Asia Digital Holdings plc

Company no. 03904195

INTERIM REPORT

FOR THE SIX MONTHS TO 30 SEPTEMBER 2012

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Chief executive's statement

Trading Results

I am pleased to present the Group's interim results for the six months to 30 September 2012.

The Group made a loss of £324,000 during the period from all operations (6 months to 30 June 2011: £572,000).

The interim results are boosted by a couple of disposals announced previously, namely the disposal of the Group's entire stake in DGM India Internet Marketing Private Limited ("DGM India") and the sale of selected assets of DGM Asia Pacific Private Limited ("DGM Singapore"). The disposals were completed during the period and resulted in net recognised gains of £83,000 and £110,000 respectively.

Trading Prospects

As announced previously, a decision was made by the Board to dispose or discontinue all Group operations. This followed a strategic review, which was announced in December 2011, and in the view of the continued working capital difficulties faced by the Group.

The effect of the disposals and closures has been to divest the parent company of its trading businesses and activities. This constitutes a fundamental change of business under Rule 15 of the AIM Rules. As a result, the Company is required to make an acquisition or acquisitions which constitute a reverse takeover under Rule 14 of the AIM Rules or otherwise implement the investing policy approved at the general meeting of 28 May 2012 to the satisfaction of the Exchange by 29 May 2013.

The Directors are currently endeavouring to implement the Company's investment policy by effecting a reverse takeover in the future.

Working Capital

Following the December 2011 strategic review, a decision was made by the Board to dispose the Group's two main operations, DGM India and DGM Singapore. The disposal of these operations was completed during the 6 months to 30 September 2012, and the net cash generated from the transactions was £324,000 and £75,000 respectively.

The working capital position currently remains weak notwithstanding the disposals and closures announced since April. As a result the Directors, on 13 August 2012, requested an immediate suspension of trading in the Company's shares. Further announcements will be made as appropriate.

We stated in a circular to shareholders dated 2 May 2012 that the Group had limited cash resources and would require further funding to ensure that it had sufficient working capital to operate as an investing company. The Group has also been seeking further funding in order to make it attractive to entities seeking to effect a reverse takeover of the Company.

On 13 June 2012 the Group announced it was in discussions with certain parties that might result in an investment being made into the Group.

Chief executive's statement

On 24 December 2012 the Company announced that it proposed to enter into a Company Voluntary Agreement (CVA). Consequently, the Company issued a Circular to Shareholders setting out the background to and the reasons for the proposal. The CVA is subject to both shareholder and creditor approval.

Peterhouse Corporate Finance Limited has placed 67,400,000 new Ordinary Shares in the Company at a price of 0.5 pence raising £337,000. The placing is conditional on the approval of the CVA and other resolutions including to change the Company's name to Vela Technologies Plc, to appoint Nigel Brent Fitzpatrick to the Board and to adopt a new Investing Policy pursuant to Rule 15 of the AIM Rules. A General Meeting is scheduled to take place on 14 January 2013, and all resolutions will be put to members then. Further announcements will be made as appropriate.

The Board would like to thank shareholders for their continued support, and would like to emphasis our commitment to delivering shareholder value.

Adrian Moss
Chief Executive Officer
31 December 2012

Consolidated income statement

for the six months ended 30 September 2012

	Notes	**6 months to 30 Sep 2012 £'000**	6 months to 30 Jun 2011 £'000	15 months to 31 Mar 2012 £'000
Continuing operations				
Revenue		**-**	-	-
Cost of sales		**-**	-	-
Gross profit		**-**	-	-
Administrative expenses				
– depreciation		**-**	-	-
– share-based payments		**(2)**	(14)	(21)
– other administrative expenses		**(373)**	(58)	(36)
		(375)	(72)	(57)
Loss from operations		**(375)**	(72)	(57)
Interest received		**-**	-	-
Interest payable		**-**	(1)	(3)
Loss before tax		**(375)**	(73)	(60)
Income tax		**-**	-	(9)
Total loss after taxation from continuing operations		**(375)**	(73)	(69)
Discontinued operations				
Profit / (loss) before tax from discontinued operations	6	**(26)**	(500)	(1,010)
Profit on disposal of subsidiary	7	**109**	-	-
Profit on disposal of associate		**-**	**-**	195
Income tax		**(32)**	1	(36)
Profit / (loss) after tax from discontinued operations		**51**	(499)	(851)
Total loss		**(324)**	(572)	(920)
Attributable to:				
Equity holders of the parent		**(324)**	(572)	(920)
Earnings per share				
Basic and diluted earnings / (loss) per share	8	**(4.22p)**	(8.07p)	(11.98p)
Basic and diluted earnings / (loss) per share from continuing operations	8	**(4.88p)**	(1.03p)	(0.90p)
Basic and diluted earnings / (loss) per share from discontinued operations	8	**0.66p**	(7.04p)	(11.08p)

