Upstream Marketing and Communications Inc.

Annual Report and Financial Statements

for the year ended 31 December 2008

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for the year ended 31 December 2008

Contents

Page

Expressed in United States dollars ("US$")

Company Information

Directors	Shahed Mahmood (Non-executive Chairman) David Ketchum (Chief Executive) Jaime Law (Finance Director) Jane McGuire Ketchum (Non-executive Director) Ilyas Khan (Non-executive Director) Stephen Smith (Non-executive Director)
Registered office	Walkers SPV Limited Walker House Mary Street PO Box 908GT George Town Grand Cayman Cayman Islands
Company number	Incorporated in the Cayman Islands with registered number 141920
Secretary	Kitwell Consultants Limited Kitwell House The Warren Radlett Hertfordshire WD7 7DU
Nominated adviser	Strand Partners Limited 26 Mount Row London W1K 3SQ
Nominated broker	Hybridan LLP 60 Lombard Street London EC3V 9EA
Registrars	Capita Registrars (Jersey) Limited 12 Castle Street St Helier Jersey JE2 3RT
Solicitors	Fladgate LLP 25 North Row London W1K 6DJ
Auditors	Grant Thornton UK LLP Registered Auditor Chartered Accountants Enterprise House 115 Edmund Street Birmingham B3 2HJ

Chairman's and Chief Executive's Report

The Board is pleased to report Upstream Marketing and Communications Inc.'s audited results for the year ended 31 December 2008.

Highlights

- Revenue up 33% to US$6.158 million (2007: US$4.613 million);
- Total assets up from US$1.734 million to US$2.190 million, representing a 26% increase.

In the year ended 31 December 2008, Upstream Marketing and Communications Inc. reversed the previous year's loss-making performance by controlling costs and increasing year-on-year revenue by 33%, which also improved cash flow. In addition, the Group disposed of a business unit, which resulted in a one time gain that strengthened the Group's balance sheet.

Upstream is the holding company for six wholly-owned trading subsidiaries that form an Asia-Pacific-wide marketing and corporate communications services network. Upstream works with multinational and Asia-based companies to help maximise their business opportunities in the region through the use of public relations, public affairs, digital and other communications techniques. Upstream has offices in Beijing, Hong Kong, Shanghai, Singapore, and Sydney as well as a branded affiliate in Tokyo and other partners throughout the region and globally.

All advance indications were that 2008 would be an exceptional year, with high international interest in communications in China resulting from the 2008 Summer Olympics in Beijing. In addition to strong organic growth in the Company's China operation as a result of this, a multi-month one-off assignment from the Greek Ministry of Culture to promote the Cultural Year of Greece in China timed for the Olympic year generated significant revenue, amounting to US$ 0.728 million.

During 2008 we were also successful in winning and expanding a number of client relationships around the region including Akamai, American Standard, BMB Group, Capgemini, CommunicAsia, Convergys, HTC, Legend Capital, NeuStar, Tyco Flow Control, and VP Bank.

In May 2008, Upstream's database distribution business Asia Pacific Communications Services (formerly Media Services Asia) sold certain of its assets to one of its key customers MarketWire Inc., resulting in a profit on disposal of US$ 0.350 million.

Revenues for the year were US$ 6.158 million, representing a 33% increase over the previous year. Upstream posted a net profit for the year of US$ 0.433 million, which represents a US$ 1.076 million increase from the Group's net loss of US$ 0.643 million in 2007.

The Group issued a trading update in January 2009, highlighting that in the period since the interim results to 30 June 2008 were announced, there had been a significant slowdown in revenue as existing clients and other prospects held back or reduced their usual communications budgets for Q4 2008. The trading update also flagged that the sales pipeline indicates that this trend will continue throughout 2009 and the Group's experience during the first six months of the financial year indicate that the worldwide recession has had a knock-on effect in Asia Pacific, particularly in respect of the Group's multinational clients.

Since this time, the Board has commenced the implementation of a number of steps that it believes should enable the directors to deal with the challenging economic environment faced by the Group. These steps included a scaling back of the Group's business plan and a reduction in the Group's cost base primarily through a decrease in headcount across the Group through attrition and the removal of replacements and future hires from the budget. In addition, management made efforts to reduce operational expenses, monitor closely the ongoing cashflow requirements of the Group, and stepped up marketing efforts with a view to supporting revenue generation.

Current trading and outlook

The Group's outlook remains conservative compared to the 2008 Beijing Olympic year and one-off gain from the sale of the Asia news release distribution business. While GDP growth in the Asia Pacific region is forecast to be stronger than Europe or the U.S., many of the Group's clients budgets originate in the U.S. and Europe and their financial decisions are expected to continue to be affected by the global downturn for the foreseeable future.

The Group's pipeline of new business contains many interesting international and Asia-Pacific specific opportunities. These span the technology, media and telecommunications practice, the corporate and financial practice, and to a lesser extent, the consumer practice, which seems to have been most affected by the global economic downturn.

In addition to seeking new business, Upstream is focused on building its existing client relationships by expanding the scope of work provided to include other offices and practice areas across the region and creating value from new and existing international partnerships.

The Directors anticipate a challenging business environment ahead for the remainder of 2009, as the international economic situation appears to continue to negatively impact clients' willingness to invest in marketing and communications. That being said, the Group's focus on delivering marketing and corporate communications services in growing Asia-Pacific markets remains strategically promising.

In 2008, no acquisitions were achieved, and the bulk of the Group's growth was organic. The Directors are continuously reviewing opportunities to adjust the Group's business model to meet economic opportunity and the evolving trading environment.

David Ketchum
Chief Executive

Shahed Mahmood
Chairman

29 June 2009

www.aboutupstream.com

Directors' Report

The Directors present their annual report together with the audited consolidated financial statements for the year ended 31 December 2008.

