on May 31st 2011.

Financial Risk Management

In addition to the financial risks below, the only other risk would be the loss of a significant customer. At the balance sheet date there is no individual customer accounting for greater than 10% of group's revenue with exposure spread over a large number of individual customers. (see note 30)

The Group's operations expose it to a limited level of credit and liquidity risk. There is little financial risk arising from the effects of changes in market prices of commodities based on its current client sectors. The Group has a £3 million Revolving Credit Facility with Lloyds TSB which expires in June 2011. The interest rate is calculated as a margin on LIBOR based on the size of the drawn-down balance in proportion to EBITDA for the relevant period. Therefore the principal risk is from major increases in LIBOR which is possible but not deemed likely.

New facilities have been agreed since year end.

The Group does not use derivative financial instruments to manage interest rate costs, and as such, no hedge accounting is applied. Given the size of the Group, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board.

The Group's finance department implements the policies set by the Board of Directors. The department has guidelines agreed by the Directors to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

Price Risk

The Group has little exposure to commodity price risk as a result of its operations. The Group has no exposure to equity securities price risk as it holds no listed or other equity investment, other than subsidiary undertakings.

Credit Risk

The Group has implemented policies that require appropriate credit checks on potential customers before new accounts are accepted. The amount of exposure to any individual client is subject to a limit, which is reassessed annually by management. Credit insurance cover is also in place to cover selected businesses and circumstances.

Liquidity Risk

The Group actively maintains a treasury system that maintains a net credit position and is designed to ensure the Group has sufficient available funds for operations and planned expansions.

ADVENTIS GROUP PLC

Directors' report for the year ended 31 December 2010 (continued)

Directors and their interests

The names of the Directors who held office during the year and their shareholdings are shown below.

The following Directors held the following numbers of ordinary shares:

| Number of ordinary shares | At 31 December 2010 | At 1 January 2010 |
|--|---------------------|-------------------|
| Charles Phillpot | 1,694,000 | 1,494,000 |
| Aubrey Adams (resigned 14 February 2011) | 750,000 | 750,000 |
| Peter Linnell (resigned 30 March 2011) | 26,315 | 26,315 |
| Alan Collins | - | - |
| Julian Spooner (appointed 15 September 2010) | - | - |

Nick Winks was appointed Chairman on 11 February 2011. Andy Pearson was appointed as Financial Director on 20 April 2011. At the date of their appointment neither had any share interests in the company. Neil Crabb resigned from the board on 31 October 2010 with a shareholding of 275,000 ordinary shares (2009 – 275,000). Peter Mitchell resigned from the board on 10 February 2009 and had 140,350 options to subscribe to ordinary shares at a price of 28.5p which lapsed on 10 February 2010.

Directors hold the following options to subscribe for ordinary shares:

| | Exercise price | Date of grant | Date of expiry | Number of shares |
|------------------|----------------|-----------------|-----------------|------------------|
| Charles Phillpot | 28.5p | 1 July 2004 | 30 June 2014 | 263,158 |
| Charles Phillpot | 31.0p | 1 July 2005 | 30 June 2015 | 80,645 |
| Charles Phillpot | 35.37p | 2 November 2006 | 1 November 2016 | 100,000 |
| Charles Phillpot | 53.5p | 11 June 2007 | 10 June 2017 | 83,738 |
| Charles Phillpot | 26.0p | 11 June 2008 | 10 June 2018 | 107,692 |
| Peter Linnell | 36.0p | 5 December 2006 | 4 December 2016 | 208,333 |

Charles Phillpot was granted 350,000 performance shares on 20 October 2006 as part of the Long Term Incentive Plan (LTIP). On 19 October 2009 all 350,000 performance shares vested and on 26 March 2010 350,000 new shares were issued to settle the award. On 2 May 2007 Charles Phillpot was granted a further 93,750 performance shares and Peter Linnell was granted 105,469 performance shares. On 15 May 2008 Charles Phillpot was granted a further 521,008 performance shares and Peter Linnell was granted 277,311 performance shares. On 1 July 2009 Charles Phillpot was granted 253,682 performance shares and Peter Linnell was granted 180,033 performance shares. These grants crystallise three years following the grant dates depending on the financial performance of the Company during the years 2007 to 2011. These options will all lapse following his resignation.

There is a Keyman insurance policy regarding Charles Phillpot in favour of the Company.

Directors indemnity

The company maintains a directors' and officers' liability policy on normal commercial terms which includes third party indemnity provisions.

Going concern

The Board, after making suitable enquiries, is satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis in preparing the financial statements.

Political and charitable contributions

The amount paid by the Group to charitable bodies was £Nil (2009: £800). The Group made no political contributions during the year (2009: Nil).

Creditor payment policy

It is the Group's policy that payments to suppliers are made in accordance with all relevant terms and conditions. Creditor days as at 31 December 2010 for the Group have been calculated at 35 days (2009: 28 days).

Substantial shareholders

The following had interests in 3% or more of the voting capital of the Company as at 23 May 2011:

| Holder | No. of shares | % |
|-------------------|---------------|--------|
| Savills (L&P) Ltd | 14,379,200 | 29.70% |
| ISIS EP LLP | 9,860,471 | 20.37% |
| Charles Phillpot | 1,694,000 | 3.50% |

ADVENTIS GROUP PLC

Directors' report for the year ended 31 December 2010 (continued)

Treasury stock

At the Extraordinary General Meeting held on 29 May 2008 the shareholders authorised the Company to purchase its own shares and during the remainder of the 2008 financial year the Company entered into a number of transactions acquiring a total of 728,953 shares which it put into Treasury. At the beginning and end of the year the Employee Benefit Trust held 65,180 shares. Therefore the total treasury stock at 31 December 2010 was 794,133 (2009: 794,133) with a market value of £22,000 (2009: £155,000).

Corporate governance

Although the Company is not obliged to comply with the revised Combined Code on Corporate Governance issued in June 2008 (the "Code"), the Board is committed to ensuring good standards of corporate governance and has taken steps to comply with the Code's principles in so far as practicable for a company of this size.

Board of Directors

The Board meets regularly to determine the policy and business strategy of the Group and has adopted a schedule of those matters that are reserved as the responsibility of the Board. During 2010 the Chief Executive Officer led the development of business strategies within the Group's operations. During 2010 the Board consisted of two executive Directors and three non-executive Directors, including the non-executive Chairman. The Chairman was considered independent on appointment although one of the non-executive Directors cannot be considered independent for the purposes of the Code. However, the Board considers that there is now an appropriate balance between the executives and non-executives, and that no individual or small group dominates the Board's decision taking. The Board's members have a wide range of expertise and experience and it is felt that concerns may be addressed to any of the non-executive Directors.

Notice of the Company's annual general meeting is sent to shareholders with a copy of these financial statements.

Board committees

The Board has delegated certain authorities to committees, each with formal terms of reference, which are available on request to the Company's registered office. The members of the committees are detailed on page 8.

Audit committee

The audit committee now consists of two non-executive Directors and meets at least twice a year to consider the scope of the annual audit and interim reviews, to assess the external auditors, to assess effectiveness of the Group's systems of internal control and to review the requirement for internal audit (which the committee believes is not justified given the current size of the Group). The committee has access to the Group's external auditors. The Chief Executive Officer and Finance Director may be invited to attend committee meetings, but are not members.

Remuneration committee

The remuneration committee now consists of the three non-executive Directors and meets at least twice a year to determine company policy on senior executive remuneration, to make detailed recommendations to the Board regarding the remuneration packages of the executive Directors and consider the awards under the Group's option schemes. The Chief Executive Officer is consulted on remuneration packages and policy, but does not attend discussions regarding his own package. The Board believes it is appropriate for the Chairman to chair the committee. The remuneration and terms and conditions of appointment of the non-executive Directors are determined by the Board.

At the 2009 Annual General Meeting the shareholders gave the Board the authority to broaden the Long Term Incentive Plan vesting criteria regarding future grants. Authority was also given at that meeting to extend the normal post-preliminary results announcement period of 42 days by a further 30 days.

On 1 July 2009 grants were made under the Long Term Incentive Plan of 253,682 shares to Charles Phillpot and 180,033 shares to Peter Linnell. The vesting criteria and the proportion of the award that will be determined during the three years 2009 to 2011 are:

| | |
|------------------------------------|-------|
| Earnings per share growth | 50% |
| Total shareholder return | 12.5% |
| Gross profit (revenue) performance | 12.5% |
| Achievement of market forecasts | 12.5% |
| Management of overheads | 12.5% |

The vesting criteria and the proportion of the award that will be determined during the three years 2010 to 2012 are the same as will be applied to the 2009 grants as listed above.

Nomination committee

The nomination committee now consists of the three non-executive Directors and meets at least once each year to evaluate individual Board members' effectiveness, to review the composition and balance of the Board and to recommend candidates to the Board for vacancies, as required.

Controlling party

In the opinion of the Directors there is no one party with a controlling interest in the share capital of the Company.



