BrainJuicer Group PLC Annual Report and Accounts 2009

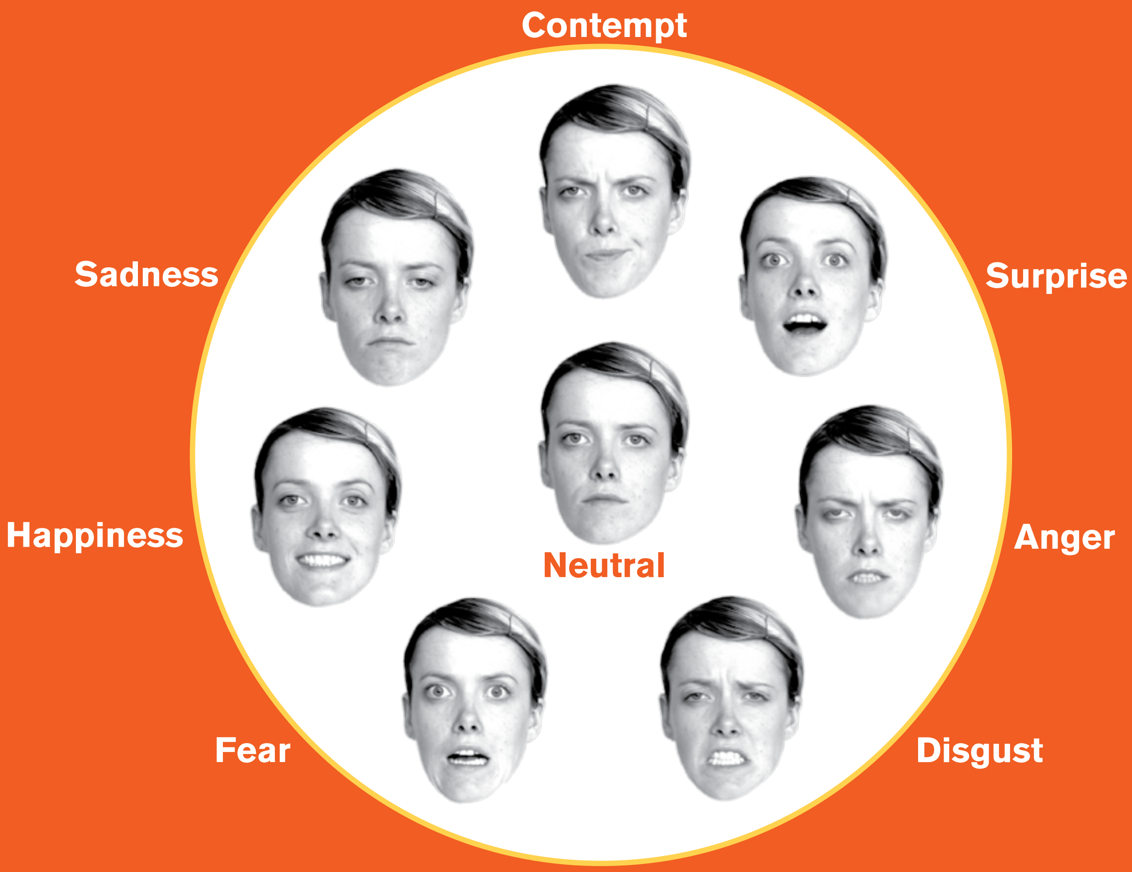
brainjuicer®

Fresher Insights, Better Marketing.

brainjuicer®

FaceTrace®

Which of these faces best expresses how you currently feel about BrainJuicer Group PLC?



How you feel about something is a better predictor of what you will do than asking you what you will do.

[See how you feel about BrainJuicer Group PLC when you reach the inside back cover]

“Working with BrainJuicer® to validate consumer insights, generate ideas and screen concepts has taken our European innovation process to new levels of inspiration and effectiveness. Our experience with the client service team was highly collaborative and creative, and we were impressed by their expertise both in market research and marketing.

Wolfgang Frost,
Head of Insight & Innovation Research Global Brands
Sara Lee Household and Body Care

Fresher Insights, Better Marketing.

- **Innovative Market Research**
- **140 Household Name Clients**
- **Top 10 Global Agency Ambition**

BrainJuicer Group PLC is a leading international online market research agency.

BrainJuicer® was established in 1999 to reinvent the way market research is done, introducing innovative techniques that provide better ways to understand and predict consumer behaviour and improve the success of clients' marketing spend.

BrainJuicer® has over 140 household name clients, including 11 of the world's top 20 largest buyers of market research, and is regarded as one of the leading innovators in the research industry.

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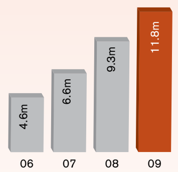
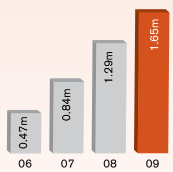


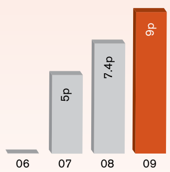
+27%

Revenue



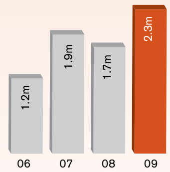
+27%

Operating profit



+22%

Earnings per share



+36%

Cash

2009 Financial Highlights

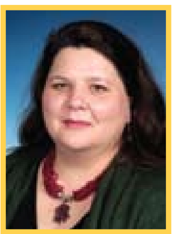
- 27% revenue growth to £11,814,000 (2008: £9,322,000)
- 27% growth in operating profit to £1,645,000 (2008: £1,290,000)
- 21% increase in pre-tax profit to £1,658,000 (2008: £1,372,000)
- 22% growth in fully diluted earnings per share to 9.0p (2008: 7.4p)
- 36% increase in cash to £2,343,000 (2008: £1,727,000), and no debt
- 1.3p final dividend proposed, making 1.9p for the year (2008: 1.5p plus special one-off dividend of 1.7p)

2010 Early Highlights

- Secured second international mandate, as a preferred supplier, from a large global foods group, for concept screening using our award winning, 'Predictive Markets'
- Management further strengthened – Chief Operating Officer appointed
- Canadian licence partner becomes fully owned BrainJuicer Canada

2009 Operational Highlights

- Significant growth despite market declining for the first time in decades
- New Swiss and German offices both profitable in their first full year
- Total overseas revenue greater than UK revenue for the first time
- Strong growth in US; the largest and most competitive research market
- Clients include 11 of world's top 20 market research buyers (nine in 2008)
- 'Juicy' products grew 66%; now 61% of revenue (46% in 2008)
- Increased product development investment to drive innovative growth
- Increased investment in technology platforms to drive profit and capacity



"Especially in a category which seems quite rational like Consumer Health Care, it's essential to convey consumer messages in emotional ways. Communications testing using BrainJuicer's unique and intuitive CommScan® method has helped us identify which advertising ideas are emotionally powerful – and why – in various markets around the world. The BrainJuicer® team is highly responsive and professional, and they're great fun to work with as well.

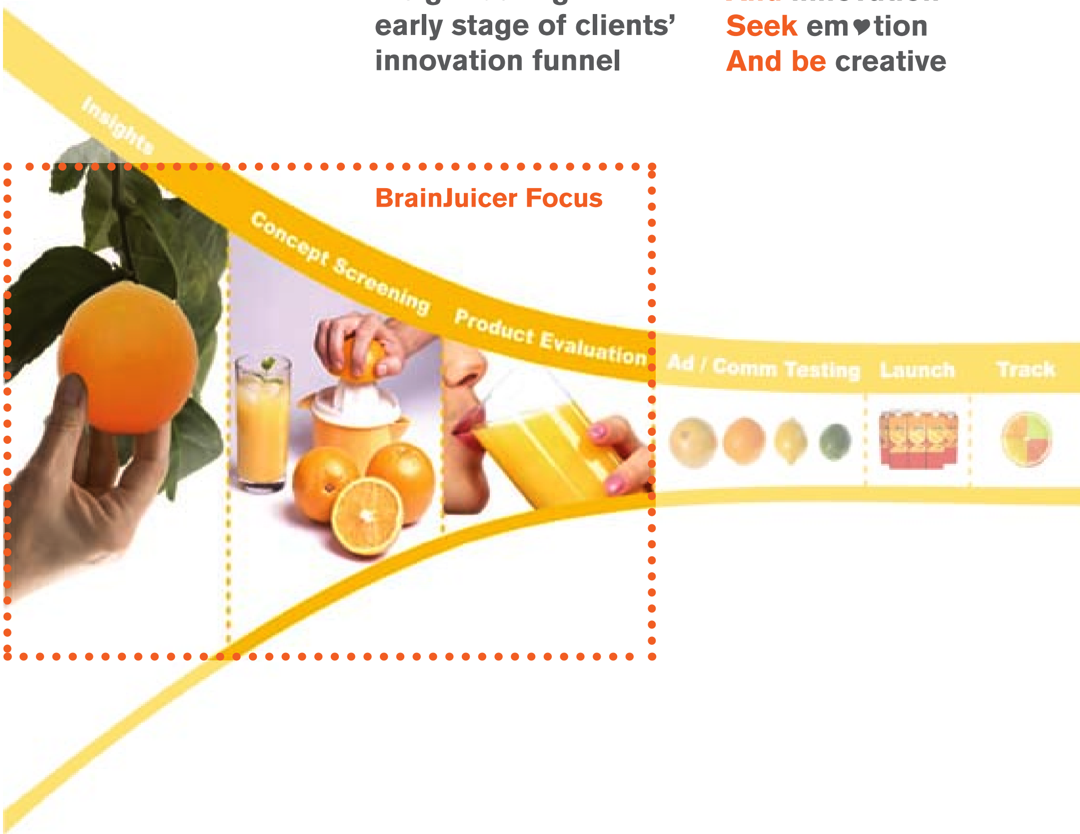
Dr. Christiane Quaas,
Marketing Research Manager,
Consumer Health Care, Boehringer Ingelheim GmbH