Principal activity

The principal activity of the Company is that of a holding company of a group of companies engaged in the business of marketing and public relations.

Business review

A review of the business in the period and of future developments is given in the Chairman's and Chief Executive's Report on pages 3 to 4. The key performance indicator of the Group is gross profit/revenue which has increased by 33% year on year.

Financial risk management objectives and policies

Details of the financial risk management objectives and policies are provided in note 15 to the financial statements.

Results

The consolidated results of the Group are as shown on page 11. The Directors do not recommend the payment of a dividend.

Post balance sheet events

There are no substantial post balance sheet events.

Directors

The present membership of the Board is set out below.

David Ketchum
Jane McGuire Ketchum
Shahed Mahmood
Jaime Law
Ilyas Khan (appointed 2 June 2008)
Stephen Smith (appointed 2 June 2008)

Jo Barrett resigned from the Board on 2 June 2008.

Substantial shareholdings

The only interests in excess of 3% of the issued share capital of the Company which have been notified to the Company as at 14 May 2009 were as follows:

	Ordinary shares of 0.25p each Number	Percentage of capital %
JS Investment Holdings Limited	31,911,664	23.23
David Ketchum	20,425,935	14.87
Crosby Asset Management Inc	20,276,384	14.76
Jane McGuire Ketchum	20,079,794	14.61
Wills & Co.	7,203,111	5.24
Jonathan Aiman Hakim	7,135,126	5.19
Paul Adams	4,496,739	3.27
Peter Kingsbury	4,496,739	3.27

Directors' responsibilities for the financial statements

The Company was incorporated as a corporation in the Cayman Islands, which does not prescribe the adoption of any particular accounting framework. Accordingly, the Board have resolved that the Company will follow applicable law and International Financial Reporting Standards as adopted by the European Union (IFRSs) when preparing its annual financial statements.

The Directors are responsible for the preparation of the Group financial statements which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for the period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the Group's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information held 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.

Auditors

A resolution to reappoint Grant Thornton UK LLP as auditors will be proposed at the AGM.

For and on behalf of the Board

David Ketchum
Director

29 June 2009

Corporate Governance Report

Directors

The Company supports the concept of an effective board leading and controlling the Group. The Board is responsible for approving Group's policy and strategy. It meets on a regular basis and has a schedule of matters specifically reserved to it for decision. Management supply the Board with appropriate and timely information and the Directors are free to seek any further information they consider necessary. All Directors have access to advice from the Company Secretary and independent professional advice at the Company's expense.

The Board consists of two executive directors, who hold the key operational positions in the Company and four non-executive directors, who bring a breadth of experience and knowledge. The Chairman of the Board is Shahed Mahmood and the Group's business is run by David Ketchum.

Relations with shareholders

The Company values the views of its shareholders and recognises their interest in the Group's strategy and performance. The Annual General Meeting will be used to communicate with private investors and they are encouraged to participate. The Directors will be available to answer questions. Separate resolutions will be proposed on each issue so that they can be given proper consideration and there will be a resolution to approve the annual report and accounts.

Internal control

The Board is responsible for maintaining a strong system of internal control to safeguard shareholders' investment and the Group's assets and for reviewing its effectiveness. The system of internal financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has established an Audit Committee which comprises of Shahed Mahmood and Stephen Smith. The duties of the Audit Committee are to review the financial information of the Group, to oversee the Group's financial reporting processes and internal control systems and to manage the relationship with the Group's external auditors.

The Board has considered the need for an internal audit function but has decided that due to the current stage of development of the Group it is not required. However, it will keep the decision under annual review.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Group financial statements.

Report on Remuneration

Directors' remuneration

The Board recognises that Directors' remuneration is of legitimate concern to the shareholders and is committed to following current best practice. The Group operates within a competitive environment. Performance of the Group depends on the individual contributions of the Directors and employees and it believes in rewarding vision and innovation.

Policy on executive directors' remuneration

The policy of the Board is to provide executive remuneration packages designed to attract, motivate and retain directors of the calibre necessary to maintain the Group's position and to reward the Directors for enhancing shareholder value and return. It aims to provide sufficient levels of remuneration to do this, but to avoid paying more than is necessary. The remuneration also reflects the Directors' responsibilities and contains incentives to deliver the Group's objectives.

A Remuneration Committee has been established and comprises of Shahed Mahmood (Chairman) and Jane Ketchum. The Remuneration Committee is responsible for the determination and review of, amongst others, the remuneration of the Executive Directors and any share incentive plans of the Group.

The remuneration of the Directors was as follows:

	Ilyas Khan US$'000	Stephen Smith US$'000	Jo Barrett US$'000	David Ketchum US$'000	Jane Ketchum US$'000	Shahed Mahmood US$'000	Jaime Law US$'000	Total US$'000
2008								
Salary and fees	15	15	5	248	22	22	95	422
Bonus	–	–	–	80	–	–	–	80
Pensions	–	–	–	2	–	–	2	4
	15	15	5	330	22	22	97	506

	Graham Butt US$'000	Ajay Kejriwal US$'000	Jo Barrett US$'000	David Ketchum US$'000	Jane Ketchum US$'000	Shahed Mahmood US$'000	Jaime Law US$'000	Total US$'000
2007								
Salary and fees	14	70	19	250	24	24	18	419

Pensions

Pension costs represent contributions under the Mandatory Provident Fund in Hong Kong.

Benefits in kind

The Directors do not receive any benefits in kind.

Bonuses

There is $80,000 (2007: Nil) payable for bonuses for the year ended 31 December 2008 relating solely to David Ketchum due to the strong performance of the Group during the year.

Notice periods

David Ketchum is appointed under an executive service agreement dated 1 January 2006 which had a fixed term of 12 months and thereafter there is a six month notice period.