ADVENTIS GROUP PLC

Directors' report for the year ended 31 December 2010 (continued)

Internal control and risk management

The Board has implemented a formal system of controls which accords with the guidance given in the Turnbull Report and acknowledges its responsibility for reviewing the effectiveness of the systems in place to manage risk and provide reasonable, but not absolute, assurance with regard to the safeguarding of group assets against misstatement or loss. The key elements of the system of internal control are:

- Clear definition of delegated authorities and preparation of annual budgets for Board approval.
- Close involvement by operating management in the day-to-day business of the Group, facilitating prompt identification of risks and action, both financial and operational.
- Regular reporting of individual business performance to the Board and the review of results against planned performance.
- Regular assessment and review of risks and controls and specific annual assessment by the audit committee of the effectiveness of the systems in place. The audit committee reports to the Board on its findings.

Statement of disclosure to auditor

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

Auditors

In accordance with section 486 of the Companies Act 2006, a resolution to reappoint Mazars LLP will be put to the Annual General Meeting.

By order of the Board 27 May 2011

A Pearson

Registered Office:
Adventis House
Post Office Lane
Beaconsfield
Bucks
HP9 1FN

ADVENTIS GROUP PLC

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



ADVENTIS GROUP PLC

Independent auditor's report to the members of Adventis Group Plc

We have audited the financial statements of Adventis Group Plc for the 31 December 2010 which comprise the Group and Parent Company Statements of Financial Position, the Group Statement of Comprehensive Income the Group and Parent Company Cash Flow Statements, the Group and Parent Company Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 13, 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 and express an opinion 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. This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2010 and of the Group's loss 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 financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matters prescribed by the Companies Act 2006

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

Robert Neate (Senior statutory auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory auditor
Tower Bridge House
St. Katharine's Way
London E1W 1DD

27 May 2011

ADVENTIS GROUP PLC

Consolidated statement of comprehensive income for the year ended 31 December 2010

| | Notes | 2010 £'000 | 2010 £'000 | 2009 £'000 |
|--|-------|----------------|-----------------|---------------|
| Continuing operations | | | | |
| Turnover | | | 28,650 | 28,329 |
| Cost of sales | | | (18,486) | (17,519) |
| Gross profit | | | 10,164 | 10,810 |
| Administration expenses | | | (10,149) | (9,528) |
| Exceptional items | | | | |
| Impairment of goodwill | 10 | (5,377) | | - |
| Legal fees | 10 | (322) | | - |
| | | | (5,699) | - |
| Operating (loss)/profit | 4 | | (5,684) | 1,282 |
| Investment revenue | 8 | | - | 2 |
| Finance costs | 9 | | (98) | (33) |
| (Loss)/profit on ordinary activities before taxation | | | (5,782) | 1,251 |
| Taxation on (loss)/profit on ordinary activities | 11 | | 19 | (395) |
| (Loss)/profit for the financial year | | | (5,763) | 856 |
| Other comprehensive income | | | - | - |
| Total comprehensive income for the financial year | | | (5,763) | 856 |
| Attributable to: | | | | |
| Equity holders | | | (5,763) | 819 |
| Non-controlling interests | | | - | 37 |
| | | | (5,763) | 856 |
| (Loss)/Earnings per share | 13 | | | |
| Basic (loss)/earnings per share (pence) | | | (11.9) | 1.9 |
| Diluted (loss)/earnings per (pence) | | | (11.9) | 1.8 |

The notes on pages 22 to 48 form part of these financial statements

ADVENTIS GROUP PLC

Consolidated statement of financial position as at 31 December 2010

| | Notes | 2010 £'000 | 2009 £'000 |
|--------------------------------------|-------|----------------------|----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 15 | 469 | 518 |
| Goodwill and other intangible assets | 14 | 12,829 | 15,693 |
| Deferred tax asset | 23 | 4 | 78 |
| | | <u>13,302</u> | <u>16,289</u> |
| Current assets | | | |
| Work in progress | | 151 | 53 |
| Trade and other receivables | 17 | 5,848 | 7,025 |
| Current income tax assets | | 90 | - |
| Cash and cash equivalents | 18 | - | 35 |
| | | <u>6,089</u> | <u>7,113</u> |
| Total assets | | <u>19,391</u> | <u>23,402</u> |
| EQUITY | | | |
| Capital and reserves | | | |
| Share capital | 19 | 121 | 120 |
| Share premium account | | 7,480 | 7,448 |
| Shares held by EBT | 22 | (23) | (23) |
| Capital redemption reserve | | 200 | 200 |
| Other reserves | | 20 | 20 |
| Share based payments reserve | | 65 | 130 |
| Retained earnings | | (141) | 5,788 |
| Total equity | | <u>7,722</u> | <u>13,683</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Deferred tax liability | 23 | 4 | 4 |
| Deferred consideration | 24 | 1,092 | 1,097 |
| | | <u>1,096</u> | <u>1,101</u> |
| Current liabilities | | | |
| Trade and other payables | 25 | 5,917 | 5,637 |
| Current income tax liabilities | | - | 98 |
| Borrowings | 18 | 3,078 | 1,800 |
| Deferred consideration | 24 | 1,578 | 1,083 |
| | | <u>10,573</u> | <u>8,618</u> |
| Total liabilities | | <u>11,669</u> | <u>9,719</u> |
| Total equity and liabilities | | <u>19,391</u> | <u>23,402</u> |

Approved by the Board of Directors on 27 May 2011

Signed on behalf of the board of directors:

Nick Winks
Chairman

Andrew Pearson
Finance Director

The notes on pages 22 to 48 form part of these financial statements

ADVENTIS GROUP PLC

Company statement of financial position as at 31 December 2010

Company number: 03542727

| | Notes | 2010 £'000 | 2009 £'000 |
|-------------------------------------|-------|---------------|---------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investments | 16 | 14,589 | 18,457 |
| Property, plant and equipment | 15 | 382 | 406 |
| | | <u>14,971</u> | <u>18,863</u> |
| Current assets | | | |
| Trade and other receivables | 17 | 290 | 486 |
| Bank balances and cash | 18 | - | 11 |
| | | <u>290</u> | <u>497</u> |
| Total assets | | <u>15,261</u> | <u>19,360</u> |
| EQUITY | | | |
| Capital and reserves | | | |
| Share capital | 19 | 121 | 120 |
| Share premium account | | 7,480 | 7,448 |
| Capital redemption reserve | | 200 | 200 |
| Shares held by EBT | 22 | (23) | (23) |
| Other reserves | | 20 | 20 |
| Share based payments reserve | | 65 | 130 |
| Retained earnings | | (1,901) | 3,226 |
| Total equity | | <u>5,962</u> | <u>11,121</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Deferred consideration | 24 | 1,092 | 1,097 |
| | | <u>1,092</u> | <u>1,097</u> |
| Current liabilities | | | |
| Trade and other payables | 25 | 2,458 | 3,393 |
| Bank overdraft | 18 | 1,171 | - |
| Borrowings | 18 | 3,000 | 2,667 |
| Deferred consideration | 24 | 1,578 | 1,083 |
| | | <u>8,207</u> | <u>7,143</u> |
| Total liabilities | | <u>9,299</u> | <u>8,240</u> |
| Total equity and liabilities | | <u>15,261</u> | <u>19,360</u> |

Approved by the Board of Directors on 27 May 2011

Signed on behalf of the board of directors:

Nick Winks
Chairman

Andrew Pearson
Finance Director

The notes on pages 22 to 48 form part of these financial statements

ADVENTIS GROUP PLC

Consolidated statement of changes in equity for the year ended 31 December 2010

| | Share capital | Share premium | Capital redemption reserve | Shares held by EBT | Share based transactions | Retained earnings | Attributable to Equity Holders | Attributable to non-controlling Interests | Total |
|-----------------------------------|---------------|---------------|----------------------------|--------------------|--------------------------|-------------------|--------------------------------|---|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Balance 31 December 2008 | 109 | 6,655 | 220 | (23) | 126 | 5,274 | 12,361 | 56 | 12,417 |
| Total comprehensive income | - | - | - | - | - | 819 | 819 | 37 | 856 |
| Changes in equity for 2009 | | | | | | | | | |
| Issue of share capital | 11 | 793 | - | - | - | - | 804 | - | 804 |
| Dividends paid | - | - | - | - | - | (305) | (305) | (25) | (330) |
| Share based transactions | - | - | - | - | 4 | - | 4 | - | 4 |
| Disposal of Adventis NMG Limited | - | - | - | - | - | - | - | (68) | (68) |
| Balance 31 December 2009 | 120 | 7,448 | 220 | (23) | 130 | 5,788 | 13,683 | - | 13,683 |
| Total comprehensive income | - | - | - | - | - | (5,763) | (5,763) | - | (5,763) |
| Changes in equity for 2010 | | | | | | | | | |
| Issue of share capital | 1 | 32 | - | - | - | (1) | 32 | - | 32 |
| Dividends paid | - | - | - | - | - | (230) | (230) | - | (230) |
| Share based transactions | - | - | - | - | (65) | 65 | - | - | - |
| Balance 31 December 2010 | 121 | 7,480 | 220 | (23) | 65 | (141) | 7,722 | - | 7,722 |