Consolidated statement of comprehensive income

for the six months ended 30 September 2012

	Notes	**6 months to 30 Jun 2011 £'000**	6 months to 30 Jun 2010 £'000	Restated Year to 31 Dec 2010 £'000
Profit / (loss) for the year		**(324)**	(572)	(920)
Other comprehensive income				
Exchange differences on translation of foreign operations:				
Gains/(losses) recognised during the year		**7**	(37)	(71)
Total comprehensive income for the year		**(317)**	(609)	(991)
Attributable to:				
Equity holders of the parent		**(317)**	(609)	(991)

Consolidated balance sheet
as at 30 September 2012

	Notes	**30 September 2012 £'000**	30 June 2011 £'000	31 March 2012 £'000
Assets				
Non-current assets				
Intangible assets		**-**	47	-
Property, plant and equipment		**-**	21	-
		-	68	-
Current assets				
Trade and other receivables		**36**	1,909	214
Cash and cash equivalents		**52**	391	22
		88	2,300	236
Assets of disposal group classified as held for sale		**-**	-	836
Total assets		**88**	2,368	1,072
Equity and liabilities				
Equity				
Called up share capital		**4,852**	4,852	4,852
Capital redemption reserve		**13,188**	13,188	13,188
Share-based payment reserve		**1,178**	1,169	1,176
Share premium account		**23,792**	23,792	23,792
Translation reserve	7	**(65)**	(38)	(72)
Retained earnings		**(44,139)**	(43,467)	(43,815)
Total equity		**(1,194)**	(504)	(879)
Current liabilities				
Trade and other payables		**1,257**	2,611	1,297
Borrowings		**-**	**-**	-
Onerous lease provisions	10	**25**	122	42
Deferred tax		**-**	**-**	-
Corporation tax		**-**	14	-
		1,282	2,747	1,339
Liabilities of disposal group classified as held for sale		**-**	-	612
Non-current liabilities				
Onerous lease provisions	10	**-**	125	-
Total liabilities		**1,282**	2,872	1,951
Total equity and liabilities		**88**	2,368	1,072

Company registration number 03904195

These financial statements were approved by the Board, authorised for issue and signed on their behalf on 31 December 2012 by:

Adrian Moss
Chief Executive Officer

Consolidated cash flow statement

for the six months ended 30 September 2012

	6 months to 30 Sep 2012 £'000	6 months to 30 Jun 2011 £'000	15 months to 31 Mar 2012 £'000
Operating activities			
Loss after tax	**(375)**	(73)	(69)
Depreciation	**-**	-	-
Share-based payment	**2**	14	21
Decrease / (increase) in receivables	**15**	(45)	746
(Decrease) / increase in payables	**119**	(287)	(815)
Foreign exchange differences	**-**	-	-
Finance (income) / expense	**-**	-	3
Tax (credit) / charge	**-**	-	(9)
Cash flow from operating activities in continuing operations	**(239)**	(391)	(123)
Cash flow from operating activities in discontinued operations	**59**	(39)	(1,117)
Total cash flow from operating activities	**(180)**	(430)	(1,240)
Investing activities			
Purchase of property, plant and equipment	**-**	-	-
Consideration for disposal of subsidiary (net of cash disposed)	**209**	322	664
Consideration for disposal of associate	**-**	-	200
Purchase of intangible assets	**-**	(45)	-
Interest received	**-**	-	-
Cash flow from investing activities in continuing operations	**209**	277	864
Cash flow from investing activities in discontinued operations	**1**	4	10
Total cash flow from investing activities	**210**	281	874
Financing activities			
Issue of ordinary share capital	**-**	-	-
Share premium on the issue of ordinary share	**-**	-	-
Issue of convertible loan notes	**-**	-	-
Repayment of convertible loan notes	**-**	-	-
Interest paid	**-**	-	(3)
Cash flow from financing activities in continuing operations	**-**	-	(3)
Cash flow from financing activities in discontinued operations	**-**	(1)	(7)
Total cash flow from financing activities	**-**	(1)	(10)
Net increase/(decrease) in cash and cash equivalents	**30**	(150)	(376)
Cash and cash equivalents at start of period	**22**	538	538
Exchange differences on cash and cash equivalent	**-**	3	(15)
Cash and cash equivalents including cash held in disposal group at the end of the period	**52**	391	147
Cash held in disposal group	**-**	-	(125)
Cash and cash equivalents at end of period	**52**	391	22
Cash and cash equivalents comprise:			
Cash and cash in bank	**52**	376	22
Time deposits	**-**	15	-
Cash and cash equivalents at end of period	**52**	391	22