Jaime Law has a letter of appointment with a one month notice period.

Jane Ketchum and Shahed Mahmood do not have letters of appointment.

Ilyas Khan and Stephen Smith have letters of appointment with a three month notice period.

Share option incentives

The Group has a share incentive plan in place, the terms of which were ratified on 17 January 2007. The following share options were held by Directors during the year.

	At beginning of year	Granted in period	Lapsed in the period	At end of period	Exercise price
David Ketchum	6,750,000	–	–	6,750,000	20p

The options are exercisable between 3 and 10 years from the dates of grant which was 5 July 2007. No performance conditions are attached to these options.

Report of the Independent Auditors

to the members of Upstream Marketing and Communications Inc.

We have audited the consolidated financial statements of Upstream Marketing and Communications Inc for the year ended 31 December 2008 which comprise the consolidated income statement, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and notes 1 to 22. These consolidated financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Directors and auditors

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

Our responsibility is to audit the consolidated financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the consolidated financial statements give a true and fair view. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited consolidated financial statements. The other information comprises only the Chief Executive's Statement, the Report of the Directors, Corporate Governance Statement and Report on Remuneration. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the consolidated financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the consolidated financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the consolidated financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements.

Opinion

In our opinion:

- the consolidated financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 December 2008 and of its profit for the year then ended; and
- the information given in the Report of the Directors is consistent with the financial statements.

Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
Birmingham

29 June 2009

Consolidated Income Statement

for the year ended 31 December 2008

Continuing operations	Notes	2008 US$'000	2007 US$'000
Turnover		9,268	5,514
Material cost of sales		(3,110)	(901)
Gross profit/revenue	4	6,158	4,613
Other income	5	472	65
Total income		6,630	4,678
Other operating expenses		(5,948)	(4,977)
Profit/(loss) from operations prior to share based payment charge		682	(299)
Share based payment charge		(103)	(329)
Profit/(loss) from operations	6	579	(628)
Finance income		8	3
Finance costs		(21)	(18)
Profit/(loss) before taxation		566	(643)
Taxation expense	7	(133)	–
Profit/(loss) for the year		433	(643)
Total and continuing earnings/(loss) per share attributable to the equity holders of the Company		US cents	US Cents
– Basic	8	0.32	(0.47)
– Diluted	8	0.29	(0.47)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Balance Sheet

at 31 December 2008

	Notes	2008 US$'000	2007 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	150	180
Intangible assets	10	86	198
		236	378
Current assets			
Trade and other receivables	11	1,235	1,092
Cash and cash equivalents		719	264
		1,954	1,356
Total assets		2,190	1,734
LIABILITIES			
Current liabilities			
Trade and other payables	12	1,104	1,404
Deferred income		118	55
Current tax provision		162	25
Bank loan		23	–
		1,407	1,484
Non-current liabilities			
Deferred taxation	13	22	38
Bank loan		4	–
Total liabilities		1,433	1,522
EQUITY			
Share capital	14	636	745
Reserves		121	(533)
Equity attributable to equity holders of the Company and total equity		757	212
Total equity and liabilities		2,190	1,734

The consolidated financial statements were approved by the Board on 29 June 2009.

David Ketchum
Director

Shahed Mahmood
Director

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2008

	Share capital US$'000	Shares to be issued US$'000	Share premium US$'000	Capital reserve US$'000	Foreign exchange reserve US$'000	Retained earnings US$'000	Total equity US$'000
At 1 January 2007	617	–	4,139	6,547	13	(10,940)	376
Exchange difference	–	–	–	–	(5)	–	(5)
Loss for the year	–	–	–	–	–	(643)	(643)
Total recognised income and expense for the year	–	–	–	–	(5)	(643)	(648)
Share issue	5	113	104	–	–	–	222
Share issue costs	–	–	(67)	–	–	–	(67)
Share based payments	10	–	209	–	–	110	329
At 31 December 2007 and 1 January 2008	632	113	4,385	6,547	8	(11,473)	212
Exchange difference	–	–	–	–	65	–	65
Profit for the year	–	–	–	–	–	433	433
Total recognised income and expense for the year	–	–	–	–	65	433	498
Share issue	4	(57)	53	–	–	–	–
Cancellation of shares to be issued (see note 10)	–	(56)	–	–	–	–	(56)
Share based payments	–	–	–	–	–	103	103
At 31 December 2008	636	–	4,438	6,547	73	(10,937)	757

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

for the year ended 31 December 2008

	2008 US$'000	2007 US$'000
Operating activities		
Profit/(loss) before taxation	566	(643)
Adjustments for:		
Finance income	(8)	(3)
Finance costs	21	18
Depreciation of property, plant and equipment	76	60
Share based payment costs	103	329
Amortisation of intangibles	56	41
Profit on sale of business	(350)	–
Operating cashflow before working capital changes	464	(198)
Increase in trade and other receivables	(143)	(275)
(Decrease)/increase in trade and other payables	(300)	579
Increase in deferred income	63	29
Cash generated by operations	84	135
Tax paid	(12)	(7)
Net cash inflow from operating activities	72	128
Investing activities		
Finance income	8	3
Proceeds from the sales of business	350	–
Purchases of property, plant and equipment	(47)	(124)
Cash acquired on acquisition	–	67
Business acquisition costs	–	(27)
Net cash inflow/(outflow) from investing activities	311	(81)
Financing activities		
Finance costs	(21)	(18)
Bank loan	45	–
Repayment of bank loan	(18)	–
Share issue costs	–	(67)
Net cash inflow/(outflow) from financing activities	6	(85)
Net increase/(decrease) in cash and cash equivalents	389	(38)
Cash and cash equivalents as at 1 January	264	307
Effect of exchange rate fluctuations	66	(5)
Cash and cash equivalents as at 31 December	719	264

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2008

1. General information

The Company was incorporated as a Corporation in the Cayman Islands which does not prescribe the adoption of any particular accounting framework. The Board has therefore adopted International Financial Reporting Standards as adopted by the European Union (IFRSs). The Company's shares are listed on the AIM market of the London Stock Exchange.