The notes on pages 22 to 48 form part of these financial statements

ADVENTIS GROUP PLC

Company statement of changes in equity for the year ended 31 December 2010

| | Share capital | Share premium | Capital redemption reserves | Shares held by EBT | Share based transactions | Retained earnings | Total |
|---|---------------|---------------|-----------------------------|--------------------|--------------------------|-------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Balance 31 December 2008 | 109 | 6,655 | 220 | (23) | 126 | 1,616 | 8,703 |
| Total comprehensive income for the year | - | - | - | - | - | 1,915 | 1,915 |
| Changes in equity for 2009 | | | | | | | |
| Issue of share capital | 11 | 793 | - | - | - | - | 804 |
| Dividends paid | - | - | - | - | - | (305) | (305) |
| Share based transactions | - | - | - | - | 4 | - | 4 |
| Balance 31 December 2009 | 120 | 7,448 | 220 | (23) | 130 | 3,226 | 11,121 |
| Total comprehensive income for the year | - | - | - | - | - | (4,961) | (4,961) |
| Changes in equity for 2010 | | | | | | | |
| Issue of share capital | 1 | 32 | - | - | - | (1) | 32 |
| Dividends paid | - | - | - | - | - | (230) | (230) |
| Share based transactions | - | - | - | - | (65) | 65 | - |
| Balance 31 December 2010 | 121 | 7,480 | 220 | (23) | 65 | (1,901) | 5,962 |

The notes on pages 22 to 48 form part of these financial statements

ADVENTIS GROUP PLC

Consolidated statement of cash flows for the year ended 31 December 2010

| | Note | 2010 £'000 | 2009 £'000 |
|--|------|----------------|----------------|
| Cashflows from operating activities | | | |
| Operating (loss)/profit | | (5,684) | 1,282 |
| Adjustments for: | | | |
| Impairment of investments | | - | 57 |
| Impairment of goodwill | | 5,377 | - |
| Share based transactions | | - | 4 |
| Depreciation on property plant and equipment including amortisation of intangibles | | 312 | 137 |
| Operating cashflows before movement in working capital | | 5 | 1,480 |
| (Increase)/decrease in work in progress | | (99) | 203 |
| Decrease in receivables | | 1,542 | 2,805 |
| (Decrease) in payables | | (850) | (2,892) |
| Cash generated from operations | | 598 | 1,596 |
| Corporation tax paid | | (297) | (1,116) |
| Interest paid | | (98) | (33) |
| Net cash from operating activities | | 203 | 447 |
| Cash flows from investing activities | | | |
| Interest received | | - | 2 |
| Purchase of property, plant & equipment | | (101) | (86) |
| Sale of interest in subsidiary | | - | (69) |
| Development of intangible software assets | | (260) | (110) |
| Acquisition of subsidiary undertaking | 27 | 561 | - |
| Deferred consideration for prior acquisitions | 28 | (1,486) | (2,710) |
| Net cash (used) in investment activities | | (1,286) | (2,973) |
| Cash flows from financing activities | | | |
| Dividends paid | 12 | (230) | (330) |
| Proceeds of issuing share capital net of costs | | - | 804 |
| Net cash (used)/from financing activities | | (230) | 474 |
| Net (decrease) in cash and cash equivalents | | (1,313) | (2,052) |
| Cash and cash equivalents at the beginning of the period | | (1,765) | 287 |
| Cash and cash equivalents at the end of the period | | (3,078) | (1,765) |
| Cash and cash equivalents comprises: | | | |
| Cash and cash equivalents | | - | 35 |
| Borrowings | | (3,078) | (1,800) |
| | | (3,078) | (1,765) |

The notes on pages 22 to 48 form part of these financial statements

ADVENTIS GROUP PLC

Company statement of cash flows for the year ended 31 December 2010

| | Note | 2010 £'000 | 2009 £'000 |
|---|------|----------------|----------------|
| Cashflows from operating activities | | | |
| Operating (loss) | | (5,493) | (960) |
| Adjustments for: | | | |
| Impairment of investments | | 6,597 | 57 |
| Share based transactions | | - | 4 |
| Depreciation on property plant and equipment | | 93 | 63 |
| Operating cashflows before movement in working capital | | 1,197 | (863) |
| Increase/(decrease) in receivables | | 196 | (20) |
| (Decrease)/increase in payables | | (321) | 1,134 |
| Cash generated by operations | | 1,072 | 278 |
| Interest paid | | (96) | (33) |
| Net cash from operating activities | | 976 | 245 |
| Cash flows from investing activities | | | |
| Interest received | | - | 2 |
| Purchase of property, plant & equipment | | (70) | (30) |
| Acquisition of subsidiary undertaking | 27 | (705) | - |
| Deferred consideration for prior acquisitions | 28 | (1,486) | (2,710) |
| Net cash (used) in investment activities | | (2,261) | (2,738) |
| Cash flows from financing activities | | | |
| Dividends paid | | (230) | (305) |
| Proceeds of issuing share capital net of costs | | - | 804 |
| Net cash (used)/from financing activities | | (230) | 499 |
| Net (decrease) in cash and cash equivalents | | (1,515) | (1,994) |
| Cash and cash equivalents at the beginning of the period | | (2,656) | (662) |
| Cash and cash equivalents at the end of the period | | (4,171) | (2,656) |
| Cash and cash equivalents comprises: | | | |
| Cash and cash equivalents | | - | 11 |
| Overdraft and borrowings | | (4,171) | (2,667) |
| | | (4,171) | (2,656) |

The notes on pages 22 to 48 form part of these financial statements

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010

Adventis Group Plc is a company registered in England and Wales under the Companies Act. Registered in England number 3542727 at Adventis House, Post Office Lane, Beaconsfield, Bucks, HP9 1FN. The nature of the Group's operations and its principal activities are set out in the Directors' report on pages 8 to 12.

1. Presentation of financial statements

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Group and the Company have not applied the following IFRS and IFRIC that are applicable to the Group and Company and that have been issued but are not yet effective.

| New/revised International Financial Reporting Standards | Effective date |
|--|--|
| IFRS 9 Financial Instruments | Annual periods beginning on or after 1 January 2013 |
| IFRS 10 Consolidated financial statements | Annual periods beginning on or after 1 January 2013 |
| IFRS 11 Joint arrangements | Annual periods beginning on or after 1 January 2013 |
| IFRS 12 Disclosure of interests in other entities | Annual periods beginning on or after 1 January 2013 |
| IFRS 13 Fair value measurements | Annual periods beginning on or after 1 January 2013 |
| IAS 12 Income taxes – Limited scope amendment (recovery of underlying assets) | Annual periods beginning on or after 1 January 2012 |
| IAS 24 Related party disclosure: Revised definition of related parties | Annual periods beginning on or after 1 January 2011 |
| IAS 32 Financial instruments: Presentation amendments relating to classification of rights issues | Annual periods beginning on or after 1 February 2010 |
| IFRIC 14 Prepayments of a minimum funding requirement | Annual periods beginning on or after 1 January 2011 |
| IFRIC 19 Extinguishing financial liabilities with equity instruments | Annual periods beginning on or after 1 July 2010 |

The directors expect that the adoption of the above pronouncements will have no material impact to the financial statements in the period of initial application other than disclosure.

The Directors do not consider the adoption of the amendments resulting from May 2010 Annual Improvement projects will result in a material impact on the financial information of the Group. These amendments to IFRS 7, IAS 1 and IAS 34, are effective for accounting periods beginning on or after 1 January 2011, with the exception of amendments to IFRS 3, IFRS 7 and IAS 27, which are effective for accounting periods beginning on or after 1 July 2010. The Group and Company have adopted the amendments to the following standards and interpretations;

| |
|--|
| IFRS 2 Share based payments – Amendments relating to group cash-settled share based payment transactions |
| IFRS 3 Business Combinations – Comprehensive revision on applying the acquisition method |
| IFRS 5 Non current assets held for sale and discontinued operations – Amendments resulting from April 2009 Annual Improvements to IFRSs |
| IAS 1 Presentation of financial statements – Amendments resulting from April 2009 Annual Improvements to IFRSs |
| IAS 17 Leases – Amendments resulting from April 2009 Annual Improvements to IFRSs |
| IAS 27 Consolidated and Separate Financial Statements – Consequential amendments arising from amendments to IFRS 3 |
| IAS 28 Investments in Associates – Consequential amendments arising from amendments to IFRS 3 |
| IAS 31 Interests in Joint Ventures – Consequential amendments arising from amendments to IFRS 3 |
| IAS 36 Impairment of Assets – Amendments resulting from April 2009 Annual Improvements to IFRSs |
| IAS 39 Financial Instruments: Recognition and Measurement – Amendments for eligible hedged items |
| IFRIC 17 Distribution of non cash assets to owners |
| IFRIC 18 Transfer of assets from customers |

Other than adopting IFRS 3 revised, the impact of adopting the above amendments to standards has been purely presentational. The impact of adopting IFRS 3 revised is to expense transaction costs of £42,000 relating to the acquisition of bChannels Limited.

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

2. Summary of significant accounting policies

Basis of accounting

The 2010 financial statements are prepared under International Financial Reporting and Accounting Standards, as adopted for use by the European Union.

The financial statements have been prepared on the going concern basis and historical cost basis. 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) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of a subsidiary.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Losses applicable to the non-controlling in excess of the non-controlling interests in the subsidiary's equity are allocated against the interests of the Group except to the extent that the non-controlling interest has a binding obligation and is able to make additional investment to cover the losses.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income ("CSCI") from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-group transactions and balances are eliminated on consolidation.

Going concern

The financial statements have been prepared on the going concern basis. The company and group has made a loss for the year, has seen a cash outflow as a consequence of deferred consideration payments and other factors, and is dependent upon the continued support of its bankers. At the year end, the company and group had a fully drawn committed term revolving credit facility of £3m and an overdraft facility of £0.25m. The term facility is due to expire in June 2011.