Consolidated statement of changes in equity

for the six months ended 30 September 2012

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2012	**4,852**	**23,792**	**13,188**	**1,176**	**(72)**	**(43,815)**	**(879)**
Share options issued in share-based payments	**-**	**-**	**-**	**2**	**-**	**-**	**2**
Transactions with owners	**-**	**-**	**-**	**2**	**-**	**-**	**2**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**(324)**	**(324)**
Other comprehensive income:							
Exchange difference on translation of foreign operations	**-**	**-**	**-**	**-**	**7**	**-**	**7**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**7**	**(324)**	**(317)**
Balance at 30 September 2012	**4,852**	**23,792**	**13,188**	**1,178**	**(65)**	**(44,139)**	**(1,194)**

Balance at 1 January 2011	4,852	23,792	13,188	1,155	(1)	(42,895)	(91)
Share options issued in share-based payments	-	-	-	14	-	-	14
Transactions with owners	-	-	-	14	-	-	14
Loss for the period	-	-	-	-	-	(572)	(572)
Other comprehensive income:							
Exchange difference on translation of foreign operations	-	-	-	-	(37)	-	(37)
Total comprehensive income for the year	-	-	-	-	(37)	(572)	(609)
Balance at 30 June 2011	4,852	23,792	13,188	1,169	(38)	(43,467)	(504)

Balance at 1 January 2011	4,852	23,792	13,188	1,155	(1)	(42,895)	(91)
Share options issued in share-based payments	-	-	-	21	-	-	21
Issue of share capital	-	-	-	-	-	-	-
Transactions with owners	-	-	-	21	-	-	21
Profit for the year	-	-	-	-	-	(920)	(920)
Other comprehensive income:							
Exchange difference on translation of foreign operations	-	-	-	-	(71)	-	(71)
Total comprehensive income for the year	-	-	-	-	(71)	(920)	(991)
Balance at 31 March 2012	4,852	23,792	13,188	1,176	(72)	(43,815)	(879)

Notes to the consolidated financial statements
for the six months ended 30 September 2012

1 General Information

The condensed interim financial statements for the six months ended 30 September 2012 were authorised for issue in accordance with a resolution of the Board of Directors on 31 December 2012.

The Company is a public limited company incorporated in the United Kingdom. The address of its registered office is 19 Cavendish Square, London, W1A 2AW.

The Company is listed on the AIM Market of the London Stock Exchange.

The financial information for the 15 months ended 31 March 2012 set out in this interim consolidated report is unaudited and does not constitute statutory accounts as defined in the Companies Act 2006. The Group's statutory financial statements for the 15 months ended 31 March 2012 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under section 498(2) or (3) (accounting records or returns inadequate, accounts not agreeing with records and returns or failure to obtain necessary information and explanations) of the Companies Act 2006. The auditor's report also included an emphasis of matter relating to the Group's future funding prospects.

2 Basis of Preparation

These condensed interim financial statements for the six months ended 30 September 2012 have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the European Union. These condensed interim financial statements should be read in conjunction with the audited financial statements for the 15 months ended 31 March 2012, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

Going Concern

The directors reviewed the Group's objectives, policies and processes for managing its capital, including its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risk.

During the 6 months to 30 September 2012, the Group made losses of £324,000 (6 months to 30 June 2011: £572,000). At period end, the cash balance was £52,000 (30 June 2011: £391,000), with net liabilities of £1,194,000 (30 June 2011: £504,000).