The Company acts as the holding company of the Group. Details of the principal activities of the Company's subsidiaries are set out in note 22. The registered office of the Company is as detailed in the Corporate Information on page 2.

2. Principal accounting policies

The principal accounting policies of the Group are set out below.

Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiaries drawn up to 31 December 2008.

Acquisitions of subsidiaries are dealt with by the purchase method.

Material intra-group balances and transactions, and any unrealised gains/losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements unless they provide evidence of impairment in the assets transferred.

Subsidiary

A subsidiary is a company over which the Company has the power, directly or indirectly, to govern its financial and operating decisions so as to derive economic benefits. The results of subsidiaries are included in the consolidated financial statements from the date that control effectively transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Intangible assets

Goodwill

Goodwill arising on acquisitions represents the excess of the fair value of the cost of the acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the acquired entity at the date of acquisition. Such goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Assets acquired as part of a business combination

In accordance with IFRS 3 'Business Combinations', an intangible asset acquired in a business combination is deemed to have a cost to the Group of its fair value at the acquisition date. The fair value of the intangible asset reflects market expectations about the probability that the future economic benefits embodied in the asset will flow to the Group. A valuation is undertaken in order to assess the fair value of intangible assets acquired in a business combination. The fair value is then amortized over the economic life of the asset. Where an intangible asset might be separable, but only together with a related tangible or intangible asset, the group of assets is recognized as a single asset separately from goodwill where the individual fair values of the assets in the group are not reliably measurable. Where the individual fair values of the complementary assets are reliably measurable, the Group recognizes them as a single asset provided the individual assets have similar useful lives.

Customer bases

The fair value of acquired customer bases is capitalized and, subject to impairment reviews, amortised over the useful life of the customer base acquired. The amortisation is calculated so as to write off the fair value of the customer base and is charged to other operating expenses. An impairment review of the customer base is undertaken when events or circumstances indicate the carrying amount may not be recoverable.

2. Principal accounting policies (continued)

Impairment of assets

Property, plant and equipment, customer bases and goodwill are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level, particularly goodwill. Individual assets or cash-generating units that include goodwill with an indefinite useful life are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized as an expense immediately for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use based on an internal discounted cash flow evaluation. Impairment losses recognized for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit except that the carrying value of the asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in estimates used to determine the assets recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Property, plant and equipment

(i) *Measurement bases*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use. Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the assets if it can be demonstrated that such expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the assets. When assets are sold or retired, any gain or loss resulting from their disposal, being the difference between the net disposal proceeds and the carrying amount of the assets, is included in the income statement.

(ii) *Depreciation*

Depreciation is provided to write off the cost of property, plant and equipment less their residual values over their estimated useful lives, using the straight line method, at the following rates:

Computer hardware and software	1-4 years
Furniture and fixtures and office equipment	3-4 years
Leasehold improvements	over the term of the lease

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each balance sheet date.

2. Principal accounting policies (continued)

Taxation

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable result for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability, unless the related transaction is a business combination or affects tax or accounting profit. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

Financial assets

The Group's financial assets include cash and cash equivalents and trade and other receivables.

All financial assets are recognised when the Group becomes party to the contractual provisions of the instrument. All financial assets are initially recognised at fair value, plus transaction costs.

Interest and other cash flows resulting from holding financial assets are recognised in the income statement using the effective interest rate method regardless of how the related carrying amount of financial assets is measured.

Trade and other receivables are measured subsequent to initial recognition at amortized cost using the effective interest rate method, less provision for impairment. They are provided against when objective evidence is received that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

A financial asset is derecognized only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2. Principal accounting policies (continued)

Equity

Share capital is determined using the nominal value of shares that have been issued by the legal parent.

Shares to be issued represent future shares to be issued under arrangements in place at the balance sheet date.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Foreign currency translation differences recognized directly in equity are included in the foreign exchange reserve.

Retained earnings include all current and prior period results as disclosed in the income statement together with the cumulative amount of share based expenses transferred to equity.

Financial liabilities

The Group's financial liabilities include trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in finance cost in the income statement using the effective interest rate method.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

Dividend distributions to shareholders are included in 'other short term financial liabilities' when the dividends are approved by the shareholders' meeting.

Share based payments

All share based payment arrangements, granted after 7 November 2002 and not vested on 6 January 2005, are recognized in the financial statements. The Group operates equity settled share based remuneration plans for the remuneration of its employees.

All services received in exchange for the grant of any share based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Share based payments are ultimately recognized as an expense in the income statement with a corresponding credit to retained earnings in equity, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment is made to the expense or share issue cost recognized in prior periods if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

2. Principal accounting policies (continued)

Other provisions, contingent liabilities and contingent assets

Other provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognised, if virtually certain as a separate asset, not exceeding the amount of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, long term provisions are discounted to their present values, where time value of money is material.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the balance sheet.

Probable inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

Turnover and revenue recognition

Turnover is the total amount receivable by the Group for goods supplied and services provided excluding VAT, sales volume rebates and trade discounts. Turnover is recognized by reference to the fair value of consideration received or receivable by the Group for services provided.

Consultancy fee income is recognized over the period the services are provided.

Revenue from retainer fees and services is recognized when the service is performed in accordance with the terms of the contractual arrangement.

Revenue

Revenue as stated on the face of the income statement is turnover less third party direct costs, thereby giving the revenues attributable to the Group for the value of work undertaken.