Since the year end the bank has confirmed its ongoing support and agreed to provide new facilities of £3.5m in aggregate, comprising an asset-based facility of £2.5m, a two year committed revolving credit facility of £0.75m and an overdraft facility of up to £0.25m.

In addition the company and group has current liabilities of £1.6m for deferred consideration payments due on recent acquisitions. The group expects to agree payment terms covering the majority of these obligations in order to ensure that they can be funded within the anticipated available bank facilities.

The directors have prepared detailed financial projections for the company and group incorporating the availability of this financing.

On the basis of these financial projections, the directors have concluded that the company and group will be able to meet its liabilities as they fall due for the foreseeable future, and therefore that the going concern basis of preparation is appropriate.

2. Summary of significant accounting policies (continued)

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the acquisition date, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group. The acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair value at the acquisition date, except for non-current assets that are held for resale, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of cost over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

If the Group's interest in the net fair value of a subsidiary's or joint venture's assets, liabilities and contingent liabilities exceeds cost of the business combination, the excess ("negative goodwill") is recognised in profit and loss immediately.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling interests' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Revenue recognition

Turnover represents revenue receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue is derived from fees for marketing services and commissions on media placements. Revenue is recognised when the service is performed or the month in which the media placement appears, in accordance with contractual arrangements.

Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable.

Revenue from dividend income is recognised when the rights of the shareholders to receive payment is determined.

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 are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lesser is included in the balance sheet as finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

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.

Borrowing costs

Borrowing costs are capitalised that are directly attributable to the acquisition construction or production of a qualifying asset. Other borrowing costs are expensed in the period they are incurred. No borrowing costs were capitalised in the year (2009:Nil)

Operating segments

The Group's activities are split into four main operating segments – Technology & Telecoms, Healthcare, Media planning & buying services and Property. These segments are the basis on which information is reported to the Group Board. The segment result is the measure used for the purposes of resource allocation and assessment and represents profit earned by each segment, before exceptional operating costs, group amortisation and impairment charges, share-based payment charges, corporate costs, net finance costs and taxation. All divisions operate from the UK and all revenue is derived from the supply of services.

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

2. Summary of significant accounting policies (continued)

Taxation

The tax charge represents the sum of current and deferred tax.

Current tax payable is based on taxable profits for the year. Taxable profits differ from net profits as reported in the income statement because it excludes items that are taxable or deductible in other years and items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at 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 liability method. Deferred tax liabilities are recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which temporary differences can be utilised.

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 assets are offset when there is a legally enforceable right to offset current tax assets against current liabilities and when deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entity where there is an intention to settle on a net basis.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability or the asset is realised.

Share based payments – employee services

The fair value of employee services received in exchange for the grant of options or shares is recognised as an expense. The total amount to be expensed annually over the vesting period is determined by reference to the fair value of the options or shares determined at the grant date, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable and the number of shares that the employee will ultimately receive. This estimate is revised at each balance sheet date and the difference is charged or credited to the consolidated statement of comprehensive income.

Share based payments – other goods or services

Goods or services (other than employee services) received in exchange for share-based payment are measured directly at their fair value and are recognised as an expense. Proceeds received on exercise of options, net of any directly attributable transaction costs, are credited to equity.

Pension costs

The Group operates a staff stakeholder pension plan. The Group also contributed to a number of defined contribution individual pension plans. Contributions in respect of defined contribution pension plans are charged to the consolidated statement of comprehensive income when they are payable.

Currencies

Transactions in currencies other than Sterling are recorded at the rates of exchange prevailing on the dates of the transactions.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is capitalised and recognised as an asset in accordance with IFRS 3 and is tested for impairment annually, or on such occasions that events or changes in circumstances indicate that its value might be impaired.

On disposal of a subsidiary, the attributable amount of goodwill, which has not been subject to impairment, is included in the determination of the profit or loss on disposal.



ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

2. Summary of significant accounting policies (continued)

Positive goodwill arising on acquisitions before the date of the transition to International Financial Reporting Standards has been retained at the previous UK GAAP amount subject to being tested for impairment at that date. Negative goodwill arising on acquisitions before the date of the transition has been credited to retained earnings at the date of transition. Goodwill and other intangible assets which have an indefinite useful life are tested for impairment on an annual basis

Impairment

At each reporting date, the Group reviews the carrying amount of its tangible and intangible assets including goodwill 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 it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the impairment loss is recognised as an expense.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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. A reversal of an impairment loss is recognised as income immediately. Impairment losses relating to goodwill are not reversed.

Other intangible fixed assets

Certain software development costs relating to products with distinct and significant revenue streams have been capitalised and are amortised over a maximum of three years.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Depreciation is charged so as to write-off the cost less residual value over estimated useful lives, using the reducing balance method commencing in the month following the purchase, on the following basis:

| | |
|--------------------------------|------------------------------|
| Furniture and office equipment | 20% reducing balance |
| Leasehold improvements | over the period of the lease |

The useful lives and residual values of assets are reviewed annually. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the lease.

The gain or loss arising on the disposal of an asset including disposal costs is recognised in the consolidated statement of comprehensive income.

Work in progress

Work in progress is stated at the lower of cost and net realisable value. Cost comprises direct materials and direct labour costs and attributable overheads that have been incurred up to the balance sheet date. Net realisable value represents the estimated revenue less all estimated costs of completion and necessary selling costs.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's and Company's statement of financial position when the Group or Company has become a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised costs using the effective interest rate method, as reduced by appropriate provisions for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term deposits and liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

2. Summary of significant accounting policies (continued)

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest rate method.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that creates a residual interest in the assets of the Group.

Trade payables

Trade payables are stated at their amortised cost less any discount or rebate received.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event from which it is likely that an outflow of economic benefits will occur which can be reasonably quantified.

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the Company's shareholders.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Employee Benefit Trust

In accordance with SIC 12 "Consolidation – special purpose entities", the Company includes the assets and liabilities of that trust within its statement of financial position. In the event of the winding up of the Company, neither the shareholders nor the creditors would be entitled to the assets of the employee benefit trust.

Investment in own shares held in connection with the Group's employee share schemes are deducted from the shareholders' funds in accordance with IAS 32 "Financial Instruments – Presentation" until such time as they vest unconditionally to participating employees.

The fair value of employee services received in exchange for the grant of shares is recognised as an expense. The total amount to be expensed annually over the performance period is determined by reference to the fair value of the shares determined at the grant date.

Critical accounting judgements and key sources of estimation uncertainty

The Directors consider the critical accounting estimates and judgements used in the financial statements and concluded that the main areas of judgement are:

(a) Investments in subsidiaries:

The Company determines whether investments in subsidiaries and the related goodwill arising on consolidation are impaired at least on an annual basis and measures the recoverable amount of the investments whenever there is an indication that the investments may be impaired. This requires an estimation of the value in use of the investments. Estimating the value in use requires the Company to make an estimate of the expected future cash flow from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Where there is an indication of impairment, management perform an impairment review to determine the level of provision required.

(b) Calculation of Goodwill:

Goodwill is calculated based on estimated consideration payable to the former shareholders of the acquired subsidiaries. This consideration includes a contingent element which is based on future estimated profits of the subsidiary involved. This requires an initial assessment as to the probability of whether the full amount of the purchase consideration will be payable. These accounting estimates and judgements are based on historical experience and various other assumptions that management and the Board of Directors believe are reasonable under the circumstances and are disclosed in more details in their respective notes. The Group also makes estimates and judgements concerning the future and the resulting estimate may, by definition, vary from the related actual results.

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

3. Segment analysis

The Group's activities are split into four main operating segments – Technology & Telecoms, Healthcare, Media planning & buying and Property. These segments are the basis on which information is reported to the Group Board. The segment result is the measure used for the purposes of resource allocation and assessment and represents profit earned by each segment, before exceptional operating costs, amortisation and impairment charges, share-based payment charges, corporate costs, net finance costs and taxation. The Group Board does not assess assets and liabilities on a segment basis.

Current business activities, which are provided by each segment, are the provision of marketing consultancy and marketing communications services including corporate identity programmes, advertising campaigns, media planning and buying, marketing literature, research and planning, public relations, exhibitions, web and digital media. There are no major customers.

All divisions operate from the UK and all revenue is derived from the supply of services.

The accounting policies applied in preparing the management information for each of the reportable segments are the same as the Group's accounting policies described in note 2.

| | 2010 £'000 | 2009 £'000 |
|-----------------------------------|----------------|---------------|
| Turnover (billings) | | |
| Health | 3,389 | 6,016 |
| Technology & telecoms | 7,561 | 3,389 |
| Media | 16,279 | 16,900 |
| Property | 1,421 | 1,366 |
| Other | - | 658 |
| | <u>28,650</u> | <u>28,329</u> |
| Operating income (revenue) | | |
| Health | 2,463 | 4,134 |
| Technology & telecoms | 4,580 | 2,507 |
| Media | 2,367 | 2,683 |
| Property | 754 | 1,092 |
| Other | - | 394 |
| | <u>10,164</u> | <u>10,810</u> |
| Operating profit | | |
| Health | (469) | 791 |
| Technology & telecoms | 1,067 | 543 |
| Media | 758 | 1,018 |
| Property | (73) | 12 |
| Other | - | 69 |
| | <u>1,283</u> | <u>2,433</u> |
| Unallocated costs: | | |
| Corporate costs | (1,268) | (957) |
| Interest expense (net) | (98) | (31) |
| Impairment of goodwill | (5,377) | (194) |
| Exceptional items | (322) | - |
| (Loss)/profit before tax | <u>(5,782)</u> | <u>1,251</u> |

The impairment of goodwill – Health £5,038,000 and Property £339,000 (2009 - Adventis NMG (Financial Planning) £194,000).

