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29 Related-party transactions

The ultimate controlling party of the Group is Next Fifteen Communications Group plc (incorporated in England and Wales). The Company has a related-party relationship with its subsidiaries (note 28) and with Directors and executive officers.

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

During 2009 there were no other related-party transactions.

30 Events after the balance sheet date

M Booth & Associates Inc

On 3 August 2009, the Group acquired New York based M Booth & Associates Inc ('M Booth'), a leading PR consultancy in North America. The initial consideration paid in cash on completion was \$4,000,000 (£2,413,000). Deferred consideration of up to a maximum of \$13,250,000 (£7,992,000) may be payable over the course of the next four years subject to the achievement of certain revenue and profit performance targets. The total maximum consideration is therefore \$17,250,000 (£10,405,000). The first \$11,250,000 (£6,786,000) of deferred consideration that may be payable may be satisfied by cash or up to 25% in shares, at the option of the Group. The final \$2,000,000 (£1,206,000) that may be payable may be satisfied 100% in shares, at the option of the Group.

For the year ended 31 December 2008, M Booth had consolidated revenues of \$10,400,000 (£6,273,000) and profit before tax of \$1,000,000 (£603,000). The consolidated gross assets at 31 December 2008 were \$4,300,000 (£2,594,000). The business will be acquired with \$1,500,000 (£905,000) of net working capital. The above numbers have been extracted from the management accounts of M Booth and are therefore unaudited.

Acquisition costs of \$154,000 (£97,000) were paid in relation to the purchase of M Booth, and recognised within the consolidated income statement for the year ended 31 July 2009.

Upstream Marketing and Communications Inc

On 27 October 2009, the Group acquired the marketing communications trading subsidiaries of Upstream Marketing and Communications Inc ('Upstream Asia'), which will be integrated into the Bite Communications Group. The initial consideration was US\$900,000 (£551,000) paid in cash and the assumption of US\$200,000 (£122,000) of Upstream Asia's liabilities, making a total of US\$1,100,000 (£673,000). The Group owns 55% of Upstream Asia, and a Hong Kong based company Asset Pioneer Limited ('Asset Pioneer') owns the residual 45%. The Group has entered into an option deed under which it has a right to acquire Asset Pioneer's shares over a five-year period based on the profitability of the acquired businesses.

Acquisition costs of US\$103,000 (£63,000) were paid in relation to the acquisition of Upstream Asia, and recognised within the consolidated income statement in October 2009.

463 Communications LLC

On 31 October 2009, the Group acquired a further 30% stake in 463 Communications LLC ('463 LLC'), taking the Group's total stake to 70%. The stake was acquired for a total consideration of \$2,139,000 (£1,298,000), of which \$1,426,000 (£865,000) was satisfied in cash and \$713,000 (£433,000) in shares (805,095 shares). The fair value of the shares was determined by reference to the average of the mid-market price of the Company's shares for the ten trading day period ended four days prior to issuance.

No external acquisition costs were paid in relation to the increased interest in 463 LLC.

Information required in order to calculate and recognise goodwill and acquired intangibles in relation to M Booth, Upstream Asia and 463 LLC is not yet available, and will be shown in the Interim Report for the six months ending 31 January 2010.