BrainJuicer Group PLC is a leading international online market research agency

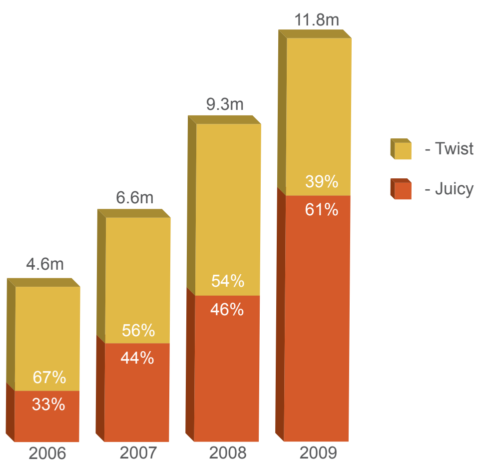
What we do

Freshly squeezed insight during early stage of clients' innovation funnel

For insight
And innovation
Seek em♥tion
And be creative



Revenue Growth



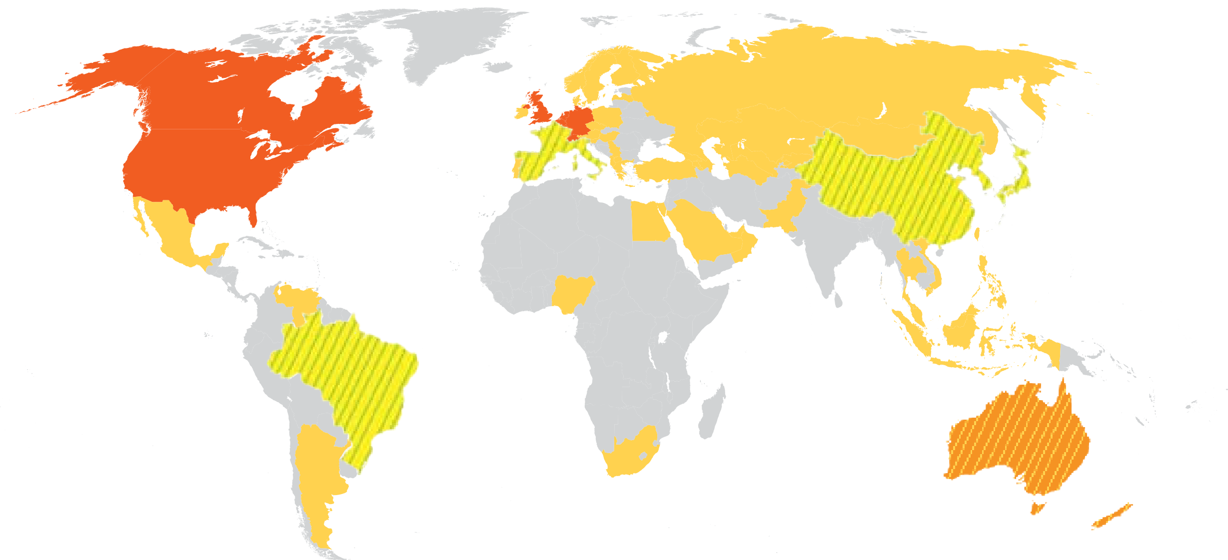
We have two types of products:

Juicy. These are BrainJuicer's award-winning, new to the world research methodologies that challenge the traditional approaches and are the future of market research.

Twist. These are industry standard quantitative research methods with the BrainJuicer twist of adding qualitative diagnostics via our unique diagnostics, MindReader® and FaceTrace®

Research in 57 countries covering over 90% of the world's research spend

Where we are and where we've done research



Offices in 6 countries
Licence partner in Australia → 60% of global research market

Research conducted in 57 countries → 90% of global research market

Priority target markets

"Using BrainJuicers we generated and tested dozens of ideas to find a winner. What would normally take us months we finished in two weeks. More juice please!"

Jaroslav Cir
Global Consumer and Market Insight Manager
Unilever

140 household name clients, including 11 of the world's top 20 largest buyers of market research

Our 'Juicy' products

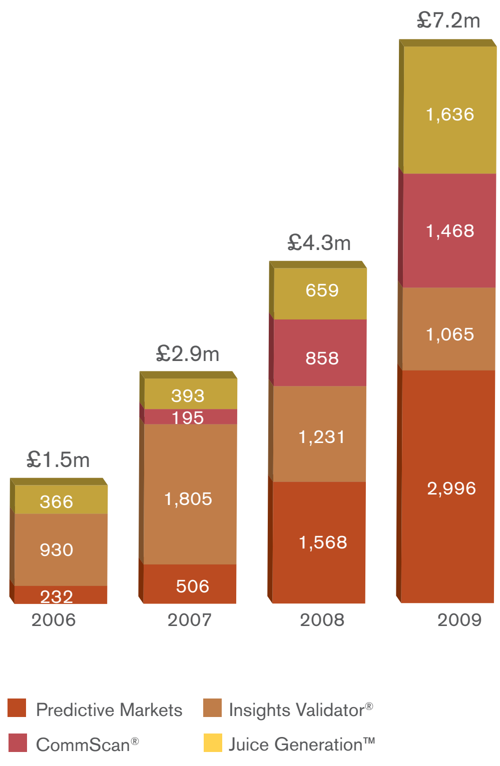
JuiceGeneration™
Gifted creative consumers available online to generate ideas for clients' NPD, promotions, communications & packaging.

CommScan®
Uses our award winning FaceTrace® to measure emotional engagement of client communications and predict their success.

Insights Validator®
Quantitative testing of client insights to sort wheat from chaff and ensure the best consumer hook is used and optimised.

Predictive Markets
Utilises the wisdom of crowds to more accurately screen new concepts & communications.
Won ESOMAR Best Methodology 2005.

Juicy revenue growth



> **Not only did BrainJuicer® deliver top quality analysis and consulting (using your Predictive Markets solution) – your professionalism and pro-active customer orientation were outstanding."**
>
> Uta Formeseyn
> Senior Manager
> **Business Insights**
> **Coca Cola GmbH**

Preferred supplier of concept screening to one of the world's largest food companies and used by 10 of the world's 20 largest buyers of market research

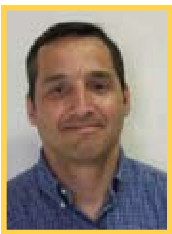
Predictive Markets

Esomar Congress Award – Best Methodological Paper 2005

Human beings can be unreliable witnesses to their own motivations, but are actually very good at predicting the behaviour of others. Predictive Markets is BrainJuicer's award winning methodology for screening concepts, which departs from traditional concept testing by asking a 'crowd' of respondents what they notice, believe, and predict about others.

Based on the notion of the 'wisdom of crowds', in Predictive Markets, a crowd of 500 respondents are told to imagine they hold shares in all ideas (concepts) presented, and asked in which they would buy and sell shares. The output provides rich, diagnostics with detailed quali-quant feedback for each concept. In over 300 head-to-head concept testing experiments across 15 categories, Predictive Markets has proven to be as accurate as gold standard monadic testing but far more discriminating. The approach is able to separate really good from deeply average concepts to a far greater degree than current methodologies. Enabling Marketing Directors to make better decisions early in the process saves their company significant time, effort and resources that would otherwise be wasted on concepts that never make it to market. Predictive Markets is also able to identify polarising concepts, ensuring companies don't miss potentially breakthrough ideas with deceptively low average scores that might have blockbuster potential.

Predictive Markets has been used by 10 of the world's 20 largest buyers of market research.



"I was really impressed with the insight and accuracy of their Predictive Markets, delivered unbelievably fast against some very urgent timings."

Sion Agami
Senior Scientist (Fabric and Home Care)
Procter & Gamble

Preferred supplier of insights validation to one of the world's largest electronics companies and used by 4 of the world's 20 largest buyers of market research

Insights Validator®

Most new products fail due to inadequate consumer understanding – they fail because they are not grounded in great consumer insights. BrainJuicer® believes that a good insight will make a consumer say, 'wow, you really understand me… almost better than I understand myself'. BrainJuicer's process for insights validation measures the critical components of a good insight: **Resonance** ('wow, you really understand me…') and **Edge** ('…almost better than I understand myself').

Insights Validator® is, we believe, the industry's first methodology for quantitative insight validation. Using our award-winning qualitative and quantitative tools, Insights Validator® is an innovative solution that assesses whether an insight strongly resonates with consumers and helps diagnose reasons why. We have developed a large quantitative insights database (well over 2,500 strong across many countries and categories) which provides normable results for assessing the potential of our clients' insights. Insights Validator® determines whether an insight is good, average or poor and provides actionable recommendations for improvement. Strong, validated insights are used by our clients as the springboard for strong product development and powerful communication.

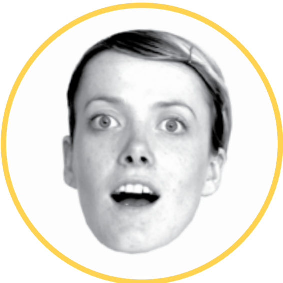
Insights Validator® has been used by four of the world's 20 largest buyers of market research.

"BrainJuicer® has developed an effective tool for identifying and validating the most powerful insights which become our new product development platforms. They understand what really matters in insights: resonance and edge. Their people do not stop at the research project but transform the learning's into consumer knowledge and effectively capture the emotional implication even in the quantitative testing! A pleasure to work with!"

Federico Trovato,
Vice President Consumer Market Intelligence and Strategy
Philips Consumer Lifestyle

Supplier of advertising testing to one of the world's largest banks and used by 4 of the world's 20 largest buyers of market research

CommScan®



Esomar Congress Award – Best Methodological Paper 2007

Advances in neuroscience and psychology have proven emotions drive our decisions and behaviour. At BrainJuicer®, we believe that the most important predictor of future behaviour is a consumer's emotional reaction to the communication.

CommScan® is our revolutionary approach to measuring advertising effectiveness using our award winning emotional response methodology, FaceTrace® [see inside front cover], based on the work of psychologist, Paul Ekman. Ekman found there are seven basic emotions; surprise, happiness, anger, sadness, fear, contempt and disgust, which are universally expressed and recognised, regardless of culture, country or upbringing. FaceTrace® asks customers which of the seven universally recognised facial expressions of emotion (or neutrality) best describes how they feel about the advert in question, and to select one of three magnitudes to represent the intensity of their emotional response. We then use BrainJuicer's MindReader® to quantitatively analyse why they feel a specific emotion in their own words. Using these measures, CommScan® is able to measure the strength of an advert and its likely in-market impact.

We have undertaken large scale experiments in conjunction with the Institute of Practitioners of Advertising (IPA) which show that BrainJuicer's emotional measure is a better predictor of business effectiveness than the measures currently used by the market leading advertising testing companies. CommScan® helps companies make better judgments about highly emotional adverts, like the Cadbury Gorilla advert that can produce very strong business returns.

CommScan® has been used by four of the world's 20 largest buyers of market research.

"FaceTrace® has been instrumental in helping our business pull apart the emotional power of our communication and in understanding the extent to which it could influence subsequent consumer behavior. I am not sure it would have been possible with more 'traditional' methods."

Yvan Goupil
Insights Director
Pepsico International

“The only way to keep ahead is to experiment... When there’s no experimenting, there’s no progress”

Thomas Edison

BrainJuicer Labs – Our Commitment to Innovation

DigiViduals™

Programmed on Twitter, to search for people who fit their profile and listen, learn, collect their thoughts as his/her own

Mobile Moments of Truth™

Real-time research e.g. shopper marketing, ad tracking, new launch tracking

Me to We Research™

The potential of respondents as researchers; mass ethnographers, mass semioticians & co-creators

Consumer Deep Dives

Consumer deep dives to unearth new insight and revisit existing research to pull out insights

Mood Metrics™

New to the world metric, created to prove the ability of a client’s product to improve peoples’ mood

Shopper Marketing

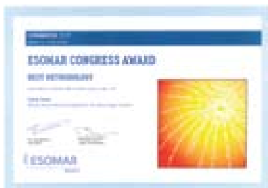
Using leading-edge research design to understand how best to maximise in-store sales

Awards

Most innovative use of IT

Most effective use of IT in professional services

Entrepreneur of the year awards 2005 – John Kearon



Esomar Congress Award – Best Methodology

"Passion, wit and wisdom; the three words that encapsulate BrainJuicer's spirit and staff"

Orlando Wood, BrainJuicer Innovation Director

Our Juicers

To find your drive; seek autonomy, gain mastery, know your purpose.