Following a strategic review of the Group's trading, which was announced in December 2011, and in the view of the continued working capital difficulties faced by the Group, the Board resolved that it would be in the best interests of shareholders to close the Group's trading operations, and to this end, to dispose of the Group's two main operations, DGM India Internet Marketing Private Limited ("DGM India") and DGM Asia Pacific Private Limited ("DGM Singapore"):

- The sale of DGM India was completed in July 2012. The net cash generated from the transaction (after transaction costs) was £324,000;
- The Group completed the sale of selected assets of DGM Singapore in June 2012 to Flow Digital Private Limited ("Flow Digital"), a subsidiary of Omnicom Media Group. The actual cash received from the transaction was £75,000. Flow Digital retained certain amounts relating to client prepayments, employee costs and certain legal fees, all agreed to be settled by Flow Digital on behalf of the Group.

In an attempt to improve its net asset position, the Group has also begun the liquidation and closure of certain subsidiaries that are insolvent in Singapore, Hong Kong and China. Once finalised, the liquidations in Asia are expected to result in an improvement in the Group's balance sheet of about £512,000.

As the effect of the disposal of DGM India and selected assets of DGM Singapore, as well as the closure of the Group's China operation, has been to divest the parent company of its trading businesses and activities, this constitutes a fundamental change of business under Rule 15 of the AIM Rules. As a result, the parent company has been treated as an Investing Company, following the approval of the Investment Policy at a General Meeting held on 28 May 2012 and the completion of the sale of selected assets of DGM Singapore. The Company is now required to implement the Investment Policy, or otherwise make an acquisition or acquisitions which constitute a reverse takeover under Rule 14 of the AIM Rules, within twelve months of obtaining consent from shareholders.

In order to enable the Company to execute its investment policy, the Directors are endeavouring to seek additional long term funding.

Peterhouse Corporate Finance Limited has placed 67,400,000 new Ordinary Shares in the Company at a price of 0.5 pence raising £337,000. The placing is conditional on the approval of a proposed Company Voluntary Agreement (CVA) and other resolutions described in the Chief Executive’s statement.

The Directors have concluded that material uncertainties that cast significant doubt upon the ability of the Company to continue as a going concern exist. Nevertheless, after making enquiries, and considering the uncertainties, the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they adopt the going concern basis in preparing the annual report and accounts.

3 Change of financial year end

The financial year end of the Company was changed from 31 December to 31 March. The change was made to align the start of the current accounting period with the start of the Company’s life as an investing company.

Accordingly, the current interim financial statements are prepared for the 6 months from 1 April 2012 to 30 September 2012. The comparative figures for the consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement, consolidated statement of changes in equity and related notes are for the 6 months from 1 January 2011 to 30 June 2011.

4 Accounting Policies

The accounting policies applied in these condensed interim financial statements are consistent with those of the annual financial statements for the 15 months ended 31 March 2012, as described in the annual financial statements.

The Group has adopted the following new interpretations, revisions and amendments to IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Group's financial statements:

- IAS 24 “Related Party Disclosures” (amended) effective from 1 January 2011, adopted by the EU on 19 July 2010;
- Annual improvements to IFRSs, containing amendments to IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 21, IAS 28, IAS 31, IAS 34, and IFRIC 13.

The adoption of these new requirements did not have any impact on the financial position or the performance of the Group.

Standards in issue not yet effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards applicable to the Group have been published but are not yet effective, and have not been adopted early by the Group.

IFRS 10 “Consolidated Financial Statements” effective from 1 January 2013, is not yet adopted by the EU. It introduces a new, principle-based definition of control which will apply to all investees to determine the scope of consolidation.

IFRS 13 “Fair Value Measurement” effective from 1 January 2013, is not yet adopted by the EU. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Standard clarifies that fair value is based on a transaction taking place in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. The principal market is the market with the greatest volume and level of activity for the asset or liability.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's consolidated financial statements once adopted:

- IFRS 7 “Financial Instruments: Disclosures” – Derecognition, effective from 1 July 2011, not yet adopted by the EU
- IFRS 9 “Financial Instruments” effective from 1 January 2015, not yet adopted by the EU
- IFRS 11 “Joint Arrangements” effective from 1 January 2013, not yet adopted by the EU
- IFRS 12 “Disclosure of Interests in Other Entities” effective from 1 January 2013, not yet adopted by the EU
- IAS 1 “Financial Statement Presentation” – Other Comprehensive Income, effective from 1 July 2012, not yet adopted by the EU
- IAS 19 “Employee Benefits” effective from 1 January 2013, not yet adopted by the EU
- IAS 27 “Separate Financial Statements” (Revised) effective from 1 January 2013, not yet adopted by the EU

5 Segmental Information

The Group is principally engaged in the provision of online marketing services. Revenue is attributable to the principal activity, which was mainly carried out in China, India and Southeast Asia.