Other comprises the Financial Services segment which was discontinued in 2009

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

4. (Loss)/profit from operations

| | 2010 | 2009 |
|---|-------|-------|
| | £'000 | £'000 |
| (Loss)/profit from operations has been arrived at after charging: | | |
| Share based transactions | - | 4 |
| Auditors' remuneration – audit group and parent | 35 | 35 |
| Auditors' remuneration – subsidiary companies | 20 | 20 |
| Depreciation of property, plant, and equipment - owned assets | 150 | 137 |
| Staff costs | 7,644 | 7,397 |
| Property lease rentals | 348 | 348 |
| Dilapidations provision | 36 | - |

5. Company income statement

As permitted by Section 408 of the Companies Act 2006, the income statement of the Company is not presented as part of these accounts. The retained loss for the year of the Company was £4,961,000 after impairment charges of £6,597,000 (2009: profit – £1,915,000).

6. Staff costs

The costs of employing staff were:

| | 2010 | 2009 |
|-----------------------|--------------|--------------|
| | £'000 | £'000 |
| Wages and salaries | 6,543 | 6,374 |
| Social security costs | 766 | 747 |
| Other pension costs | 335 | 276 |
| | 7,644 | 7,397 |

| Average staff numbers by function were: | No. | No. |
|---|------------|------------|
| Account service | 72 | 61 |
| Creative | 51 | 49 |
| Media | 17 | 22 |
| Other administration | 19 | 17 |
| | 159 | 149 |

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

7. Directors' remuneration

The emoluments (including pension contributions) paid to Directors during the year was as follows:

| | Salary & fees | Pension | 2010 Total | 2009 Total |
|--------------------------------|---------------|-----------|-----------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 |
| Executive Directors | | | | |
| Charles Phillpot | 160 | 29 | 189 | 287 |
| Peter Linnell | 115 | - | 115 | 152 |
| Non Executive Directors | | | | |
| Aubrey Adams | 60 | - | 60 | 58 |
| Neil Crabb | 17 | - | 17 | 20 |
| Julian Spooner | 7 | - | 7 | - |
| Allan Collins | 21 | - | 21 | 20 |
| Peter Mitchell | - | - | - | 8 |
| | 380 | 29 | 409 | 545 |

The remuneration of Directors and key executives is decided by the remuneration committee having regard to comparable market statistics. The amount paid to the Directors represents the total paid to key management.

As at 31 December 2010, one Director was accruing benefits under a money purchase scheme (2009: 1).

No Director exercised any share options in the year. On 29 March 2010 350,000 ordinary shares of 0.25p each in the Company, were issued to Charles Phillpot under the Long Term Incentive Plan

8. Investment revenue

| | 2010 | 2009 |
|---------------------------|-------------|-------|
| | £'000 | £'000 |
| Interest on bank deposits | - | 2 |

9. Finance costs

| | 2010 | 2009 |
|---------------------------------------|-------------|-------|
| | £'000 | £'000 |
| Bank interest on loans and overdrafts | 98 | 33 |

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

10. Exceptional Items

| | 2010 | 2009 |
|---|----------------|-------|
| | £'000 | £'000 |
| The Group incurred exceptional items on continuing operations as follows: | | |
| Impairment of goodwill (note 14) | (5,377) | (-) |
| Legal fees | (322) | (-) |
| | (5,699) | (-) |

The impairment of goodwill of £5,377,000 (2009: Nil) has arisen following the annual impairment review to compare the carrying value of the cash generating units to their recoverable value (their value in use). The legal costs were incurred in defending a case against the company and the Chief Executive Officer which was settled during the year.

11. Tax on profit on ordinary activities

Analysis of charge in year

| | 2010 | 2009 |
|---|--------------|-------|
| | £'000 | £'000 |
| Current tax: | | |
| UK corporation tax on (loss)/profits of the year | (95) | 343 |
| Adjustments in respect of previous periods | - | 11 |
| Total current tax | (95) | 354 |
| Deferred tax: | | |
| Release of deferred tax asset | 76 | - |
| Origination and reversal of temporary differences | - | 41 |
| Total deferred tax | 76 | 41 |
| Total tax for the year | (19) | 395 |

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK 28 %
The differences are explained below:

| | 2010 | 2009 |
|---|----------------|-------|
| | £'000 | £'000 |
| (Loss)/profit on ordinary activities before tax | (5,782) | 1,251 |
| (Loss)/profit on ordinary activities multiplied by standard rate Of corporation tax in the UK of 28% (2009: 28.5%) | (1,620) | 350 |
| Effects of: | | |
| Expenses not deductible for tax purposes, including impairment | 1,620 | 76 |
| Income not taxable | (19) | (36) |
| Lower rate of tax | - | (6) |
| Adjustments to tax charge in respect of previous periods | - | 11 |
| Total tax for the year | (19) | 395 |



ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

12. Dividends

| | 2010 | 2009 |
|---|------------|------------|
| | £'000 | £'000 |
| Amounts recognised as distributions to equity holders in the year: | | |
| Final dividend of 0.484p for 2009 (2008: 0.484p) per share | 230 | 207 |
| Interim dividend of Nil for 2010 (2009: 0.23p) per share | - | 98 |
| Adventis NMG Limited dividends payable to third parties | - | 25 |
| | <u>230</u> | <u>330</u> |
| Recommended final dividend for 2010 of Nil (2009: 0.484p) per share | <u>-</u> | <u>228</u> |

13. Earnings per share

The calculations of the basic and diluted earnings per share are based on the following data:

| | 2010 | 2009 |
|---|-------------------|-------------------|
| | £'000 | £'000 |
| (Loss)/profit for the purpose of basic earnings per share | <u>(5,763)</u> | <u>819</u> |
| Number of shares | | |
| Weighted average number of ordinary shares in issue during the year | 48,309,362 | 43,353,614 |
| Effect of dilutive options | - | - |
| Effect of dilutive long-term incentive plan | - | 1,366,959 |
| Effect of dilutive deferred consideration | - | 374,800 |
| Effect of shares held in treasury | - | - |
| Diluted weighted average number of ordinary shares in issue during the year | <u>48,309,362</u> | <u>45,095,373</u> |
| Basic (loss)/earnings per share (pence) | (11.9) | 1.9 |
| Diluted (loss)/earnings per (pence) | (11.9) | 1.8 |

As the group made a loss for the year, the effect of the potential dilutive shares is nil.

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

14. Goodwill & other intangible assets

| | 2010 £'000 | 2009 £'000 |
|------------------------|---------------|---------------|
| Goodwill | | |
| At 1 January | 15,641 | 16,067 |
| Additions | 2,415 | - |
| Disposals | - | (426) |
| At 31 December | <u>18,056</u> | <u>15,641</u> |
| Impairment | | |
| At 1 January | 57 | - |
| Impairment in the year | 5,377 | 57 |
| At 31 December | <u>5,434</u> | <u>57</u> |
| Net book value | | |
| At 31 December | <u>12,622</u> | <u>15,584</u> |

The net addition in 2010 includes £1,849,000 on the acquisition of bChannels Limited (see note 27). Further payments totalling £566,000 were paid to former shareholders in relation to previous acquisitions. Future anticipated payments to vendors arising from earn-outs are based on the directors' best estimates of these obligations. An earn-out is dependent on the future performance of the relevant business and the estimation of liability arising is reviewed twice each year.

The Group is managed as four segments (as detailed in note 3) and each of these segments is a Cash Generating Unit (CGU) for the purposes of IAS 36 disclosure. The goodwill relating to each CGU at 31 December 2009 and 2010 is as follows:

| | 2010 £'000 | 2009 £'000 |
|--|---------------|---------------|
| Goodwill | | |
| Health | 994 | 6,061 |
| Media | 4,976 | 4,369 |
| Technology & telecoms | 6,652 | 4,838 |
| Property | - | 316 |
| | <u>12,622</u> | <u>15,584</u> |
| Intangible assets – development costs | | |
| At 1 January | 109 | - |
| Additions | 260 | 110 |
| Amortisation | (35) | (1) |
| Impairment | (127) | - |
| At 31 December | <u>207</u> | <u>109</u> |

In accordance with the Group's accounting policy, the carrying values of goodwill are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. The carrying values are assessed for impairment purposes by calculating the net present value (NPV) of future cash flows arising from the original acquired businesses. Each acquired business is allocated to a CGU on acquisition, depending on the nature of their business. The goodwill impairment review assessed whether the carrying value of goodwill was supported by the NPV of future cash flows based on management forecasts for 10 years from 2010 using an assumed annual growth rate of 10% beyond 2010 and a pre-tax discount rate of 7.5% based on the Group's estimated weighted average cost of capital. Cash flows beyond the 5 year period are extrapolated using terminal value. Management have made the judgement that this long-term growth rate does not exceed the long-term average growth rate for the industry.