Operating leases

Leases where substantially all the risks and rewards of ownership of the assets remain with the lessor are treated as operating leases. Annual rentals under operating leases are charged to the income statement on a straight line basis over the lease term.

Employee benefits

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as result of services rendered by employees at the balance sheet date.

The Group participates in defined contribution retirement plans and pays contributions to publicly or privately administered pension plans on a mandatory or contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

2. Principal accounting policies (continued)

Foreign currencies

The financial statements are presented in United States Dollars, which is the presentation currency of the Group.

The functional currencies of the subsidiaries are considered to be Hong Kong Dollars, Singapore Dollars and Australian Dollars and the functional currency of the parent company is Sterling. In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the date of the transactions. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the income statement. Non-monetary items that are measured at historical costs in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rates at the date when the fair value was determined.

In the consolidated financial statements, all individual financial statements of subsidiaries originally presented in a currency different from the Group's presentation currency, have been converted into United States Dollars. Assets and liabilities have been translated into United States Dollars at the closing rates at the balance sheet date. Income and expenses have been converted into United States Dollars at the exchange rates ruling at the transaction dates or at the average rates over the reporting period. Any differences arising from this have been dealt with in the foreign exchange reserve in equity.

Exchange differences arising from translation to the presentation currency, together with other exchange differences arising from the translation of the net investment in foreign entities are taken to the foreign exchange reserve.

Segmental reporting

A segment is a distinguishable component of the Group that is engaged either in a particular business (business segment) or conducting business in a particular economic environment (geographical segment) which is subject to risks and returns that are different from those of other economic environments.

Critical accounting judgements and key sources of estimation uncertainty

The key sources of estimation uncertainty the Directors have made in preparing these financial statements are as follows:

- the assumptions used to calculate the fair value of share options as detailed in note 14; and
- the elimination of the deferred consideration in reporting the acquisition of Macro Consulting Pty Limited, as detailed in note 10.

The Directors consider that the critical judgments in applying the accounting policies, as detailed above, in preparing these financial statements are:

- the use of the functional currencies used by the operating subsidiaries which accords with the local currency in which they trade; and
- the recognition of income on consultancy services and retainer fees and services over the period the services are provided. The income is recognized based on managements assessment of the stage of completion of the services provided.

2. Principal accounting policies (continued)

Adoption of new or amended IFRS

During the year, the Group has applied, for the first time, the following new standards, amendment and interpretations, which are effective for the Group's accounting periods beginning on 1 January 2008:

IFRIC 12	Service Concession Arrangements
IFRIC 14	IAS10 – the Limit and defined benefit assets, minimum funding requirements and their interaction

The adoption of the above new and amended IFRSs did not result in significant changes to the Group's accounting policies.

Standards published but not yet effective

At the date of authorisation of these financial statements, certain new Standards, amendments and Interpretations to existing standards have been published but are not yet effective. The Group has not early adopted any of these pronouncements. The new Standards, amendments and Interpretations that are expected to be relevant to the Group's financial statements are as follows:

IAS 1 (Revised)	Presentation of Financial Statements	Effective for annual periods beginning on or after 1 January 2009
IFRS 2	Share-based Payment – Amendment relating to vesting conditions and cancellations	Effective for annual periods beginning on or after 1 January 2009

IAS 1 (Revised) – Presentation of Financial Statements

This amendment affects the presentation of owner changes in equity and introduces a statement of comprehensive income. Preparers will have the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of other comprehensive income). This amendment does not affect the financial position or results of the Group but will give rise to additional disclosures. Management is currently assessing the detailed impact of this amendment on the Group's financial statements.

IFRS 2 – Share-based Payment – Amendment relating to vesting conditions and cancellations

This amendment means that all non-vesting conditions are taken into account in the estimate of the fair value of the equity instrument. Management is currently assessing the detailed impact of this amendment on the Group's financial statements.

3. Segmental information

(a) **Primary reporting format – business segment:**

As defined under International Accounting Standard 14 (IAS14), the only material business segment the Group has is that of marketing and public relations.

(b) **Secondary reporting format – geographical segment:**

Under the definitions contained in IAS 14, the only material geographic segment that the Group operates in is the Asia-Pacific region.

4. Gross margin/revenue

	2008 US$'000	2007 US$'000
Gross margin/revenue from retainer and project work	6,158	4,613

5. Other income

	2008 US$'000	2007 US$'000
Finance income	8	3
Rental income	57	9
Sundry income	57	53
Profit on sale of business	350	–
	472	65

On 7 May 2008 Media Services Asia Limited, a wholly owned subsidiary, disposed of certain of its assets and granted a license to Marketwire China Holdings HK Limited, for consideration of US$350,000 in cash. The assets sold had a net book value of US$nil at the date of disposal and, therefore, the profit on disposal was US$350,000.

6. Profit/(loss) before taxation

Profit/(loss) before taxation is arrived at after charging/(crediting):

	2008 US$'000	2007 US$'000
Amortisation of intangible assets	56	41
Auditors' remuneration:		
– fees payable to the Company's auditors and its associates for the audit of the Company's financial statements	77	55
– fees payable to the Company's auditors and its associates for other services – regulatory assistance	–	6
Depreciation of owned assets	76	60
Operating leases charges in respect of rented premises	384	366
Foreign exchange (gain)/losses	(2)	4

7. Taxation expense

	2008 US$'000	2007 US$'000
Current year income tax charge	149	12
Deferred tax credit (note 13)	(16)	(12)
	133	–

The income tax charge for the year has been calculated at the rates prevailing in the relevant jurisdictions.