BrainJuicer HR haiku

THE YEAR IN REVIEW

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BrainJuicer® has had another good year in financial, operational and strategic terms

Chairman's Statement

BrainJuicer® has had another good year in financial, operational and strategic terms. Driven entirely by continued organic growth, 2009 revenues increased by 27% to £11,814,000. Operating profit also grew by 27% to £1,645,000.

These results were achieved against a difficult economic background which had an impact on many of our clients. Overall spending on market research declined in 2009 for the first time in many years, and so to generate such strong growth was no mean achievement.

A look at where our revenues and profits arose in 2009 helps to illustrate the extent to which BrainJuicer® is becoming a truly international business. For the first time last year total overseas revenues exceeded those generated in the UK, reflecting in particular strong growth in our US business and encouraging progress in our new offices in Switzerland and Germany. Non-UK operating profits also increased substantially both in absolute terms and as a proportion of the total. We intend to extend our geographic footprint further by opening new offices in China and Brazil in 2010.

We are making progress by developing innovative products for our clients, which include many of the world's largest buyers of market research, and by consistently providing them with an excellent service. Revenues from our distinctive, leading edge products, which we call "Juicy" products, rose by two thirds in 2009. Levels of client satisfaction remain very high as evidenced by the continued high level of repeat business (clients generating around 80% of 2008 revenue returned in 2009).

BrainJuicer® continues to strike what we believe is an appropriate balance between delivering profit growth in the short term and at the same time laying the foundations for the substantially larger business which we intend to become over the next several years. As well as generating good growth in profits in 2009, we continued to invest heavily for a business or our size. We increased headcount in our client servicing, operations and product development teams. After the year end, in February 2010, we announced the appointment of Alex Batchelor to the newly created position of Chief Operating Officer. Alex brings a wealth of relevant experience and skills to BrainJuicer®, and his appointment will enable our Chief Executive, John Kearon, to devote more of his time to driving growth.

Our investment in generating, testing and validating new products was stepped up again in 2009, an essential element in the process of increasing our market share with major multinational clients. We have also once again committed significant funds to enhancing efficiency and scalability of our technology platform. A new online survey platform is nearing completion.

Market conditions are likely to remain difficult in 2010. We nonetheless intend to deliver further progress, while continuing to invest in those resources which will, we believe, enable BrainJuicer® to establish itself as one of the world's leading market research firms.

Ken Ford
Chairman

9 March 2010

In 2009 we have continued to grow our revenue and profits, while investing in product development, operations and expanding our geographic footprint

Chief Executive's Statement

Introduction

In 2009 we have continued to grow our revenue and profits, and we have done so while investing more than ever before in our product development and operations, and in expanding our geographic footprint.

While the market has been difficult we have nevertheless made further steps along the path toward our ambitious long term goals: to alter and improve the way in which major consumer companies undertake market research and eventually to become one of the world's leading research companies.

We recognise that we have a long way to go, but we remain confident in the building blocks we are putting in place and are encouraged by the progress we are making. Perhaps the three most important data-points which under-pin our confidence: we are now working with 11 of the world's 20 largest buyers of market research (up from nine in 2008), our revenue from these clients in 2009 grew by over 70% year on year and since the year end we have secured an additional international research mandate as a preferred supplier from one of them.

If we can continue to attract and delight these highly demanding buyers of market research, we believe our innovative and radical client proposition is on the right track.

Priorities

Ultimately and simply, we are trying to help some of the world's largest companies create better products, packaging and advertising. We understand the challenges they face in their creative and innovation processes, and we believe that sensitive consumer engagement, undertaken in the right way, plays a key role in inspiring and enlightening those innovation processes. Our priority is to develop and deliver large scale, robust quantitative market research which provides that inspiration, and not just the validation for which such research is traditionally known.

Our focus is often on the difficult early stage of the innovation process, where creativity and consumer insight is most needed, and which we believe is the segment least well served by our competitors. We also believe that it is this early stage which is the most critical in the innovation process.

We have two categories of product: "Juicy" and "Twist". Juicy products are entirely different from those available elsewhere and challenge traditional approaches. Twist products utilise industry standard quantitative research methods but add our unique qualitative diagnostics MindReader® and FaceTrace®. Juicy products offer higher value to our clients, and are strategically more important to the Company. Because they are so different from established methods, they take longer to gain client acceptance but due to their differentiation and defensibility, it is these products which will fuel our growth. The success of these 'Juicy' products is the best indicator of our longer term positioning and success. In 2009, our Juicy products grew by 66%, and represented 61% of our total revenue, up from 46% in 2008 and 44% in 2007.

Our clients tend to be very large, and we are a small supplier to most of them. We, therefore, have considerable potential from our existing client base, and our big challenge is to gain a more significant share of their market research spend. To achieve this, we are looking to secure preferred supplier status.

In 2010 we intend to launch more innovation, open offices in Brazil and China and deliver further significant growth and strategic progress

Whilst we believe we have the innovative products to succeed, we recognise we need to establish our credibility as an international partner to the world's largest companies. Market research tends to be a risk averse and conservative industry, and it can take a number of years of demonstrating value, proving validity, and building trusted relationships before clients will nominate a particular product and a particular supplier to such preferred status. However, it is a prize worth winning.

To date the Group has one established preferred supplier relationship, and the revenue from that client was around £1 million in 2009. We are beginning to be invited to tender more often for these positions, alongside the largest market research companies. Since the year end we have secured a second international mandate with one of the world's largest food companies and we are optimistic that in due course we will win more.

It is important for us to continue to expand our geographic coverage. Whilst our online platform enables us to undertake research wherever our clients need it, we also need offices in those countries in which our multinational clients have their main buying points. We now have offices in the three largest market research markets: US, UK and Germany, and also in Switzerland where many multinational companies have located their European headquarters. We are also represented in Australia through a licensing agreement, and in Canada where our former licence partner has become a wholly owned subsidiary since the year end. The next priority countries for us are the high growth and strategically important markets for our clients; China and Brazil.

Profitability and growth

Our revenue growth at 27% was below our previous average annual growth rate of 37%, but nevertheless was very pleasing in a year when the economic backdrop was so difficult. We have bold long term ambitions, so despite the challenging economic conditions, we continued to invest for the future whilst continuing to deliver short term profitability. In 2009, we maintained our margins, and operating profit therefore also grew by 27%. The business remains strongly cash generative, and even after substantial investment for future growth our year end net cash balance increased significantly.

Prospects

In 2010 we intend to launch more innovation, open offices in Brazil and China and deliver further significant growth and strategic progress. Our ambitious aim over the next decade is to become a top 10 global market research group.

John Kearon
Chief Juicer

9 March 2010

The Company grew revenue by 27% in 2009 to £11,814,000 and gross profit grew by 30% to £8,935,000

Business and Financial Review

Operations

The Company grew revenue by 27% in 2009 in actual terms, and 22% in constant currency terms, to £11,814,000. This revenue increase was driven by continued strong progress in the US, growing at 60% (48% in constant currency terms) to £2,576,000, and by very encouraging contributions from our new offices in Switzerland and Germany. The US is a very large, sophisticated and competitive research market, and it is very encouraging that our products are being so well received by our large US clients. The Company's UK business recovered after a slow start to the year (revenue for the full year was 2% down). Our Dutch business held its own, with revenue growing at 10% (0% in constant currency terms). For the first time, aggregate overseas revenue, at £6,289,000, exceeded that generated in the UK (£5,525,000).

All of our offices were profitable, including Switzerland and Germany in only their first full year of operation. Some 51% of total EBIT before central overheads of £4,913,000 arose in the UK, compared with 70% in 2008. This reflected a modest 8% decline in UK profit, strong profit growth in the US and Netherlands, and maiden full year contributions from our new offices in Switzerland and Germany.

Together with our licence partner in Australia and our operation in Canada, which became a wholly owned subsidiary in January 2010, our offices are located in countries which cover 60% of the global research market. This broad geographic coverage is important as we need to align our client service teams to the regional buying points of our multinational clients.

The Company's client base has remained at around 140 companies, but the concentration toward our largest clients has increased. We now serve 11 of the world's 20 largest buyers of market research (up from nine in 2008) and the year-on-year revenue growth from those clients in 2009 was 70%. Client satisfaction and repeat business remains high with 80% of 2008 revenue from clients who have returned in 2009. We delivered a total of 601 client projects in 2009, and the average revenue per project was £20,000 (2008: £19,000), which is indicative of continued progress in winning larger, more international projects from clients.

We have continued to build our teams. Average headcount in 2009 was 70 people, up from 59 in 2008. As well as increasing our front line client servicing teams, we have also increased significantly our operations and product development ("BrainJuicer Labs") teams. This represents a sizeable investment for the Company, and one which while dilutive to our profits in 2009 will, we believe, position us well to achieve our growth aspirations. Through efficiency and scale gains, we have still managed to increase our average revenue per employee to £169,000 (2008: £158,000).

Financial Performance

The Company grew revenue in 2009 to £11,814,000 (2008: £9,322,000). Gross profit grew by 30% to £8,935,000 (2008: £6,864,000), representing 76% of revenue (up from 74% in 2008). Administrative expenses grew by 31% to £7,290,000 (2008: £5,574,000) due primarily to the headcount increase. However, within administrative expenses is a foreign exchange loss of £164,000 (2008: £158,000 gain). Administrative expenses before these foreign exchange items rose by 24%. Operating profit grew 27% to £1,645,000 (2008: £1,290,000) and operating margin was flat at 13.9% (2008: 13.8%). Interest income from our cash balances was negligible at £13,000 (2008: £82,000) due to the fall off in interest rates, giving a profit before tax of £1,658,000 (2008: £1,372,000). Our tax charge was £473,000 (2008: £408,000) and the effective tax rate was 29% (2008: 30%). Profit after tax grew 23% to £1,185,000 (2008: £964,000).

Basic earnings per share grew to 9.2p (2008: 7.6p) and diluted earnings per share to 9.0p (2008: 7.4p). Basic earnings per share is calculated as profit after tax divided by the weighted average number of shares in issue during the year (12,923,663, up from 12,610,803 in 2008). Diluted earnings per share accounts for shares that would be issued on exercise of employee stock options. The weighted average number of shares for our diluted earnings per share calculation was 13,107,085 shares (2008: 13,108,126 shares).