Sensitivity analysis was performed using different annual growth rates and a range of different weighted average cost of capital rates and period of forecast. Management concluded that an annual growth rate of 5% and a pre-tax discount rate of 3% were appropriate and safe in view of all relevant factors and reasonable scenarios. An impairment charge of £5,377,000 was made primarily against the Health segment given the poor performance in the year and anticipated future levels of profit. An increase in the cost of the discount factor by 3% would result in a further impairment in the carrying value of goodwill of £100,000 for Health.

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

15. Property, plant and equipment

| Group | Leasehold improvements | Fixtures, fittings and equipment | Total |
|---------------------------------|-------------------------------|---|--------------|
| 2010 | £'000 | £'000 | £'000 |
| Cost | | | |
| At 1 January 2010 | 277 | 1,299 | 1,576 |
| Additions | 16 | 85 | 101 |
| At 31 December 2010 | <u>293</u> | <u>1,384</u> | <u>1,677</u> |
| Accumulated depreciation | | | |
| At 1 January 2010 | 92 | 966 | 1,058 |
| Charge for the year | 39 | 111 | 150 |
| At 31 December 2010 | <u>131</u> | <u>1,077</u> | <u>1,208</u> |
| Carrying amount | | | |
| At 31 December 2010 | <u>162</u> | <u>307</u> | <u>469</u> |
| Group | | | |
| 2009 | Leasehold improvements | Fixtures, fittings and equipment | Total |
| | £'000 | £'000 | £'000 |
| Cost | | | |
| At 1 January 2009 | 275 | 1,215 | 1,490 |
| Additions | 23 | 85 | 108 |
| On disposal of subsidiary | (21) | (1) | (22) |
| At 31 December 2009 | <u>277</u> | <u>1,299</u> | <u>1,576</u> |
| Accumulated depreciation | | | |
| At 1 January 2009 | 80 | 841 | 921 |
| Charge for the year | 12 | 125 | 137 |
| At 31 December 2009 | <u>92</u> | <u>966</u> | <u>1,058</u> |
| Carrying amount | | | |
| At 31 December 2009 | <u>185</u> | <u>333</u> | <u>518</u> |

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

15. Property, plant and equipment (continued)

Company

| 2010 | Leasehold improvements | Fixtures, fittings and equipment | Total |
|---------------------------------|-----------------------------------|---|--------------|
| | £'000 | £'000 | £'000 |
| Cost | | | |
| At 1 January 2010 | 245 | 673 | 918 |
| Additions | 13 | 56 | 69 |
| At 31 December 2010 | <u>258</u> | <u>729</u> | <u>987</u> |
| Accumulated depreciation | | | |
| At 1 January 2010 | 56 | 456 | 512 |
| Charge for the year | 33 | 60 | 93 |
| At 31 December 2010 | <u>89</u> | <u>516</u> | <u>605</u> |
| Carrying amount | | | |
| At 31 December 2010 | <u>169</u> | <u>213</u> | <u>382</u> |

Company

| 2009 | Leasehold improvements | Fixtures, fittings and equipment | Total |
|---------------------------------|-----------------------------------|---|--------------|
| | £'000 | £'000 | £'000 |
| Cost | | | |
| At 1 January 2009 | 246 | 636 | 882 |
| Additions | 20 | 37 | 57 |
| Disposals | (21) | - | (21) |
| At 31 December 2009 | <u>245</u> | <u>673</u> | <u>918</u> |
| Accumulated depreciation | | | |
| At 1 January 2009 | 48 | 395 | 443 |
| Charge for the year | 8 | 61 | 69 |
| At 31 December 2009 | <u>56</u> | <u>456</u> | <u>512</u> |
| Carrying amount | | | |
| At 31 December 2009 | <u>189</u> | <u>217</u> | <u>406</u> |

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

16. Investments

| | 2010 | 2009 |
|------------------------|---------------|--------|
| | £'000 | £'000 |
| Cost | | |
| At 1 January | 18,457 | 18,941 |
| Additions | 2,729 | - |
| Disposals | - | (484) |
| At 31 December | 21,168 | 18,457 |
| Impairment | | |
| At 1 January | - | - |
| Impairment in the year | 6,597 | - |
| At 31 December | 6,597 | - |
| Net book value | | |
| At 31 December | 14,589 | 18,457 |

The principal trading subsidiary undertakings of the Company and their principal activities are shown below. They have share capitals wholly comprising of ordinary shares. All the companies are registered in England and Wales, operate in the UK and are consolidated into the Group accounts.

| Name | Ordinary share capital Percentage owned | Principal activity |
|-------------------------------|--|------------------------------------|
| Second2 Limited | 100% | Advertising and marketing services |
| bChannels Limited | 100% | Advertising and marketing services |
| Premium Media Limited | 100% | Media planning and buying services |
| Adagenda Media Limited | 100% | Media planning and buying services |
| Adventis Coltman Limited | 100% | Media planning and buying services |
| Adventis Health Limited | 100% | Advertising and marketing services |
| Gilbert Doyle Oakmont Limited | 100% | Advertising and marketing services |

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

17. Trade and other receivables

Group

| | 2010 £'000 | 2009 £'000 |
|--------------------------------------|---------------|---------------|
| Trade receivables | 5,081 | 5,308 |
| Provision for bad and doubtful debts | (87) | (154) |
| | <u>4,994</u> | <u>5,154</u> |
| Prepayments and accrued income | 854 | 1,871 |
| | <u>5,848</u> | <u>7,025</u> |
| | 2010 £'000 | 2009 £'000 |
| Provision for bad debt | | |
| At 1 January | 154 | 154 |
| Release for year | (67) | - |
| At 31 December | <u>87</u> | <u>154</u> |

Provisions relate to balances greater than three months old where the Directors judge the likelihood of future collection to be impaired.

Company

| | 2010 £'000 | 2009 £'000 |
|---|---------------|---------------|
| Amounts owed by subsidiary undertakings | 165 | 342 |
| Prepayments and accrued income | 125 | 144 |
| | <u>290</u> | <u>486</u> |

Ageing of the provision relates to debtors greater than 3 months old and balances are considered impaired due to age.

The average credit period taken on sales of services by the Group is 54 days (2009: 49 days). The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

As at 31 December 2010, the analysis of trade receivables that were past due but not impaired is as follows:

| | Total £'000 | Neither past due nor impaired £'000 | Past due but not impaired | | |
|------------------------|----------------|---|---------------------------|----------------------|---------------------|
| | | | < 60 days £'000 | 60-150 days £'000 | > 150 days £'000 |
| As at 31 December 2010 | 5,081 | 3,886 | 699 | 88 | 408 |
| As at 31 December 2009 | 5,308 | 2,718 | 1,682 | 543 | 365 |

Credit risk

The Group's credit risk is primarily attributable to its trade receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

18. Bank balances and cash

Bank balances and cash comprise cash held by the Group and Company and short-term bank deposits with an original maturity of three months or less. The carrying value of these assets approximates their fair value. In July 2008 the Group entered into an agreement with Lloyds TSB whereby primary clearing bank facilities were transferred to that bank and terms of a new three-year £3 million revolving credit facility were agreed. Interest is chargeable on the utilised facility based on LIBOR plus a margin which varies with leverage. In addition a £250,000 net group or company overdraft facility was put in place. These facilities are due to expire in June 2011. Since the year end the bank has agreed to provide new facilities of £3.5m in aggregate, comprising an asset-based facility of £2.5m, a two year committed revolving credit facility of £0.75m and an overdraft facility of up to £0.25m. Guarantees and debentures were registered against each wholly owned subsidiary in the form of fixed and floating charges in favour of Lloyds TSB.

| Group | 2010 | 2009 |
|-------------------------------------|----------------|-------|
| | £'000 | £'000 |
| (Overdraft)/cash & cash equivalents | <u>(78)</u> | 35 |
| Bank debt | <u>3,000</u> | 1,800 |
| Company | 2010 | 2009 |
| | £'000 | £'000 |
| (Overdraft)/cash & cash equivalents | <u>(1,171)</u> | 11 |
| Bank debt | <u>3,000</u> | 2,667 |

Group companies are parties to an offset banking arrangement with Lloyds TSB. Overdrawn balances are normally offset by credit balances held by subsidiary companies but there is a £250,000 net overdraft facility secured by a fixed and floating charge over the Group's assets.

19. Share capital

| | 2010 | 2010 | 2009 | 2009 |
|---|-------------|-------------------|------------|-------------------|
| | £'000 | No. of shares | £'000 | No. of shares |
| Called up, allotted and fully paid | | | | |
| Ordinary shares of 0.25 pence each | <u>121</u> | <u>48,411,267</u> | <u>120</u> | <u>47,867,471</u> |

On 5 February 2010, 193,796 new ordinary shares were issued as part consideration for the bChannels Limited acquisition at a price of 17.2p.

On 29 March 2010 350,000 ordinary shares of 0.25p each in the Company were issued under the Long Term Incentive Plan.

There are a maximum potential of 22,993,826 (2009: 1,741,759) ordinary share issuable under share options and acquisitions.

20. Treasury stock

At 31 December 2010 728,953 ordinary shares were held in treasury stock (2009: 728,953 shares) with a market value at 31 December of £49,423 (2009: £142,146). This represents 1.50% of the issued share capital (2009: 1.51%).