A reconciliation of the tax expense to the profit/(loss) before taxation using the statutory rates for the countries in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the statutory tax rates to the effective tax rates, are as follows :

	2008		2007	
	US$'000	%	US$'000	%
Profit/(loss) before taxation	566		(643)	
Tax at the domestic income tax rates	99	17.5	(113)	(17.5)
Tax effect of unrecognised tax losses	34	6.0	113	(17.5)
Current year tax charge	133	23.5	–	–

The Group has unrelieved tax losses of approximately US$373,000 (2007 :US$270,000), the utilisation of which is uncertain and consequently no deferred tax asset has been recognised.

8 Earnings/(loss) per share

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the net profit/(loss) attributable to equity holders of the parent Company of US$433,000 (2007: loss of US$643,000) and the weighted average number of ordinary shares in issue during the year of 137,187,094 (2007: 135,376,825).

(b) Diluted earnings/(loss) per share

The diluted earnings/(loss) per share is based on a weighted average number of shares in issue of 150,864,178 for the year ended 31 December 2008.

The impact of the share options is anti-dilutive for the year ended 31 December 2007.

9. Property, plant and equipment

	Computer hardware and software US$'000	Furniture and fixtures US$'000	Leasehold improvements US$'000	Office equipment US$'000	Total US$'000
Gross carrying amount					
At 1 January 2007	209	26	53	22	310
Acquisition of business	–	–	–	28	28
Additions	23	30	51	20	124
Disposals	–	–	–	(1)	(1)
Exchange adjustment	2	–	1	–	3
At 31 December 2007	234	56	105	69	464
At 1 January 2008	234	56	105	69	464
Additions	24	–	3	20	47
Disposals	–	–	–	(1)	(1)
Exchange adjustment	2	2	4	(7)	1
Write offs	4	(7)	(43)	(5)	(51)
At 31 December 2008	264	51	69	76	460
Accumulated depreciation and impairment					
At 1 January 2007	159	13	33	17	222
Charge for the year	18	7	28	7	60
Exchange adjustment	1	–	1	–	2
At 31 December 2007	178	20	62	24	284
At 1 January 2008	178	20	62	24	284
Charge for the year	28	12	24	12	76
Exchange adjustment	2	–	2	(3)	1
Write offs	4	(7)	(43)	(5)	(51)
At 31 December 2008	212	25	45	28	310
Carrying amount					
At 1 January 2007	50	13	20	5	88
At 31 December 2007	56	36	43	45	180
At 1 January 2008	56	36	43	45	180
At 31 December 2008	52	26	24	48	150

10. Intangible assets

	Customer base US$'000	Goodwill US$'000	Total US$'000
Gross carrying amount			
At 1 January 2007	–	10,783	10,783
On acquisition	166	73	239
Exchange adjustment	–	(20)	(20)
At 1 January 2008 and 31 December 2008	166	10,836	11,002
Accumulated amortisation and impairment			
At 1 January 2007	–	10,783	10,783
Charge for year	41	–	41
Exchange adjustment	–	(20)	(20)
At 1 January 2008	41	10,763	10,804
Charge for year	56	–	56
Adjustment	–	56	56
At 31 December 2008	97	10,819	10,916
At 1 January 2008	125	73	198
At 31 December 2008	69	17	86

The customer base acquired and the goodwill arising in the year ended 31 December 2007 arose on the acquisition of a subsidiary, Upstream Australia Pty Limited, formerly Macro Consulting Pty Limited.

The customer base is being amortized over three years, which represents the period these customers are expected to be retained.

The purchase consideration of Macro Consulting Pty Limited included deferred consideration contingent on the post acquisition results of the acquired business. This was valued at US$113,000 based on the share price at 31 December 2007. US$57,000 of this was settled by the issue of 856,400 shares in April 2008 as the business met the performance criteria for the year ended 31 December 2007.

The acquired business has not met the performance criteria for the year ended 31 December 2008 and the directors expect that it will not meet the performance criteria for 2009. The remaining US$56,000 included in shares to be issued has therefore been eliminated and the goodwill adjusted accordingly.

11. Trade and other receivables

	2008 US$'000	2007 US$'000
Trade receivables (gross)	1,094	978
Less: provision for impairment of receivables	(69)	(39)
Trade receivables – net	1,025	939
Other receivables	72	11
Deposits and prepayments	138	142
Total	1,235	1,092

The fair value of trade and other receivables is considered by the Directors not to be materially different to carrying amounts.

US$558,000 (2007: US$488,000) of the above trade receivables is past due.

At the balance sheet date past due trade receivables are aged as follows:

	2008 US$'000	2007 US$'000
Date past due		
0-30 days	229	325
31-60 days	124	93
Over 60 days	205	70
	558	488

An analysis of the provision for impairment of receivables is as follows:

	2008 US$'000	2007 US$'000
At 1 January	39	22
Impairment losses	70	37
Reversal due to debt recovery	(40)	(20)
At 31 December	69	39

12. Trade and other payables

	2008 US$'000	2007 US$'000
Trade payables	425	572
Other payables and accrued charges	679	533
Amounts due to directors and others	–	299
Total	1,104	1,404

The fair value of trade and other payables is considered by the Directors not to be materially different to carrying amounts.

Other payables and accrued charges include amounts due to shareholders of $US Nil (2007: US$68,980).

13. Deferred taxation

Deferred taxation liabilities recognized can be summarized as follows:

	2008 US$'000	2007 US$'000
Non-current liabilities	22	38

	2008 US$'000	2007 US$'000
At 1 January	38	–
Arising on acquisition	–	50
Credited to income statement	(16)	(12)
At 31 December	22	38

Deferred tax assets have not been recognized in respect of the following:

	2008 US$'000	2007 US$'000
Unused tax losses	65	47

No recognition of potential deferred tax assets of the Group has been made as the recoverability of the potential assets is uncertain.