The Company generated £811,000 (2008: £43,000) of cash flow before dividends, interest and share transactions (employee stock option share issues and treasury share purchases), after investing £470,000 (2008: £550,000) in its software technology and other non-current assets. It paid £207,000 in dividends (2008: £277,000 including a 1.7p per share special dividend), received £13,000 of interest (2008: £82,000) received £38,000 from stock option share issues (2008: £4,000) and paid £39,000 in treasury share purchases (2008: £nil). The Company's net

The company has emerged from a year with a difficult economic backdrop in good shape

increase in cash was £616,000 (2008: a decline of £148,000) and its cash balance at year end was £2,343,000 (2008: £1,727,000). The Company's trade and other receivables (its biggest asset) was £4,073,000 at year end (2008: 3,206,000), and the debtor payback period was 75 days (2008: 66 days). Its net assets were £4,735,000 (2008: £3,627,000).

The Company's non-current assets include £832,000 (2008: £516,000) of software development in progress. This represents a new online survey platform that has taken several years to build and is nearing completion. It is anticipated that this new platform will be deployed during the second half of 2010, and will have a useful economic life of at least four years. The Company has not started to depreciate this asset, as it is not yet ready for use, but will do so once it starts to deploy it.

The Company paid an interim dividend of 0.6p per share in September 2009, a 20% increase on the 2008 interim payment of 0.5p per share. The Board now proposes a final dividend of 1.3p per share, 30% higher than the 1.0p per share 2008 final dividend (in 2008 we also paid a special one-off dividend of 1.7p per share). The Board has also approved a first interim dividend for 2010 of 0.6p per share, for payment prior to 6 April 2010 when the income tax rate increases for higher rate tax payers. Our financial position remains strong, with healthy cash flows and cash balances, and we expect to maintain a progressive dividend policy.

Risks

Loss of a significant client

This is perhaps the biggest risk the Company faces. We, therefore, go to considerable lengths to monitor our service quality. Client feedback is sought on many projects from a member of staff not connected with the project itself. Over the last financial year, this independent feedback has again revealed high levels of client satisfaction.

Loss of key personnel

Whilst the loss of a senior member of the team would have a negative impact on the business, the Board does not view the business as being overly dependent on any one individual. We place considerable demands on our people, and we are, therefore, at risk of staff turnover. However, the work environment is stimulating and we attempt to ensure that our remuneration levels and structure encourages loyalty. We offer a combination of competitive basic salaries, attractive performance related bonuses, a comprehensive package of benefits (commensurate with those found in larger corporates) and a broad-based employee stock option plan.

Material adverse event leading to a significant loss of property, software, or data, or an adverse legal claim

Whilst it is not possible to ensure all eventualities are covered, we have continued to endeavour to protect the business in a sensible manner through a combination of:

- Comprehensive professional indemnity insurance;
- Frequent and multiple backups and archiving of data on all servers; and
- Sufficient focus on legal protections, for example through our terms and conditions.

Major outage in our survey delivery platform

All of our research is online and is run through our software platform. Were there to be a major outage due to a security breach or capacity issues or other problems, we could be prevented from building surveys, collecting data and downloading results. This may result in a significant delay in delivering client projects, with the consequent loss of revenue, reputational damage, and costs of remedying the situation. We have suffered relatively minor outages from time-to-time but none has led to significant financial loss. Our new software platform which is nearing completion will provide significantly enhanced capacity, and we are planning on improving our software security. Most of our physical hardware is located in a secure third party data centre.

Summary

The Company has emerged from a year with a difficult economic backdrop in a strong postition. Growth is down on our trend rate, but we have grown significantly nevertheless. Revenue, profit, earnings per share, cash flow and dividends are all up on 2008, and in all cases by healthy percentages. Perhaps more importantly, we have not held back on investment in any of the areas that we feel are key to our future growth: product development, geographic expansion, operations, and our technical platform. We continue to feel confident in our positioning, with our innovative products, multinational client base and highly regarded team.

James Geddes
Chief Financial Officer

9 March 2010





Directors

Ken Ford
Chairman

Ken was previously Chief Executive of Teather & Greenwood, the investment bank, becoming Deputy Chairman and Chairman of Corporate Finance in 2004, and brings 36 years City experience to the Company, including a strong understanding of shareholder value, strategic planning and corporate transactions. Ken was Chairman of the UK Society of Investment Analysts between 1985 and 1987, Chairman of the Quoted Company's Alliance (QCA) in 2003-2004 and is a former member of the EU Advisory Committee to the Corporation of London. Ken's previous directorships include Aberdeen Asset Management, Morgan Grenfell and Wedd Durlacher.

John Kearon
Chief Executive Officer

John is responsible for overall strategic direction and commercial development of the Group. John's role in establishing and developing the BrainJuicer® business made him Ernst & Young's "Emerging Entrepreneur of the Year" in 2005. Prior to founding BrainJuicer®, John founded innovation agency, Brand Genetics Limited, which invented new products and services for FT500 companies. Before this, John had been Planning Director of one of the UK's leading advertising agencies. John started his career over 20 years ago as a graduate of Unilever's management programme, rising to be a senior marketer at Elida Gibbs before moving into advertising.

James Geddes
Chief Finance Officer

James is responsible for the finance and administrative functions within the Group. James is a Chartered Accountant, holds a Diploma in Corporate Treasury Management and is graduate of Harvard Business School's executive programme. He has over 20 years of financial management experience and was previously Assistant Treasurer of Fosters Brewing Group Limited, Executive Director, International Corporate Finance at MediaOne Group and CFO of Iobox Oy (backed by Morgan Stanley Capital and sold to Telefonica). James has been BrainJuicer's CFO since the Unilever UK Holdings' investment in January 2003.

Mark Muth
Non-executive director

Mark is one of the three directors of Unilever Ventures and negotiated Unilever UK Holdings' investment in BrainJuicer® in January 2003. He has over 20 years of experience in banking and venture capital. Unilever Ventures leads and manages investments in start-up and early stage companies, drawing on the Unilever group of companies' expertise in food, home and personal care consumer products to bring value to its portfolio companies.

Simon Godfrey
Non-executive director

Simon has over 30 years' experience in the quantitative research industry. Simon was a director of Research Bureau Limited (now Research International UK Limited) until 1985 when he founded Simon Godfrey Associates ("SGA"). SGA was one of the largest UK research suppliers when acquired by WPP Plc in 1998. Simon has been a non-executive director of BrainJuicer UK since the Unilever UK Holdings' investment in January 2003.






Senior Management

Jim Rimmer

United Kingdom
Managing Director

Jim joined BrainJuicer® during 2006 as UK Managing Director and is a member of the international management team. He was previously General Manager of SGA Research International Limited and Head of Virtual Expert Community on Concept Testing and Volume Estimates. Jim is a highly experienced researcher with over 20 years' experience in Consumer Insights, specialising in the packaged goods sector.

Jonathan Gable

Germany
Managing Director

Jonathan has broad international experience in FMCG marketing and research, and has worked at both start-ups and well established blue chip companies such as Colgate-Palmolive, General Mills, and Dunkin' Brands. His experience as both a buyer and supplier of quantitative and qualitative research has given him a strong understanding of clients' research and business needs, especially in the German market. Jonathan comes from Southern California but has lived and worked in Germany for the past 20 years.

Mark Johnson

Switzerland
Managing Director

Mark started his career as a strategic planner working for market research, innovation and branding consultancies – first in London, then in Paris. In these roles, he has advised more than 30 companies in a broad range of categories and sectors. Before joining BrainJuicer®, Mark was responsible for market research studies linked to innovation at Cereal Partners Worldwide (the joint venture between Nestlé and General Mills). Mark has a degree in Political Science from the University of Geneva and a Masters in Communications from the University of Stirling, Scotland.

Ari Popper

North America
Managing Director

Ari joined BrainJuicer® in January 2007 and now leads our North American Team. Ari was previously a Vice President at Millward Brown and Senior Manager of its Los Angeles Office. Ari's areas of specialism include consumer segmentation, early creative development, brand strategy and marketing communication effectiveness.

Susan Griffin

Vice President of Marketing and Business Development

With over 20 years of experience, Susan comes to BrainJuicer® with a keen understanding of the research industry as a client as well as a consultant. Most recently at vendors like GMI, Material ConneXion and Aberdeen Group, at Thomas Publishing and at entrepreneurial start ups like SoftWatch, and Voyager on the client side, Susan established herself as a highly successful marketeer and business development professional. Susan's domain expertise extends to consumer and industrial products development, supply chain management, healthcare informatics, and financial services, having started her career at the American Stock Exchange where she rose to the rank of Vice President.

Evert Bos

Netherlands
Managing Director

Evert has been with BrainJuicer® since the end of 2004 as Netherlands Managing Director. Evert has twelve years' marketing and research experience with the Unilever Group of companies in the Netherlands. He managed the Dutch integration of Bestfood's Knorr and Conimex brands and was Head of Market Research at Bestfood before joining BrainJuicer®.

GOVERNANCE

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DIRECTORS' REPORT

The directors present the annual report and audited financial statements of BrainJuicer Group plc (Registered Company Number: 5940040) for the year ended 31 December 2009.

Principal activities and business review

We are a full service quantitative market research agency.

The profit attributable to equity holders of the Company for the financial year was £1,185,000 (2008: £964,000) as shown in the consolidated income statement set out on page 30.

A further review of the business and likely future developments of the Group is given in the Chairman's Statement on page 13 and in the Business and financial review on pages 16 to 17.

The Directors have declared dividends as follows:

	2009 £'000	2008 £'000
Ordinary Shares		
Interim paid, 0.6p per share (2008: 0.5p interim and 1.7p per share special)	77	277
Proposed final, 1.3p per share (2008: 1p per share)	168	130
Total ordinary dividends, 1.9p per share (2008: 1.5p and 1.7p per share special)	245	407

The interim dividend was paid on 30 October 2009 to shareholders on the register at the close of business on 2 October 2009.

The directors and their interests

The present membership of the Board is set out below. All directors served throughout the year.

John Kearon

James Geddes

Ken Ford

Simon Godfrey

Mark Muth

Directors' interests in the Ordinary Shares of the Company and in share options are disclosed in the Remuneration report.

Principal risks and uncertainties

The principal risks and uncertainties affecting the Group are explained in the business and financial review.

Post balance sheet events

On 7 January 2010, the Group entered into a share purchase agreement to acquire the entire issued share capital of High Level Research Inc., a company incorporated in Canada, for cash consideration of CAD$1. The net assets and goodwill of the acquiree are not material to the Group.

On 4 January 2010, the Company purchased 37,000 ordinary shares of 1 pence each in the Company into treasury at a price of 131.5 pence in accordance with the authority granted to it by shareholders at the Annual General Meeting held on 13 May 2009. 17,000 of the shares purchased have been transferred out of treasury to award shares under the Company's Employee Share Incentive Plan.