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

21. Share based payments

Throughout the year ended 31 December 2010, the Company had the following share options in issue:

Enterprise Management Incentive Scheme

The enterprise management incentive scheme is an unapproved scheme under which certain staff are eligible to participate.

| Date of grant of options | Number of options | Granted in year | Cancelled in year | Exercised in year | At end of year | Price per share | Exercise period |
|--------------------------|-------------------|-----------------|-------------------|-------------------|------------------|-----------------|----------------------|
| 01/07/2004 | 780,731 | - | - | - | 780,731 | 28.5p | 01/07/07 to 01/07/14 |
| 01/07/05 | 135,645 | - | - | - | 135,645 | 31.5p | 01/07/08 to 01/07/15 |
| 01/07/06 | 378,333 | - | - | - | 378,333 | 40.37p | 01/07/09 to 01/07/16 |
| 16/05/07 | 51,769 | - | - | - | 51,769 | 60.45 | 16/05/10 to 16/05/17 |
| 05/09/08 | 32,500 | - | - | - | 32,500 | 23p | 05/09/11 to 05/09/18 |
| | <u>1,378,978</u> | | | | <u>1,378,978</u> | | |

Management estimated the fair value of these options using a binomial option-pricing model with assumptions shown below:

| Date of grant of options | 07/07/04 | 01/07/05 | 01/07/06 | 16/05/2007 | 05/09/2008 |
|--------------------------------|----------|----------|----------|------------|------------|
| Fair value at measurement date | 3p | 3p | 4p | 1.65p | 3p |
| Share price | 28.5p | 31.5p | 40.37p | 60.45p | 23p |
| Risk free rate | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% |
| Dividend yield | 1.70% | 1.70% | 1.70% | 1.70% | 1.70% |
| Volatility | 12.30% | 12.30% | 12.30% | 12.30% | 12.30% |

The Executive Share Option Scheme

The Executive Share Option Scheme is an unapproved scheme under which Directors are eligible to participate.

| Date of grant of options | Number of options | Granted in year | Cancelled in year | Exercised in year | At end of year | Price per share | Exercise period |
|--------------------------|-------------------|-----------------|-------------------|-------------------|----------------|-----------------|----------------------|
| 01/07/04 | 140,350 | - | - | - | 140,350 | 28.5p | 01/07/07 to 01/07/14 |
| 11/06/07 | 83,738 | - | - | - | 83,738 | 53.5p | 11/06/10 to 11/06/17 |
| 11/06/08 | 107,692 | - | - | - | 107,692 | 26p | 11/06/11 to 11/06/18 |
| | <u>331,780</u> | | | | <u>331,780</u> | | |



ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

21. Share based payments (continued)

Management estimated the fair value of these options using a binomial option-pricing model with assumptions shown below

| Date of grant of options | 01/07/04 | 11/06/07 | 11/06/08 |
|--------------------------------|----------|----------|----------|
| Fair value at measurement date | 3p | 2.39p | 3p |
| Stock value | 28.5p | 53.5p | 26p |
| Risk free rate | 4.50% | 4.50% | 4.50% |
| Dividend yield | 1.70% | 1.70% | 1.70% |
| Volatility | 12.30% | 12.30% | 12.30% |

The Long Term Incentive Scheme

The Long Term Incentive Scheme is a scheme designed to incentivise Directors. The grants are for actual shares with a three year vesting period and the crystallisation of the final award is dependent on the financial performance of the Group during the vesting period. The fair value is based on the market value of the share on the date of the grant.

| | Number of shares granted |
|-------------------------------|--------------------------|
| Outstanding at 1 January 2010 | 1,781,253 |
| Vesting and issued in year | (350,000) |
| Outstanding 31 December 2010 | <u>1,431,253</u> |

A total charge of Nil (2009: £4,000) for all options and long term incentive scheme shares was recorded in the Consolidated Statement of Comprehensive Income for the year ended 31 December 2010, for expenses arising from share based payments.

Following the resignation of the directors in 2011 to whom shares had been granted, the outstanding share options have lapsed.

22. Employee benefit trust

On 18 October 2006 shareholders approved the establishment by the Company of the Adventis Group Employee Benefit Trust (the "EBT") as part of the Company's employee incentive arrangements.

In December 2006 the Company transferred £20,100 being the initial advance to Abacus Corporate Trustee Limited, trustee of the EBT. In January 2007 the EBT acquired 25,180 Ordinary Shares for £9,933. In January 2009 the EBT acquired a further 40,000 shares for £13,332. Following these acquisitions the EBT is interested in 65,180 Ordinary Shares representing 0.0013% of the Ordinary Shares in issue at 31 December 2010. The potential beneficiaries of the EBT include the executive directors and employees of the Group and their respective families.

The EBT was established to accumulate shares to satisfy, wholly or in part obligations under share schemes such as the LTIP. The Director's Report includes details of specific LTIP grants made up to 31 December 2010 and these will vest depending on the Group results during the years 2007-2011. The Share Based Payment charge in the Company's Income Statement includes a gross charge of £nil relating to the LTIP.

In accordance with the requirements of SIC 12 "Consolidation – special purpose entities" and IAS 32, the assets and liabilities of the EBT have been included in the Company's and Group's accounts resulting in the inclusion of £23,265 shares and £23,265 retained earnings.

For the year ended 31 December 2010, no transactions were undertaken by the EBT. The market value of ordinary shares held in the EBT at 31 December 2010 was £4,419 (2009: £12,710).

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

23. Deferred taxation

| Deferred tax assets | 2010 | 2009 |
|--|-----------------|-----------|
| Group | £'000 | £'000 |
| Tax losses | 4 | 78 |
| Other | - | - |
| | <u>4</u> | <u>78</u> |
| Asset at start of year | 78 | 97 |
| Opening balance adjustment | 2 | 22 |
| Deferred tax credit in the income statement for the year | (76) | (41) |
| Asset at end of year | <u>4</u> | <u>78</u> |

The deferred tax assets relates to tax losses which are being utilised annually

| Deferred tax liabilities | 2010 | 2009 |
|--|-----------------|----------|
| Group | £'000 | £'000 |
| Accelerated capital allowances | 17 | 17 |
| Short term temporary differences | (13) | (13) |
| <i>Provision for deferred tax</i> | <u>4</u> | <u>4</u> |
| Deferred tax charge in the income statement for year | - | 8 |
| Provision at start of year | 4 | (4) |
| Provision at end of year | <u>4</u> | <u>4</u> |

Company

| | | |
|--|-----------------|----------|
| Accelerated capital allowances | 17 | 17 |
| Short term temporary differences | (13) | (13) |
| <i>Provision for deferred tax</i> | <u>4</u> | <u>4</u> |
| Deferred tax charge in the income statement for year | - | 8 |
| Provision at start of year | 4 | (4) |
| Provision at end of year | <u>4</u> | <u>4</u> |

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

24. Deferred consideration

| Group and Company | 2010 | 2009 |
|--|--------------|-------|
| | £'000 | £'000 |
| Amounts payable: | | |
| Within one year | 1,578 | 1,083 |
| In the second to fifth years inclusive | 1,092 | 1,097 |
| | 2,670 | 2,180 |

The deferred consideration is all contingent and relates largely to the purchases of Second2 Limited on 10 June 2008 and bChannels Limited on 2 February 2010. The consideration is payable based on future profits for each company over a period of 3 years.

25. Trade and other payables

| Group | 2010 | 2009 |
|------------------------------------|--------------|-------|
| | £'000 | £'000 |
| Trade payables | 2,999 | 4,765 |
| Other taxation and social security | 663 | 279 |
| Accruals and deferred income | 2,190 | 528 |
| Other payables | 65 | 65 |
| | 5,917 | 5,637 |

| Company | 2010 | 2009 |
|------------------------------------|--------------|-------|
| | £'000 | £'000 |
| Trade payables | 241 | 202 |
| Other taxation and social security | 16 | 14 |
| Other payables | - | 65 |
| Accruals and deferred income | 396 | 412 |
| Due to subsidiary undertakings | 1,805 | 2,700 |
| | 2,458 | 3,393 |

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade payables is 29 days (2009: 28 days).

| | Total | Current | 1 - 30 days | 31 - 60 days | > 60 days |
|------------------------|--------------|----------------|--------------------|---------------------|---------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| As at 31 December 2010 | 2,999 | 1,817 | 1,130 | 52 | - |
| As at 31 December 2009 | 4,765 | 3,177 | 1,324 | 264 | - |

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

26. Operating lease commitments

At the balance sheet date, the Group and Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| Group | Land and buildings | Land and buildings |
|----------------------------------|---------------------------|--------------------|
| | 2010 | 2009 |
| | £'000 | £'000 |
| Total rentals payable on leases: | | |
| Within one year | 368 | 408 |
| Within two to five years | 1,170 | 1,065 |
| Over five years | 1,785 | - |
| | <u>3,323</u> | <u>1,473</u> |
| | | |
| Company | Land and buildings | Land and buildings |
| | 2010 | 2009 |
| | £'000 | £'000 |
| Total rentals payable on leases: | | |
| Within one year | 318 | 400 |
| Within two to five years | 1,020 | 1,056 |
| Over five years | 1,785 | - |
| | <u>3,123</u> | <u>1,456</u> |

The lease of Adventis House in Beaconsfield was signed in April 2007 for a 15 year period with a break option and rent review after 10 years: annual rent is £255,000. The lease of the 4th floor of 95 Wigmore Street was signed in March 2010 for a five year period with a break after two years: annual rent is £86,125, however the premises were vacated in March 2011. The lease of 4th floor 6-8 James Street was extended in March 2006 for five years at an annual rent £58,000.