14. Share capital

	Number of ordinary shares	Value US$'000
Authorised (par value of 0.25p)		
At 31 December 2007 and 31 December 2008	4,000,000,000	18,470
Issued and fully paid (par value of 0.25p each)		
At 31 December 2006	133,541,669	617
Shares issued in year	3,003,125	15
At 31 December 2007	136,544,794	632
Shares issued in year	856,400	4
At 31 December 2008	137,401,194	636

On 11 April 2008, 856,400 shares were issued to the vendors of Upstream Australia Pty Limited (formerly Macro Consulting Pty Limited) as the first tranche of deferred consideration payable in respect of the acquisition of Upstream Australia by the Company, following the achievement of certain performance criteria by Upstream Australia for its financial year ended 31 December 2007. The difference between the nominal value and issue price of US$52,735 was transferred to the share premium account.

Share options

The Group has adopted an employee Share Option Scheme in order to incentivise key management and staff. The fair value of options granted was determined using Black-Scholes valuation models. Significant inputs into the calculations were as follows:

- 41%-47% volatility based on expected share price (ascertained by reference to historic share prices of both the Company and comparable listed companies)
- share price of between 7p and 2p per share at date of grant of options
- exercise price of between 20p and 2p per share
- a risk free interest rate of 2.78%
- 0% dividend yield
- estimated options lives of three years.

14. Share capital (continued)

At 31 December 2008, the Group had the following options outstanding:

Date of grant	Dates first exercisable	Exercise price	Market price at date of issue	Number	Fair value
5 July 2007	3 years from date of grant	20p	7p	6,750,000	0.311p
5 July 2007	3 years from date of grant	7p	7p	6,677,084	2.159p
19 December 2007	3 years from date of grant	2p	2p	250,000	0.617p
				13,677,084	

Employee share-based expense of US$103,000 (2007: US$110,000) has been included in the income statement following the adoption of IFRS 2 Share Based Payments. No liabilities were recognized due to share-based payment transactions.

The movements on share options and their weighted average exercise price are as follows:

	2008		2007	
	Number	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)
Outstanding at 1 January	13,677,084	13.32	–	–
Granted	–	–	15,012,501	12.76
Lapsed	–	–	(1,335,417)	(7.00)
Outstanding at 31 December	13,677,084	13.32	13,677,084	13.32

Of the 13,677,084 share options in existence at 31 December 2008, none are exercisable. The weighted average remaining contractual life of share options outstanding at 31 December 2008 is 8.5 years.

No options have been exercised or lapsed or fresh options granted after 31 December 2008. An estimate of the likelihood of vesting is revised at each accounting period end.

15. Risk management objectives and policies

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Group's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Group's short to medium term cash flows by minimizing the exposure to financial markets.

(a) Market risk

Market risk encompasses three types of risk being foreign currency risk, fair value interest rate risk and price risk. The Group's policies for managing foreign currency risk are considered along with those for managing cash flow and credit risk below. The Group is not exposed to significant fair value interest nor price risk.

(b) Foreign currency risk

The Group's exposure to foreign currencies is limited to its investments in foreign subsidiaries and to its trading in overseas operations. The investments in foreign subsidiaries are financed internally. The overseas operations trade in their local currency and because their sales to other countries are not significant they do not seek to hedge their foreign currency exposure. The Directors will keep this policy under review particularly if sales to other countries increase significantly.

The sensitivity of the net results for the year and of equity to a reasonably possible change in the exchange rate of +/– five percentage points is not material to the financial statements.

15. Risk management objectives and policies (continued)

(c) Credit risk

The Group's financial instruments are cash and cash equivalents and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables; the amounts presented in the balance sheet are net of allowance for doubtful receivables. An allowance for impairment is made when there is objective evidence that the Group will not be able to collect all monies due according to the original terms of the receivables concerned.

The Group's exposure to credit risk is limited to the carrying amount of the financial assets recognised at the balance sheet date, as summarised below:

	2008 US$'000	2007 US$'000
Trade and other receivables	1,235	950
Cash and cash equivalents	719	264
	1,954	1,214

The Group trades with only recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks.

(d) Cash flow risk

Cash flow is managed by means of ensuring sufficient cash and cash equivalents are held to support the trading activities of the Group. The cash and cash equivalents are invested such that the maximum available interest rate is achieved with minimal risk.

The Group currently has no financial liabilities with floating interest rates.

(e) Capital risk management

The Group's objectives when managing capital are:

– to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
– to support the Group's growth; and
– to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

16. Financial assets and liabilities

The IAS 39 categories of financial assets included in the balance sheet and the headings in which they are included are as follows:

	2008			2007		
	Loans and receivables US$'000	Non financial assets US$'000	Balance sheet total US$'000	Loans and receivables US$'000	Non financial assets US$'000	Balance sheet total US$'000
Trade receivables	1,025	–	1,025	939	–	939
Other receivables	72	–	72	11	–	11
Prepayments and accrued income	–	138	138	–	142	142
Cash and cash equivalents	719	–	719	264	–	264
	1,816	138	1,954	1,214	142	1,356

Financial liabilities by category

The IAS 39 categories of financial liability included in the balance sheet and the headings in which they are included are as follows:

	2008				2007			
	Financial liabilities at fair value through profit or loss US$'000	Other financial liabilities at amortised cost US$'000	Liabilities not within the scope of IAS 39 US$'000	Total US$'000	Financial liabilities at fair value through profit or loss US$'000	Other financial liabilities at amortised cost US$'000	Liabilities not within the scope of IAS 39 US$'000	Total US$'000
Bank loans	–	27	–	27	–	–	–	–
Trade payables	–	425	–	425	–	572	–	572
Deferred income	–	–	118	118	–	–	55	55
Current tax provision	–	–	162	162	–	–	25	25
Deferred taxation	–	–	22	22	–	–	38	38
Other payables	–	–	679	679	–	–	832	832
	–	452	981	1,433	–	572	950	1,522

17. Employee remuneration

Expense recognised for employee benefits is analysed below:

	2008 US$'000	2007 US$'000
Wages and salaries	3,189	2,951
Share based payment	103	329
Pensions – defined contribution scheme	280	116
	3,572	3,396

Details of Directors' employee benefits expense are included in the Report on Remuneration on pages 8 to 9.