Payments to suppliers

The Group aims to settle invoices within agreed payment terms, provided the relevant services or goods have been received in accordance with the agreed terms and conditions. At 31 December 2009, trade payables represent 54 days of average purchases of the Group (2008: 67 days).

Donations

There were no donations to political parties or charitable organisations (2008: £nil).

Share capital

Details of changes in the share capital of the Company during the year are given in note 11 to the financial statements. As at 28 February 2010, the Company was aware of the following interests in 3% or more of the ordinary issued share capital of the Company.

Substantial shareholdings

	At 28 February 2010 Number	%
John Kearon	5,535,164	42.8
Unilever UK Holdings Limited	4,883,643	37.8

Purchase of own shares

On 8 July 2009, the Company purchased 30,000 Ordinary Shares (nominal value of £300) into treasury at a price of 130 pence per share (representing 0.23% of the called up share capital) in accordance with the authority granted to it by shareholders at the Annual General Meeting held on 13 May 2009. The purchased shares have been transferred out of treasury to award shares under the Company's Employee Share Incentive Plan.

Employment policies

The Group is committed to following the applicable employment laws in each territory in which it operates. The Group is committed to fair employment practices, including the prohibition of all forms of discrimination and attempts as far as possible to give equal access and fair treatment to all employees on the basis of merit. Wherever possible we provide the same opportunities for disabled people as for others. If employees become disabled we would make every effort to keep them in our employment, with appropriate training where necessary.

Health and safety policies

The Group is committed to conducting its business in a manner which ensures high standards of health and safety for its employees, visitors and the general public.

Auditor

The auditors, Grant Thornton UK LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

James Geddes

Chief Financial Officer
9 March 2010

CORPORATE GOVERNANCE REPORT

Introduction

The Board of BrainJuicer Group plc is committed to high standards of corporate governance, which it considers a pre-requisite to support the growth and ambitions of the Group. Whilst it is not a requirement for companies listed on the Alternative Investment Market ("AiM") to comply with all the provisions in the Combined Code, the Board takes the Code seriously. The Group also places particular importance on the guidelines issued by the Quoted Companies Alliance for AiM Companies.

There are areas where the Group is not in compliance with the Combined Code but the Directors believe that full compliance is not practicable for a group of BrainJuicer's size and at its stage of development. This report sets out the procedures and systems currently in place at BrainJuicer® and explains why the Board considers them effective. The Board has committed to reviewing compliance with the Code regularly.

The Board

The Board comprises two executive directors and three non-executive directors. Their biographical details are presented on page 18.

The Board meets formally on a monthly basis and each of the directors in office during the year attended all 12 meetings. The Board discharges its responsibilities through both monthly management team meetings which are attended by the executive directors and the five country managers and regular informal meetings as would be expected in a Group of BrainJuicer's size.

Ken Ford is Chairman of the Group and John Kearon its Chief Executive Officer. John is also the founder of BrainJuicer® and a significant shareholder. His role centres on formulating the Group's strategy and driving its commercial development. The Board's three non-executive directors act as a sounding board and challenge the executive directors both at monthly Board meetings and on a regular and informal basis. Matters referred to the Board are considered by the Board as a whole and no one individual has unrestricted powers of decision. There are procedures and controls, including a schedule of matters that require the Board's specific approval. This schedule includes:

- approval of the Group's strategy, long-term objectives and business plan;
- approval of the extension of the Group's activities into new territories;
- approval of significant capital expenditure beyond that budgeted;
- changes relating to the Group's capital structure, including debt-raising, reduction of capital, share issues and buy backs;
- ensuring that the Group has effective reporting and internal control systems and an adequate risk assessment procedure;
- nominations for Board and Committee appointments; and
- consideration of key senior management appointments.

Where directors have concerns which cannot be resolved in connection with the running of the Group or a proposed action, their concerns would be recorded in the Board Minutes. This course of action has not been required to date.

The directors can obtain independent professional advice at the Company's own expense in performance of their duties as directors.

Each year at the Annual General Meeting, one-third of directors are required to retire by rotation, provided all directors are subject to re-election at intervals of no more than three years. This year, Simon Godfrey and Mark Muth are scheduled to retire by rotation and have confirmed their willingness to be put forward for re-election at the Annual General Meeting.

Non-executive directors

The non-executive directors are considered by the Board to be independent of management. The guidance in the Combined Code indicates that the non-executive directors' independence might be impaired as Mark Muth represents a significant shareholder, Unilever Holdings Limited. However, the Board considers Mark to have acted in an independent manner, and at all times to have endeavoured to act in the interests of all shareholders. Moreover, Mark does not have a material economic interest in BrainJuicer® given his net wealth.

The terms and conditions of the non-executive directors' appointments are available for inspection at the Company's registered office.

Remuneration Committee

The membership and a summary of the terms of reference of the Remuneration Committee can be found on pages 25 and 26.

Audit Committee

The Audit Committee, comprising Mark Muth (Chairman), Simon Godfrey and Ken Ford, the three non-executive directors, was established on 17th November 2006.

The Board considers that Mark Muth has recent and relevant financial experience. He has built a career in banking and venture capital and is a member of the Board of several small, entrepreneurial companies. If required, the committee is entitled to request independent advice at the Company's expense in order for it to effectively discharge its responsibilities.

The Committee's main role and responsibilities are to:

- monitor the integrity of the financial statements of the Group;
- review the Group's internal financial controls and risk management systems;
- make recommendations to the Board, for it to put to the shareholders for their approval in relation to the appointment of the external auditor and to approve the remuneration and terms of reference of the external auditor;
- discussion of the nature, extent and timing of the external auditor's procedures and discussion of external auditor's findings;
- review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process;
- develop and implement policy on the engagement of the external auditor to supply non-audit services;
- report to the Board, identifying any matters in respect of which it considers that action or improvement is required; and
- ensure a formal channel is available for employees and other stakeholders to express any complaints in respect of financial accounting and reporting.

The Committee is scheduled to meet twice in each financial year and at other times if necessary.

The Group does not currently have an internal audit function, which the Board considers appropriate for a Group of BrainJuicer's size. The Audit Committee will review risk assessments and the need for an internal audit function on a periodic basis.

Internal control procedures

The Board is responsible for the Group's system of internal controls and risk management, and for reviewing the effectiveness of these systems. These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, but not absolute assurance against material misstatement or loss.

The key features of the Group's internal controls are described below:

- a clearly defined organisational structure with appropriate delegation of authority;
- the approval by the Board of a one year budget, including monthly income statements, balance sheets and cash flow statements. The budget is prepared in conjunction with Country Managers to ensure targets are feasible;
- the business plan is updated on a periodic basis to take into account the most recent forecasts. On a monthly basis, actual results are compared to the budget and to the latest forecast and presented to the Board on a timely basis;
- regular reviews by the Board and by the senior management team of key performance indicators;
- a limited number of directors and senior executives are able to sign cheques and authorise payments. Payments are not permitted without an approved invoice; and
- reconciliations of key balance sheet accounts are performed and independently reviewed by the finance team.

The Board in conjunction with the Audit Committee keeps under review the Group's internal control system on a periodic basis. The Board acknowledges that there is room to improve procedures and intends to ensure risk assessment procedures and responses are continuously improved.

Communications with shareholders

The Board recognises the importance of regular and effective communication with shareholders. The primary forms of communication are:

- the annual and interim statutory financial reports and associated investor and analyst presentations and reports;
- announcements relating to trading or business updates released to the London Stock Exchange; and
- the Annual General Meeting provides shareholders with an opportunity to meet the Board of directors and to ask questions relating to the business.

Going concern

After making enquiries, at the time of approving the financial statements the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

REMUNERATION REPORT

Remuneration Committee

The Group has established a Remuneration Committee, comprising the three non-executive directors, Ken Ford, Simon Godfrey and Mark Muth.

The Committee's main role and responsibilities are as follows:

- to review, and determine on behalf of the Board, the specific remuneration and incentive packages for each of the company's executive directors;
- to review, and approve on behalf of the Board, the remuneration and benefits of senior management;
- to review, and make recommendations to the Board in respect of, the design of remuneration structures and levels of pay and other incentives for employees of the Group, including share option awards and any adjustments to the terms of share ownership and share option schemes; and
- to be responsible for reporting to the Group's shareholders in relation to remuneration policies applicable to the Group's executive directors.

The Committee may invite the Chief Executive Officer and Chief Finance Officer to attend meetings of the Remuneration Committee. The Chief Executive Officer is consulted on proposals relating to the remuneration of the Chief Finance Officer and of other senior executives of the Group. The Chief Executive Officer is not involved in setting his own remuneration.

The Committee may use remuneration consultants to advise it in setting remuneration structures and policies. The Committee is exclusively responsible for appointing such consultants and for setting their terms of reference.

The Committee's terms of reference are reviewed and approved by the Board. These are available for inspection at the Group's registered office.

Remuneration policy

The Group's policy on remuneration is to provide a package of benefits, including salary, performance-related bonuses and share options, which reward success and individual contributions to the Group's overall performance appropriately, while avoiding paying more than is necessary for this purpose. The Group's Articles of Association do not permit directors' remuneration to exceed £750,000 per annum in aggregate. In addition, the Remuneration Committee takes into account remuneration packages of comparable companies when making recommendations to the Board.

Performance-related elements of remuneration are designed to align the interests of executive directors with those of shareholders and accordingly are set as a significant proportion of total remuneration.

Stock Options

The Group considers that active participation in a share option plan is an effective means of incentivising and retaining high quality people. Directors and employees are eligible to participate in the scheme. Further details of the option plan and outstanding options as at 31 December 2009 are given in note 11 to the financial statements.

Service agreements

The executive directors entered into service agreements with BrainJuicer Limited, a wholly owned subsidiary of the Company on 22nd January 2003. The agreements include restrictive covenants which apply during employment and for a period of 12 months after termination.

John Kearon's agreement can be terminated on six month's notice in writing by either the Company or by John. James Geddes' agreement can be terminated on 12 months notice in writing by the Company and 6 months' notice by James.

Non-executive directors

The remuneration of the non-executive directors is determined by the executive directors.

Ken, Mark and Simon's appointments can be terminated on six months' notice in writing by either the Company or by the non-executive director. However, the Company has entered into an agreement not to exercise its right to terminate Mark's appointment for as long as Unilever UK Holdings Limited remains the registered holder of not less than 10 per cent of the issued share capital of the Company.

Directors' emoluments

Remuneration in respect of the directors was as follows:

	2009 £	2008 £
Aggregate emoluments	368,867	375,264
Gains made on exercise of share options	258,571	–
Money purchase pension contributions	15,883	14,908
	643,321	390,172

Emoluments of highest paid director:

	2009 £	2008 £
Aggregate emoluments	135,829	178,025
Gains made on exercise of share options	188,956	–
Money purchase pension contributions	6,954	8,118
	331,739	186,143

Two of the directors (2008: Two) participated in a money purchase pension scheme operated by the Company.