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

27. Acquisition of subsidiary: bChannels Limited

On 2 February 2010, the Company acquired 100% of the issued share capital of bChannels Limited for cash and shares totalling:

| | Book value | Fair value adjustments | Fair value |
|--|------------|------------------------|--------------|
| | £'000 | £'000 | £'000 |
| Trade and other receivables | 263 | - | 263 |
| Bank balances and cash | 1,266 | - | 1,266 |
| Trade and other payables | (1,066) | - | (1,066) |
| Current tax liabilities | (157) | - | (157) |
| | <u>306</u> | <u>-</u> | <u>306</u> |
| Goodwill | | | 1,849 |
| Fair value | | | <u>2,155</u> |
| Satisfied by: | | | £'000 |
| Cash | | | 705 |
| Ordinary shares issued – 193,796 shares at 17.2p | | | 33 |
| Contingent deferred consideration | | | 1,417 |
| | | | <u>2,155</u> |
| Bank balances and cash acquired | | | 1,266 |
| Cash consideration | | | <u>(705)</u> |
| Net cash arising on acquisition | | | 561 |

The contingent consideration is payable over four years and the actual sums payable will be based on the profits generated by bChannels Limited during the four years ending 31st December 2013. Up to 25% of the contingent consideration will, at the company's option, be satisfied in new ordinary shares. The maximum potential consideration payable is £4.5 million. The due diligence costs and stamp duty tax arising from this transaction amounted to £42,000 and have been treated as an operating cost in compliance with IFRS 3 (revised).

Goodwill of £1,849,000 has been recognised on acquisition and is attributable to future operating synergies from the combination, cross selling opportunities and the assembled workforce.

In the period following acquisition, bChannels Limited contributed £2,828,487 to Group revenue and £266,125 operating profit which has been included with the consolidated statement of comprehensive income for the year.

If the acquisition had occurred on 1 January 2010, the acquisition would have contributed £3,137,275 to Group revenue and £325,196 to operating profit.

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Notes to the financial statements for the year ended 31 December 2010 (continued)

28. Settlements relating to acquisitions

Deferred consideration due on acquisitions completed prior to 2010 has been settled in the year as follows:

- Leapfrog Medical Communications Limited, originally announced on 6 February 2007, a final cash settlement of £187,200
- Second2 Limited, originally announced on 10 June 2008, deferred consideration of £888,861 based on 2009 results
- A put option relating to Adgenda Media Limited, originally announced on 30 March 2005, gave rise to additional consideration settled in cash at £310,151
- Deferred consideration obligations on other smaller acquisitions were settled for £100,446

29. Related party transactions

Amounts owed by/ (due to) Adventis Group Plc as short term treasury balances are:

| | 31 December 2010 | 31 December 2010 |
|------------------------------------|-------------------------|------------------|
| | £'000 | £'000 |
| Adgenda Media Limited | 200 | 500 |
| Adventis Coltman Limited | 788 | 1,088 |
| Gilbert Doyle Oakmont Limited | - | (52) |
| Premium Media Limited | 300 | 700 |
| Property Marketing Company Limited | 50 | 2 |
| Adventis Health Limited | 600 | - |
| Roundhouse Limited | 400 | 400 |
| Adventis Integrated Limited | (83) | (83) |
| Second 2 Limited | 54 | 204 |
| MDC Limited | (60) | (60) |
| Unallocated group tax relief | (609) | (341) |
| | 1,640 | 2,358 |

Savills (L&P) Limited (a subsidiary of Savills Plc) owns 29.70% of the issued ordinary shares of Adventis Group PLC. During the year the Group provided advertising, marketing and media buying services to companies within the Savills PLC group, charged on an arm's length basis, of £2,805,828 (2009: £2,409,126). £153,000 was due from Savills's (L&P) Limited at 31 December 2010 (2009: £165,000).

30. Financial risk management

The Company's and Group's operations expose it to a limited level of credit and liquidity risk. There is little financial risk arising from the effects of changes in market prices of commodities based on its current client sectors. Interest rate risk exists on bank borrowings.

The Company and Group does not use derivative financial instruments to manage interest rate costs, and no hedge accounting is thus applied. Given the size of the Group, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board.

The Company's and Group's finance department implements the policies set by the Board of Directors. The department has guidelines agreed by the Directors to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.



ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

30. Financial risk management (continued)

Price Risk

The Company and Group have little exposure to commodity price risk as a result of its operations. The Company and Group have no exposure to equity securities price risk as it holds no listed or other equity investment, other than subsidiary undertakings.

Credit Risk

The Company and Group have implemented policies that require appropriate credit checks on potential customers before new accounts are accepted. The amount of exposure to any individual client is subject to a limit, which is reassessed annually by management. Credit insurance cover is also in place to cover selected businesses and circumstances. Maximum exposure to credit risk is the Company and Group's trade receivables.

Liquidity Risk

The Company and Group actively maintains a treasury system that maintains a net credit position and is designed to ensure the Company and Group have sufficient available funds for operations and planned expansions.

Interest rate risk

The Company and Group's exposure to changes in interest rate risk relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Company and Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. If interest rates had been 1% higher/lower and all other variables were held constant, the Company and Group's (loss)/profit for the year would decrease or increase by £30,000. (2009: £17,500). Variable interest rates are based on LIBOR plus a margin.

Foreign currency risk

The Company and Group incurs foreign currency risk on sales and purchases that are denominated in currencies other than Sterling. The principal currency giving rise to this risk is Euro. At present, the Company and Group does not have any formal policy for hedging against exchange exposure. The Company and Group may, when necessary, enter into foreign currency forward contracts to hedge against exposure from foreign currencies fluctuations. As at 31 December 2010 and 2009, the Company and Group have had no exposure to foreign currency risk. The Company and Group has assessed the impact of changes in exchange rates as being immaterial.

Capital risk management

The Company and Group manages its capital to ensure the entities in the Company and Group will be able to continue on a going concern on a long term basis while ensuring the optimal return to shareholders and other stakeholders through an effective debt and equity balance.

The capital structure of the Company and Group consists of equity attributable to equity holders of the Company, less cash and bank balances.

The Management reviews the capital structure and makes adjustment to it in the light of changes in economic conditions.

Bank facility risk

The bank facilities available to the Company and Group subject to a number of conditions and the Directors constantly monitor these conditions to ensure that they are in full compliance, and regularly meet with bank representative to discuss business progress, cash flow projections and compliance with bank conditions and covenants. The Company and Group believes it is doing everything possible to minimise the risk of breaching contractual arrangements with its bankers and of minimising the cost of these arrangements.

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

30. Financial risk management (continued)

The Company and Group's capital employed is funded by equity attributable to equity holders of the Company and net debt as follows:

Group

| | 2010 £'000 | 2009 £'000 |
|------------------------------|---------------|---------------|
| Bank Borrowings | 3,078 | 1,800 |
| Less: Cash and bank balances | - | (35) |
| Net debt | 3,078 | 1,765 |
| Total equity | 7,722 | 13,683 |
| Capital Employed | <u>10,800</u> | <u>15,448</u> |

Company

| | 2010 £'000 | 2009 £'000 |
|------------------------------|---------------|---------------|
| Bank Borrowings | 4,171 | 2,667 |
| Less: Cash and bank balances | - | (11) |
| Net debt | 4,171 | 2,656 |
| Total equity | 5,962 | 11,121 |
| Capital Employed | <u>10,133</u> | <u>13,777</u> |

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values.

The non-current financial assets and liabilities were not carried at fair values as the difference between the carrying amounts and fair values were not significant in the context of the financial statements as a whole.

ADVENTIS GROUP PLC

Notes to the financial statements for the year ended 31 December 2010 (continued)

30. Financial risk management (continued)

Financial assets and liabilities by category

| Group | Loans and receivables/other financial liabilities | Loans and receivables/other financial liabilities |
|-------------------------------|--|---|
| | 2010 | 2009 |
| | £'000 | £'000 |
| <i>Financial assets:</i> | | |
| Cash and cash equivalents | - | 35 |
| Trade and other receivables | 5,848 | 7,025 |
| Total financial assets | 5,848 | 7,060 |
| <i>Financial liabilities:</i> | | |
| Trade and other payables | 5,917 | 7,538 |
| Bank loans and borrowings | 3,078 | 1,800 |
| Total financial liabilities | 8,995 | 9,338 |
| | | |
| Company | | |
| | Loans and receivables/other financial liabilities | Loans and receivables/other financial liabilities |
| | 2010 | 2009 |
| | £'000 | £'000 |
| <i>Financial assets:</i> | | |
| Cash and cash equivalents | - | 11 |
| Trade and other receivables | 290 | 486 |
| Total financial assets | 290 | 497 |
| <i>Financial liabilities:</i> | | |
| Trade and other payables | 5,112 | 7,347 |
| Bank loans and borrowings | 4,171 | 1,800 |
| Total financial liabilities | 9,283 | 9,147 |

31. Ultimate controlling party

There is no single ultimate controlling party.



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