Remuneration for key management of the Group, including amounts paid to Directors of the Group, is as follows:

	2008 US$'000	2007 US$'000
Wages and salaries	1,375	1,048
Share based payment	103	329
Pensions – defined contribution scheme	30	12
	1,508	1,389

18. Commitments

(a) Operating leases

At 31 December 2008, the total future minimum lease payments of the Group under non-cancellable operating leases in respect of land and building are payable as follows:

	2008 Land and Buildings US$'000	2007 Land and Buildings US$'000
Within one year	321	330
In the second to fifth years	323	450
	644	780

The Group leases a number of properties under operating leases in Hong Kong and overseas. None of the leases includes contingent rentals.

(b) Capital commitments

There were no amounts contracted for but not provided at 31 December 2008 or 31 December 2007.

19. Contingent liabilities

There were no contingent liabilities at 31 December 2008 or 31 December 2007.

20. Related party transactions

Techpacific.com (BVI) Investments Limited, a shareholder, and its affiliated companies, Techpacific Capital Limited and Crosby Capital Partners (Hong Kong) Limited, has used the services of the Group for which it paid fees, out of pocket expenses and mark ups of US$Nil (2007: US$34,603).

David Ketchum, a Director of the Company, has made a loan available to the Group of US$Nil (2007: US$172,381). The balance due is unsecured, interest free and has no fixed repayment terms.

21 Post balance sheet events

There are no substantial post balance sheet events.

22. Principal subsidiary undertakings/representative offices

Name	Principal activity	Place of operation/ incorporation
Upstream Asia Limited	Intermediate holding company	British Virgin Islands
Upstream Limited	Marketing and public relations	Hong Kong
Upstream Asia (Singapore) pte Limited	Marketing and public relations	Singapore
Upstream Australia Pty Limited	Marketing and public relations	Australia
Asia Pacific Communications Services Limited (formerly Media Services Asia Limited)	Dormant	British Virgin Islands
Upstream Asia Limited Taiwan Branch	Marketing and public relations	Taiwan
GCG Asia Limited	Dormant	British Virgin Islands
Gorilla Asia Limited	Dormant	British Virgin Islands
Upstream Asia (China) Consulting Limited	Marketing and public relations	Peoples' Republic of China
Upstream Asia (China) Consulting Limited Shanghai branch	Marketing and public relations	Peoples' Republic of China

All the above are wholly owned.

Notice of Annual General Meeting

Notice is given that the annual general meeting of the members of the Company will be held at Suite 1701, City Tower 2, Sheikh Zayed Road, Dubai, UAE at 10.00 am Dubai Time (7.00 am BST) on 31 July 2009, to consider and, if thought fit, pass the following:

Ordinary Resolutions

1. To receive the accounts and reports for the period ended 31 December 2008.
2. To re-elect Stephen Smith as a director who is retiring by rotation in accordance with the articles of association and who being eligible offers himself for re-election.
3. To re-elect David Ketchum as a director who is retiring by rotation in accordance with the articles of association and who being eligible offers herself for re-election.
4. To re-appoint Grant Thornton UK LLP as auditors and authorise the directors to determine their remuneration.
5. That the directors be authorised to disapply the pre-emption rights set out in article 17 of the company's articles of association, such power to expire at the conclusion of the company's next annual general meeting and the directors may allot equity securities for cash following an offer or agreement made before the expiry of the authority and provided that the authority is limited to:

   5.1 the allotment of ordinary shares equal to one per cent of the company's issued share capital from time to time pursuant to the Strand Warrant as referred to in the company's AIM admission document dated 19 September 2006;

   5.2 the allotment of equity securities to satisfy options granted or to be granted pursuant to the Company's share option scheme; and

   5.3 the allotment of equity securities up to a maximum aggregate nominal amount of £68,700.60, being twenty per cent. of the company's issued share capital at the date of this notice.

By order of the board

Kitwell Consultants Limited
Assistant Secretary

Registered office:
Walker House, Mary Street, PO Box 908GT George Town,
Grand Cayman, Cayman Islands

Date: 29 June 2009

Notes:

1. A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and, on a poll, vote in his place. A proxy need not be a member of the company.
2. To be effective, a completed and signed proxy (and any power of attorney or other authority under which it is signed) must be delivered to Capita Registrars, The Registry, 34 Beckenham Road, Kent BR3 4TU by no later than 48 hours before the time fixed for the meeting or any adjourned meeting. You may also deliver by hand to Capita Registrars, The Registry, 34 Beckenham Road, Kent BR3 4TU during normal business hours.
3. Completion of a form of proxy will not prevent a member from attending and voting in person.
4. Members will be entitled to attend and vote at the meeting if they are registered on the Company's register of members 48 hours before the time appointed for the meeting or any adjourned meeting.
5. In the case of joint holders of shares in the company, the vote of the senior holder shall be accepted to the exclusion of the votes of the other joint holder(s). For this purpose, seniority will be determined by the order in which the names appear in the company's register of shareholders (or the company's registrars' records).
6. In the case of holders of depository interests representing ordinary shares in the capital of the Company, a form of direction must be completed in order to instruct Capita IRG Trustees Limited, the Depositary, how to vote on the holder's behalf at the meeting, or if the meeting is adjourned, at any adjourned meeting. To be effective, a completed and signed form of direction must be delivered to Capita Registrars by no later than 72 hours before the time fixed for the meeting or any adjourned meeting.

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