Directors' interests

Directors' interests in Ordinary Shares of 1p each as at 31 December 2009 are shown below:

	Number of 1p Ordinary Shares	
	31 Dec 2009	1 Jan 2009
John Kearon	5,630,187	5,660,187
James Geddes	373,325	144,515
Ken Ford	20,000	20,000
Simon Godfrey	84,298	–

The following directors held share options over 1p Ordinary Shares in the Company as at 31 December 2009:

Date of grant	Earliest exercise date	Expiry date	Exercise price (p)	Number at 1 Jan 2009	Granted in year	Exercised in year	Number at 31 Dec 2009
John Kearon							
19/01/2007	01/01/2008	18/01/2017	162.5p	60,213	–	–	60,213
James Geddes							
15/09/2003	01/01/2004	14/01/2013	11.4p	228,810	–	(228,810)	–
19/01/2007	01/01/2008	18/01/2017	162.5p	60,213	–	–	60,213
				289,023	–	(228,810)	60,213
Simon Godfrey							
21/01/2003	01/01/2004	20/01/2013	11.4p	84,298	–	(84,298)	–

An option will normally vest as to one third on 1 January following the date of grant and a further third on the next 1 January and the remaining third on the following 1 January so that the option will be fully vested from the second anniversary of 1 January following the date of grant. It is then exercisable until the tenth anniversary of the date of grant. The exercise price at grant date is equal to the Company's share price at the date of grant.

Simon Godfrey

Chairman of the Remuneration Committee
9 March 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and have elected to prepare the parent company financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable IFRSs and United Kingdom Accounting Standards in respect of the group and parent company financial statements respectively, 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 Company will continue in business.

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

In so far as each of the directors is aware:

- there is no relevant audit information of which the Company'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 included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

James Geddes

Company Secretary and Chief Financial Officer
9 March 2010

CONSOLIDATED FINANCIAL STATEMENTS

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REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF BRAINJUICER GROUP PLC

We have audited the financial statements of BrainJuicer Group plc for the year ended 31 December 2009 which comprise the consolidated balance sheet and parent company balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors Responsibilities set out on page 27, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2009 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

John Corbishley

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Central Milton Keynes

9 March 2010

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 £'000	2008 £'000
Revenue	4	11,814	9,322
Cost of sales		(2,879)	(2,458)
Gross profit		8,935	6,864
Administrative expenses		(7,290)	(5,574)
Operating profit	4	1,645	1,290
Investment income	18	13	82
Finance costs		–	–
Profit before taxation		1,658	1,372
Income tax expense	19	(473)	(408)
Profit for the financial year		1,185	964
Attributable to equity holders of the Company		1,185	964
Earnings per share for profit attributable to the equity holders of the Company			
Basic earnings per share	21	9.2p	7.6p
Diluted earnings per share	21	9.0p	7.4p

All of the activities of the Group are classed as continuing.

The notes on pages 35 to 53 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 £'000	2008 £'000
Profit for the financial year	1,185	964
Other comprehensive income:		
Exchange differences on translating foreign operations	(65)	163
Other comprehensive income for the year, net of tax	1,120	1,127
Total comprehensive income for the year and amounts attributable to equity holders	1,120	1,127

The notes on pages 35 to 53 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2009

	Note	2009 £'000	2008 £'000	2007 £'000
ASSETS				
Non-current assets				
Property, plant and equipment	5	112	157	119
Intangible assets	6	862	625	328
Financial assets – available for sale investments	7	133	90	–
Deferred tax asset	20	41	61	222
		1,148	933	669
Current assets				
Inventories	9	12	14	16
Trade and other receivables	10	4,073	3,206	2,630
Cash and cash equivalents		2,343	1,727	1,875
		6,428	4,947	4,521
Total assets		7,576	5,880	5,190
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	11	129	126	126
Share premium account		1,447	1,412	1,408
Merger reserve		477	477	477
Foreign currency translation reserve		149	214	51
Other reserve		449	290	278
Retained earnings		2,084	1,108	412
Total equity		4,735	3,627	2,752
LIABILITIES				
Non-current				
Provisions	12	28	48	–
Non-current liabilities		28	48	–
Current				
Provisions	12	25	–	–
Trade and other payables	13	2,593	2,074	2,092
Current income tax liabilities		195	131	346
Current liabilities		2,813	2,205	2,438
Total liabilities		2,841	2,253	2,438
Total equity and liabilities		7,576	5,880	5,190

These financial statements were approved by the directors on 9 March 2010 and are signed on their behalf by:

John Kearon
Director

James Geddes
Director

The notes on pages 35 to 53 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 £'000	2008 £'000
Net cash generated from operations	24	1,645	1,138
Tax paid		(364)	(545)
Net cash generated from operating activities		1,281	593
Cash flows from investing activities			
Purchases of property, plant and equipment		(70)	(124)
Purchase of intangible assets		(357)	(336)
Purchase of available for sale financial assets		(43)	(90)
Interest received		13	82
Net cash used by investing activities		(457)	(468)
Cash flows from financing activities			
Proceeds from other issuance of Ordinary Shares		38	4
Dividends paid		(207)	(277)
Purchase of own shares		(39)	–
Net cash used by financing activities		(208)	(273)
Net increase/(decrease) in cash and cash equivalents		616	(148)
Cash and cash equivalents at beginning of year		1,727	1,875
Cash and cash equivalents at end of year		2,343	1,727

The notes on pages 35 to 53 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Foreign currency translation reserve £'000	Other reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2008	126	1,408	477	51	278	412	2,752
Profit for the financial year	–	–	–	–	–	964	964
Other comprehensive income:							
– currency translation differences	–	–	–	163	–	–	163
Total comprehensive income	–	–	–	163	–	964	1,127
Transactions with owners: Employee share options scheme:							
– value of employee services	–	–	–	–	105	–	105
– proceeds from shares issued	–	4	–	–	–	–	4
– deferred tax debited to equity	–	–	–	–	(93)	9	(84)
Dividends paid to owners	–	–	–	–	–	(277)	(277)
	–	4	–	–	12	(268)	(252)
At 31 December 2008	126	1,412	477	214	290	1,108	3,627
Profit for the financial year	–	–	–	–	–	1,185	1,185
Other comprehensive income:							
– currency translation differences	–	–	–	(65)	–	–	(65)
Total comprehensive income	–	–	–	(65)	–	1,185	1,120
Transactions with owners: Employee share options scheme:							
– value of employee services	–	–	–	–	133	–	133
– proceeds from shares issued	3	35	–	–	–	–	38
– deferred tax debited to equity	–	–	–	–	(43)	(2)	(45)
– current tax credited to equity	–	–	–	–	69	–	69
Dividends paid to owners	–	–	–	–	–	(207)	(207)
Repurchase of own shares	–	–	–	–	–	(39)	(39)
Employee Share incentive award	–	–	–	–	–	39	39
	3	35	–	–	159	(209)	(12)
At 31 December 2009	129	1,447	477	149	449	2,084	4,735

The notes on pages 35 to 53 are an integral part of these consolidated financial statements.

1 General information

BrainJuicer Group PLC ("the Company") was incorporated on 19 September 2006 in the United Kingdom. The Company is United Kingdom resident. The address of the registered office of the Company, which is also its principal place of business, is given on page 60. The Company's shares are listed on the Alternative Investment Market of the London Stock Exchange ("AiM").

The Company and its subsidiaries (together "the Group") provide on-line market research services. Further detail of the Group's operations and its principal activity is set out in the Directors' Report on pages 21 and 22.

The financial statements for the year ended 31 December 2009 (including the comparatives for the year ended 31 December 2008) were approved by the board of directors on 9 March 2010.

2 Basis of Preparation

The Group has prepared its Annual Report in accordance with International Financial Reporting Standards ("IFRSs") as adopted in the European Union, IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Pounds Sterling (GBP), which is the Company's functional and presentation currency.

3 Principal accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009.

IAS 1 (revised), 'Presentation of financial statements'

The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The Group has elected to present two statements: an income statement and a statement of comprehensive income. The Group financial statements have been prepared under the revised disclosure requirements.

The Standard also requires that two comparative periods be presented for the Consolidated Balance Sheet when an entity: (i) applies an accounting policy retrospectively; (ii) makes a retrospective restatement of items in its financial statements; or (iii) reclassifies items in the financial statements.

IFRS 8, 'Operating segments'

IFRS 8 replaces IAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of reportable segments presented, as the previously reported Continental Europe segment has been split into Netherlands, Switzerland and Germany.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Chief Executive Officer ("the CEO").

Standards, amendments and interpretations in issue but not yet effective

The following standards, amendments and interpretations to existing standards, relevant to the financial statements of the Group, have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2010 or later periods, but the Group has not adopted them early:

3 Principal accounting policies continued

IFRS 3, (Revised 2009) 'Business Combinations' (effective from 1 July 2009)

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply IFRS 3 (revised) prospectively to all business combinations from 1 January 2010.

IFRS 9, 'Financial Instruments' (effective from 1 January 2013)

In November 2009, the IASB issued IFRS 9 'Financial Instruments' as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied for all accounting periods beginning on or after 1 January 2013, with early adoption permitted. The IASB intends to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. By the end of 2010 IFRS 9 will be a complete replacement for IAS 39. Of particular relevance to the Group will be the measurement of equity instruments. All equity investments within the scope of IFRS 9 are to be measured at fair value in the balance sheet, with value changes recognised in profit or loss, except for those equity investments for which the entity has elected to report value changes in 'other comprehensive income'. There will be no 'cost exception' for unquoted equities. As explained in Note 7 to these financial statements, at the balance sheet date the carrying amount of unquoted equities and related derivatives measured at cost amounts to £133,000 (2008: £90,000). From 1 January 2013, there will be no exemption from the requirement to measure such instruments at fair value where the underlying securities are unquoted.

Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiary undertaking drawn up to 31 December 2009. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the purchase method. The purchase method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

To date, the only business combination has been a group reconstruction upon the incorporation and listing of the parent company in 2006 that was accounted for as a common control transaction.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided to write off the cost of all property, plant and equipment to its residual value on a straight-line basis over their expected useful economic lives, which are as follows:

Furniture, fittings and equipment	5 years
Computer hardware	2 to 3 years

The residual value and useful life of each asset is reviewed and adjusted, if appropriate, at each balance sheet date.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Acquired computer software licenses are capitalised at the cost of acquisition. These costs are amortised on a straight-line basis over their estimated useful economic life of two years. Such amortisation is charged to administrative expenses.

Costs incurred in the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include professional fees and incremental employee costs required to bring the software into working condition. Non-incremental costs are expensed under the relevant income statement heading.