All operating segments were disposed or discontinued during the 6 months to 30 September 2012. An analysis of segment result by geography is shown below:

	China £'000	India £'000	†SE Asia £'000	Other £'000	Operating central Costs £'000	Holding company Costs £'000	Total £'000
Six months ended 30 Sep 2012							
Segment result	**(40)**	**(5)**	**116**	**(2)**	**(21)**	**(447)**	**(399)**
Depreciation							**-**
Share-based payment							**(2)**
Interest							**-**
Profit on disposal of subsidiary							**109**
Profit on disposal of associate							**-**
Tax							**(32)**
Total loss for the period							**(324)**
Segmental assets (£)	**3**	**-**	**5**	**-**	**-**	**80**	**88**
Segmental liabilities (£)	**90**	**-**	**576**	**-**	**-**	**616**	**1,282**

†Included in the SE Asia result is a £110,000 gain from the disposal of assets

	China £'000	India £'000	†SE Asia £'000	Other £'000	Operating central Costs £'000	Holding company Costs £'000	Total £'000
Six months ended 30 Jun 2011							
Segment result	(104)	68	(143)	(8)	(129)	(242)	(558)
Depreciation							-
Share-based payment							(14)
Interest							(1)
Profit on disposal of subsidiary							-
Profit on disposal of associate							-
Tax							1
Total loss for the period							(572)
Segmental assets (£)	239	895	320	-	-	914	2,368
Segmental liabilities (£)	209	708	756	-	-	1,199	2,872

†Included in holding company costs are office lease accrual releases (£76,898)

	China £'000	India £'000	†SE Asia £'000	Other £'000	Operating central Costs £'000	Holding company Costs £'000	Total £'000
Fifteen months ended 31 Mar 2012							
Segment result	(265)	251	(188)	(49)	(277)	(518)	(1,046)
Depreciation							-
Share-based payment							(21)
Interest							(3)
Profit on disposal of subsidiary							-
Profit on disposal of associate							195
Tax							(45)
Total profit for the year							(920)
Segmental assets (£)	76	836	107	-	-	53	1,072
Segmental liabilities (£)	159	612	718	-	-	462	1,951

† Included in 'Operating central costs' is a £47,000 provision release from prior period relating to the Group's affiliate tracking technology
†† Included in 'Holding company costs are leasehold provisions releases (£161,000); UK VAT provision releases (£131,000) and others (£15,000).

6 Discontinued Operations

All subsidiaries and operations were disposed or discontinued during the period. This followed a strategic review completed by the Board and announced in December 2011. Revenue, expenses, gains and losses relating to discontinued operations are reported under profit or loss from discontinued operations in the income statement. As a result, the prior period income statements have been re-presented in accordance with IFRS 5.

7 Disposal of subsidiary

In July 2012 the Group completed the disposal of its entire shareholding in DGM India Internet Marketing Private Limited ("DGM India") to Tyroo Media Private Limited and Inflection Digital Holdings Private Limited, both of which are private companies incorporated and registered in India.

Revenue, expenses, gains and losses relating to the discontinuation of this subsidiary have been eliminated from the profit or loss from the Group's continuing operations and reported under profit from discontinued operations in the income statement. As a result of the disposal, the income statements for the prior periods have been restated in accordance with IFRS 5.

DGM India was sold for a gross consideration of £384,000 (Rupees 33,500,000) resulting in a profit on disposal after tax of £83,000 (Rupees 7,241,000):

	£'000
Gross consideration	**385**
Share of net assets disposed	**(229)**
Historical exchange differences on translation	**(12)**
Transaction costs	**(35)**
Profit on disposal (before tax)	**109**
Income taxes	**(26)**
Profit on disposal (after tax)	**83**

Discounting is omitted where the effect of discounting is immaterial.