3 Principal accounting policies continued

Intangible assets continued

Furthermore, internally-generated software is recognised as an intangible asset only if the Group can demonstrate all of the following conditions:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(b) its intention to complete the intangible asset and use or sell it;

(c) its ability to use or sell the intangible asset;

(d) how the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally-generated intangible assets are amortised on a straight-line basis over their useful economic lives. Where no internally-generated intangible asset can be recognised, development expenditure is charged to administrative expenses in the period in which it is incurred.

Once completed, and available for use in the business, internally developed software is amortised on a straight-line basis over its useful economic life which varies between 2 and 4 years.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank deposits available on demand.

Inventories – work in progress

Work in progress comprises directly attributable costs on incomplete market research projects and is held in the balance sheet at the lower of cost and net realisable value.

Income taxes

Current income tax liabilities comprise those obligations to 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 profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement, except where it relates to items charged or credited directly to equity.

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. 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 the underlying deductible temporary differences 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.

Deferred tax is recognised as a component of tax expense in the income statement, except where it relates to items charged or credited directly to equity.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income statement net of any incentives received from the lessor on a straight-line basis over the period of the lease.

Revenue recognition

Revenue is recognised only after the final written debrief has been delivered to the client, except on the rare occasion that a large project straddles a financial period end, and that project can be sub-divided into separate discrete deliverables; in such circumstances revenue is recognised on delivery of each separate deliverable.

Employee benefits

All accumulating employee-compensated absences that are unused at the balance sheet date are recognised as a liability.

3 Principal accounting policies continued

Share-based payment transactions

The Group issues equity settled share-based compensation to certain employees (including directors). Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payment is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the Group's estimate of the shares that will eventually vest. These estimates are subsequently revised if there is any indication that the number of options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods.

Fair value is measured using the Hull-White option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Provisions

Provisions for dilapidations are recognised when: the Group has a legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Where material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Foreign currencies

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates ('the functional currency'). The consolidated financial statements are presented in Sterling ('GBP'), which is the Company's functional and the Group's presentation currency.

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses arising from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The results and financial position of all Group companies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date;

(b) income and expenses for each income statement are translated at average exchange rates; and

(c) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

Financial instruments

Financial assets

The Group classifies its financial assets into the following categories: loans and receivables, available-for-sale, at fair value through profit or loss. However, at present, only the first two of these categories are relevant for the Group. The classification is determined by management at initial recognition, being dependent upon the purpose for which the financial assets were acquired.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Trade receivables are initially recorded at fair value, but subsequently at amortised cost using the effective interest rate method. Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those 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.

3 Principal accounting policies continued

Financial instruments continued

Available-for-sale financial assets

'Available-for-sale' financial assets include all financial assets other than derivatives, loans and receivables. They are classified as non-current unless management intend to dispose of the investment within 12 months of the balance sheet date.

Investments are initially recorded in the balance sheet at fair value plus transaction costs, unless the asset is held for trading, in which case the transaction cost is expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (or the financial asset is an unlisted security), the Group establishes fair value by reference to other recent comparable arm's length transactions or other quoted instruments that are substantially the same, and, or, by discounted cash flow analysis.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to, and must be settled by delivery of such unquoted equity instruments, are measured at cost.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Financial liabilities

Financial liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Trade payables

Trade payables are initially recorded at fair value, but subsequently at amortised cost using the effective interest rate method.

Impairment of property, plant and equipment and intangible assets

At each balance sheet date the Group reviews the carrying amount of its property, plant and equipment and intangible assets for any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Intangible assets not available for use are tested for impairment on at least an annual basis. The recoverable amount is the higher of the fair value less costs to sell and value in use.

Share capital

Ordinary shares are classified as equity. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Share premium

Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

Other reserve

The other reserve represents equity-settled share-based employee remuneration until such share options are exercised and deferred tax taken directly to equity in respect of such options.

3 Principal accounting policies continued

Merger reserve

The merger reserve represents the difference between the parent company's cost of investment and a subsidiary's share capital and share premium. The merger reserve in these accounts has arisen from a group reconstruction upon the incorporation and listing of the parent company that was accounted for as a common control transaction. Common control transactions are accounted for using merger accounting rather than the acquisition method.

Foreign currency translation reserve

The foreign currency translation reserve represents the differences arising from translation of investments in overseas subsidiaries.

Treasury shares

Where the Company purchases the Company's equity share capital, the consideration paid is deducted from the total shareholders' equity and classified as treasury shares until they are cancelled. Where such shares are subsequently sold or re-issued, any consideration received is included in total shareholders' equity.

Significant accounting estimates and judgements

Intangible Assets

To date, the Group has invested £834,000 in developing a new software platform to deliver its research. No amortisation has been charged to date as the platform is not yet ready for use. As required by IAS 38, management has performed an impairment review and remain confident that the carrying amount of the asset is adequately supported by the future cash flows attributable to that asset.

Financial instruments

As explained in Note 7, during 2009 and 2008 the Group acquired an interest in an unlisted company, Slater Marketing Group Pty Limited. Under the terms of the share purchase agreement, cash consideration of AUD$1,040,000 and a variable number of ordinary shares to the value of AUD$1,000,000 become payable on or before 31 December 2012 subject to certain performance conditions being met by Slater Marketing Group Pty Limited. On the last working day of February, May, August and November in each of 2009, 2010, 2011 and 2012, the Group has the option to acquire Slater Marketing Group Pty Limited whether or not the performance conditions have been satisfied.

Because there is no active market for the shares of Slater Marketing Group Pty Limited and given the range of possible outcomes, no reliable method of valuation, the investment and associated derivatives in respect of the share purchase agreement for the acquisition of Slater Marketing Group Pty Limited have been recorded at cost.

If it were possible to reliably value the investment and related derivatives the investment would be recorded at fair value, with changes in fair value taken to equity and the derivatives would categorised as financial instruments at fair value through profit or loss with any changes in their fair value being recorded in the income statement.

Consolidation

The share purchase agreement for the acquisition of Slater Marketing Pty Group Limited has not been accounted for as an acquisition as control has not passed to the Group.

As explained above, the Group has a call option over the share capital of Slater Marketing Group Pty Limited. In some circumstances the existence of a call option would require consolidation. However, given that the call option is not exercisable at the balance sheet date and then only exercisable at discrete time intervals, in our view it would not be appropriate to consolidate the assets and liabilities of Slater Marketing Group Pty Limited in these accounts as control cannot be demonstrated.

Share options

Share options are granted on a discretionary basis and vest evenly over a three year period. The fair value of options granted is determined using the Hull-White option valuation model, which requires a number of estimates and assumptions. The significant inputs into the model are share price at grant date, exercise price, historic exercise multiples, expected volatility and the risk free rate. Volatility is measured at the standard deviation of expected share prices returns based on statistical analysis of historical share prices.

4 Segment information

The CEO reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based upon these reports.

The CEO considers the business from both a geographic and product perspective. From a product perspective, management assesses the performance of its 'Juicy' and 'Twist' products.

The CEO assesses the performance of the operating segments based on earnings before interest and taxation. Interest income is not included in the result for each operating segment that is reviewed by the CEO.

	2009		2008	
	Revenue from external customers £'000	EBIT £'000	Revenue from external customers £'000	EBIT £'000
United Kingdom	5,525	2,527	5,613	2,755
Netherlands	2,290	958	2,083	771
United States	2,576	859	1,612	465
Switzerland	872	391	14	(58)
Germany	551	178	–	–
	11,814	4,913	9,322	3,933
Juicy	7,170	61%	4,316	46%
Twist	4,644	39%	5,006	54%
	11,814		9,322	

A reconciliation of total EBIT for reportable segments to total profit before income tax is provided as follows:

	2009 £'000	2008 £'000
EBIT for reportable segments	4,913	3,933
Central overheads	(3,268)	(2,643)
Operating profit	1,645	1,290
Finance income	13	82
Profit before income tax	1,658	1,372

Revenues are attributed to geographical areas based upon the location in which the sale originated.

4 Segment information continued

	Total assets 2009 £'000	Total assets 2008 £'000
United Kingdom	1,866	1,874
Netherlands	1,083	680
United States	716	678
Switzerland	389	–
Germany	77	–
	4,131	3,232

Reportable segments' assets are reconciled to total assets as follows:

	2009 £'000	2008 £'000
Segment assets for reportable segments	4,131	3,232
Central assets	3,445	2,648
Total assets per the balance sheet	7,576	5,880

IFRS 8 has been amended so that a measure of segment assets is only required to be disclosed if the measure is regularly provided to the chief operating decision maker. The amendment is effective for periods beginning on or after 1 January 2010.

Consolidated cash, trade receivable, property, plant and equipment and intangible asset balances are regularly provided to the chief operating decision-maker but segment assets and segment liabilities are not provided.

The entity is domiciled in the UK. The result of its revenue from external customers in the UK is £5,525,000 (2008: £5,613,000), and the total of revenue from external customers from other countries is £6,289,000 (2008: £3,709,000).

The total of non-current assets other than financial instruments and deferred tax assets located in the UK is £939,000 (2008: £728,000), and the total of these non-current assets located in other countries is £35,000 (2008: £54,000).

Revenues of £1,909,000 (2008: £1,067,000) are derived from a single external customer. £1,202,000 (2008: £734,000) of these revenues are attributable to the UK operating segment with £461,000 (2008: £173,000) and £246,000 (2008: £160,000) attributable to the Netherlands and United States segments respectively.

5 Property, plant and equipment

For the year ended 31 December 2009

	Furniture, fittings and equipment £'000s	Computer hardware £'000s	Total £'000s
At 1 January 2009			
Cost	107	201	308
Accumulated depreciation	(43)	(108)	(151)
Net book amount	64	93	157
Year ended 31 December 2009			
Opening net book amount	64	93	157
Additions	13	57	70
Depreciation charge for the year	(26)	(87)	(113)
Foreign exchange	(2)	–	(2)
Closing net book amount	49	63	112
At 31 December 2009			
Cost	118	254	372
Accumulated depreciation	(69)	(191)	(260)
Net book amount	49	63	112

5 Property, plant and equipment continued

For the year ended 31 December 2008

	Furniture, fittings and equipment £'000s	Computer hardware £'000s	Total £'000s
At 1 January 2008			
Cost	80	94	174
Accumulated depreciation	(22)	(33)	(55)
Net book amount	58	61	119
Year ended 31 December 2008			
Opening net book amount	58	61	119
Additions	22	102	124
Disposals	–	(4)	(4)
Depreciation charge for the year	(20)	(74)	(94)
Eliminated on disposal	–	3	3
Foreign exchange	4	5	9
Closing net book amount	64	93	157
At 31 December 2008			
Cost	107	201	308
Accumulated depreciation	(43)	(108)	(151)
Net book amount	64	93	157

6 Intangible assets

	Software licenses £'000	Software £'000	Software development in progress £'000	Total £'000
At 1 January 2009				
Cost	91	68	516	675
Accumulated amortisation	(42)	(8)	–	(50)
Net book amount	49	60	516	625
Year ended 31 December 2009				
Opening net book amount	49	60	516	625
Additions	38	3	316	357
Amortisation charge for the year	(56)	(63)	–	(119)
Foreign exchange	(1)	–	–	(1)
Closing net book amount	30	–	832	862
At 31 December 2009				
Cost	198	–	832	1,030
Accumulated depreciation	(168)	–	–	(168)
Net book amount	30	–	832	862

Additions to software development in progress during the year relate to capitalised software development costs for the cost of building a new software platform for delivering our research.