The full consideration was received during the period.

8 Earnings / (Loss) Per Share

Earnings / (loss) per share has been calculated on a loss after tax of £324,000 (6 months to 30 June 2011: £572,000) and the weighted average number of shares in issue during the period of 7,679,309 (6 months to 30 June 2011: 7,087,687).

Reconciliation of the profit and weighted average number of shares used in the calculations are set out below:

Six months to 30 Sep 2012	**Continuing**	**Discontinued**	**Total**
Profit / (loss) (£'000)	**(375)**	**51**	**(324)**
Earnings per share (pence)	**(4.88)**	**0.66**	**(4.22)**

Six months to 30 Jun 2011	Continuing	Discontinued	Total
Profit / (loss) (£'000)	(73)	(499)	(572)
Earnings per share (pence)	(1.03)	(7.04)	(8.07)

15 months to 31 Mar 2012	Continuing	Discontinued	Total
Profit / (loss) (£'000)	(69)	(851)	(920)
Earnings per share (pence)	(0.90)	(11.08)	(11.98)

Share options issued to management and staff had no dilutive effect. As at 30 September 2012, the Company's shares were suspended from trading on AIM as a result of the Group's weak working capital position.

9 Share Based Payments

No share options were issued during the period (6 months to 30 June 2011: 0).

The fair values of the options granted are determined using the binomial valuation model. The value of the options is adjusted for future dividends, assuming that they will be paid from 2013 at a yield of 3%.

The model takes into account a volatility rate of 175% which is derived from historical experience. A weighted average risk free interest rate of 1.92% is applied.

Share options are granted in accordance with the Group's Enterprise Management Incentive Scheme. The options have lives of 10 years and vest in three equal tranches over the first three years of their lives provided the employees continue to work for group. The expected lives of the options used in application of the binomial model were 5 years for managerial staff and 4 years for non-managerial staff.

The amount of remuneration expense for the 6 months ended 30 September 20112 in respect of unvested share options granted in this period and earlier periods, amounts to £1,847 (6 months ended 30 June 2011: £14,219).

10 Onerous Lease Provision

The Group has made the following operating and financial lease provisions:

	Operating leases £'000	Finance leases £'000	All leases £'000
At 1 April 2012	42	-	42
Additions	-	-	-
Utilisation	(17)	-	(17)
At 30 September 2012	**25**	**-**	**25**

Analysis of total provision is:

	Operating leases £'000	Finance leases £'000	All leases £'000
Within one year	25	-	25
More than one year and within five years	-	-	-
	25	-	25

The operating lease provision was made for the office lease, service charges and business rates which were entered into in October 2003 for a ten year lease at the former office in London, UK.

11 Related Party Transactions

During the period the Group entered into the following related party transactions. All transactions were made on an arm's length basis:

Howard Kennedy

Keith Lassman, Non-Executive Director and shareholder, is a partner of Howard Kennedy LLP, Solicitors. During the period, the Group was charged £4,877 (6 months to 30 June 2011: £900) in respect of legal services provided. The balance due to Howard Kennedy LLP, Solicitors, at the period end was £4,766 (30 June 2011: £0)

Share options

Share options held by directors were restated following a capital reorganisation that was approved at a general meeting held in May 2012. Following the reorganisation, the number of options held by each director is as follows:

Adrian Moss – 174,000 options at an exercise price of 50 pence per option
David Lees – 17,500 options at an exercise price of 50 pence per option
Keith Lassman – 12,500 options at an exercise price of 50 pence per option

DC Storm Limited

DC Storm Limited is a former associated undertaking company of the Group. The Group incurred certain charges in respect of software licensing services received during the period. The balance due to DC Storm Limited at period end was £0 (30 June 2011: £16,620).

Deal Group Media Pty Ltd

This is the Group's former Australian based subsidiary which was disposed in October 2010. The Group provided technical and other services during the 6 months to 30 September 2012 and a total of £21,700 (6 months to 30 June 2011: £42,262) was received. The balance owed to the Group at period end was £0 (30 June 2011: £41,537).

Transaction involving director

An interest-free loan of £27,145 was repaid to Adrian Moss, Director and shareholder, in May 2012. The loan had been granted to the Group during the previous financial year.

12 Subsequent Events and Transactions

There are no significant events and transactions after the balance sheet date which may impact the financial statements.