6 Intangible assets continued

	Software licenses £'000	Software £'000	Software development in progress £'000	Total £'000
At 1 January 2008				
Cost	52	–	280	332
Accumulated amortisation	(4)	–	–	(4)
Net book amount	48	–	280	328
Year ended 31 December 2008				
Opening net book amount	48	–	280	328
Additions	32	68	236	336
Amortisation charge for the year	(36)	(8)	–	(44)
Foreign exchange	5	–	–	5
Closing net book amount	49	60	516	625
At 31 December 2008				
Cost	91	68	516	675
Accumulated depreciation	(42)	(8)	–	(50)
Net book amount	49	60	516	625

7 Financial assets – available for sale investments

On 9 January 2009, the Group entered into a share purchase agreement to acquire the entire issued share capital of High Level Research Inc., an unlisted company incorporated in Canada, subject to certain performance conditions being met. Subsequent to the year-end the Group entered into a replacement share purchase agreement pursuant to which the entire share capital of High Level Research Inc was acquired for cash consideration of CAD$1.

Under the terms of the initial share purchase agreement, had the performance conditions been met, the contingent consideration would have comprised cash of CAD$450,000 and a variable number of ordinary shares to the value of CAD$450,000. On the 15th working day in each of February, May, August and November in each of 2009, 2010, 2011, 2012, 2013 or February 2014, the Group had the right to waive any of the performance conditions.

The derivatives in respect of the share purchase agreement for the acquisition of High Level Research Inc. have been recorded at the balance sheet date at a carrying amount of £nil.

During the previous year the Group acquired an interest of 3.64% in Slater Marketing Group Pty Limited, an unlisted company incorporated in Australia, for cash consideration of £40,000 plus transaction costs of £50,000. During the current year the Group acquired a further interest of 3.64% for cash consideration of £43,000.

Under the terms of the share purchase agreement, cash consideration of AUD$1,040,000 and a variable number of ordinary shares to the value of AUD$1,000,000 become payable on or before 31 December 2012 subject to certain performance conditions being met by Slater Marketing Group Pty Limited. On the last working day of February, May, August and November in each of 2009, 2010, 2011 and 2012, the Group has the option to acquire Slater Marketing Group Pty Limited whether or not the performance conditions have been satisfied.

The investment has been classified as an available for sale financial asset and measured at cost.

As stated in our principal accounting policies note, investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to, and must be settled by delivery of such unquoted equity instruments, are measured at cost.

There is no active market for the shares of Slater Marketing Group Pty Limited and given the range of possible outcomes, no reliable method of valuation. The investment and associated derivatives in respect of the share purchase agreement for the acquisition of Slater Marketing Group Pty Limited have been recorded at a cost of £133,000 (2008: £90,000) and £nil (2008: £nil) respectively. In the opinion of the directors no reliable fair value information can be disclosed for these financial instruments.

8 Financial risk management

The Group's activities expose it to some financial risks. The Group monitors these risks but does not consider it necessary to use any derivative financial instruments to hedge these risks.

Credit risk

Credit risk is managed on a Group basis, arising from credit exposures to outstanding receivables and cash and cash equivalents.

Management regularly monitor receivables reports on a Group basis. Since the vast majority of the Group's clients are large blue-chip organisations, the Group has only ever suffered minimal bad debts.

The Group has concentrations of credit risk as follows:

	2009 £'000	2008 £'000
Cash and cash equivalents		
HSBC Bank PLC	2,333	1,727
UBS	10	–
	2,343	1,727
Trade receivables		
Related parties – Unilever group of companies (Note 23)	806	471

Market risk – Foreign exchange risk

The Group operates in the United States, the Netherlands, Germany and Switzerland and is exposed to currency movements impacting future commercial transactions and net investments in those countries.

Management believe that both foreign currency transaction and translation risk are not material to the financial performance of the Group. Management monitors foreign exchange gains and losses on a monthly basis and reviews the foreign exchange policy regularly.

At 31 December 2009, if GBP had strengthened by 17% against the US Dollar, with all other variables held constant, post tax profit for the year would have been £24,000 (2008: £25,000) lower, mainly as a result of foreign exchange losses on the translation of intra-group balances. Conversely, if GBP had weakened by 17% against the US Dollar, with all other variables held constant, post tax profits for the year would have been £24,000 (2008: £25,000) higher.

At 31 December 2009, if GBP had strengthened by 9% against the Euro, with all other variables held constant, post tax profit for the year would have been £14,000 (2008: £23,000) lower, mainly as a result of foreign exchange losses on the translation of trade receivables and intra-group balances. Conversely, if GBP had weakened by 9% against the Euro with all other variables held constant, post tax profits for the year would have been £14,000 (2008: £23,000) higher.

At 31 December 2009, if GBP had strengthened by 12% against the Swiss Franc, with all other variables held constant, post tax profit for the year would have been £12,000 (2008: £Nil) lower, mainly as a result of foreign exchange losses on the translation of intra-group balances. Conversely, if GBP had weakened by 12% against the Swiss Franc, with all other variables held constant, post tax profits for the year would have been £12,000 (2008: £Nil) higher.

At 31 December 2009, if the Euro had strengthened by 11% against the Swiss Franc, with all other variables held constant, post tax profit for the year would have been £7,000 (2008: £Nil) higher, mainly as a result of foreign exchange gains on the translation of trade receivables. Conversely, if the Euro had weakened by 11% against the Swiss Franc, with all other variables held constant, post tax profits for the year would have been £7,000 (2008: £Nil) lower.

Management have estimated a reasonable shift in currency rates based upon the historical volatility of each currency pair over a two year period to the balance sheet date.

Liquidity risk

The Group forecasts cashflows as part of its business planning procedures and monitors progress against forecasts on a monthly basis. Cash is not invested on a long-term basis in order to prudently manage liquidity risk. At present the Group has no overdraft or similar borrowing facilities.

8 Financial risk management continued

Financial instruments by category

At the balance sheet date the Group held the following financial instruments by category:

Assets as per balance sheet

	2009 £'000	2008 £'000
Loans and receivables		
Trade and other receivables	4,073	3,206
Cash and cash equivalents	2,343	1,727
Available-for-sale		
Available-for-sale financial assets	133	90
	6,549	5,023

Liabilities as per balance sheet

	2009 £'000	2008 £'000
Other Financial liabilities carried at amortised cost		
Trade payables	757	728
Accruals	1,343	1,200
	2,100	1,928

The table below analyses the Group's financial instruments which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000
Other Financial liabilities carried at amortised cost	2,100	–	–
Contingent consideration (Note 7)	–	–	578
	2,100	–	578

These cash outflows will be financed from existing cash reserves and operating cash flows.

9 Inventory

	2009 £'000	2008 £'000
Work in progress	12	14

10 Trade and other receivables

	2009 £'000	2008 £'000
Trade receivables	3,427	2,809
Other receivables	44	40
Prepayments and accrued income	602	357
	4,073	3,206

Trade and other receivables are due within one year and are non-interest bearing.

The maximum exposure to credit risk at the balance sheet date is the carrying amount of each class of receivable detailed above. The Group does not hold any collateral as security.

The Directors do not believe that there is a significant concentration of credit risk within the trade receivables balance.

Trade receivables that are less than three months past due are not considered to be impaired. As of 31 December 2009, trade receivables of £566,000 (2008: £398,000) were past due but not impaired.

10 Trade and other receivables continued

The ageing analysis of these trade receivables is as follows:

	2009 £'000	2008 £'000
Up to 3 months	506	398
3 to 6 months	60	–
	566	398

As of 31 December 2009, trade receivables of £Nil (2008: £Nil) were impaired.

The carrying amount of the Group's trade and other receivables are denominated in the following currencies:

	2009 £'000	2008 £'000
Sterling	1,658	1,523
Euro	1,434	1,027
US dollar	701	646
Swiss Francs	280	–
Australian Dollar	–	10
	4,073	3,206

11 Share capital

The share capital of BrainJuicer Group plc consists only of fully paid Ordinary Shares with a par value of 1p each. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the Annual General Meeting.

Authorised share capital:

	2009 £'000	2008 £'000
36,000,000 (2008: 36,000,000) Ordinary Shares of 1p each	360	360

Allotted, called up and fully paid:

	Ordinary Shares	
	Number	£'000
At 1 January 2008	12,589,518	126
Exercise of share options	27,008	–
At 31 December 2008	12,616,526	126
Exercise of share options	316,119	3
At 31 December 2009	12,932,645	129

On 8 July 2009, the Company purchased 30,000 Ordinary Shares (nominal value of £300) into treasury at a price of 130 pence per share (representing 0.23% of the called up share capital) in accordance with the authority granted to it by shareholders at the Annual General Meeting held on 13 May 2009. The purchased shares have been transferred out of treasury to award shares under the Company's Employee Share Incentive Plan.

11 Share capital continued

Share options

The Group issues share options to directors and to employees under an HM Revenue and Customs approved Enterprise Management Incentive (EMI) scheme. Employees resident overseas are eligible to participate in the scheme but their options do not qualify as HM Revenue and Customs approved.

The grant price for share options is equal to the average quoted market price of the Company's shares on the date of grant. Options vest evenly over a period of one to three years following grant date. If share options remain unexercised after a period of ten years from the date of grant, the options expire. Share options are forfeited if the employee leaves the Group before the options vest.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2009		2008	
	Average exercise price per share p	Options No	Average exercise price per share p	Options No
Outstanding at 1 January	77.8	1,202,386	62.7	1,033,854
Granted	94.0	207,313	147.5	222,635
Lapsed	147.5	(4,012)	141.4	(27,095)
Exercised	11.9	(316,119)	15.2	(27,008)
Outstanding at 31 December	99.7	1,089,568	77.8	1,202,386
Exercisable at 31 December	83.7	663,584	41.6	794,093

The weighted average share price at date of exercise of options exercised during the year was 94.0p (2008: 131.8p). The weighted average fair value of options granted in the year was 42.7p (2008: 68.5p).

The total charge for the year relating to employee share-based payment plans was £172,000 (2008: £105,000), all of which related to equity-settled share-based payment transactions.

The fair value of options granted outstanding was determined using the Hull-White valuation model.

Significant inputs into the model include a weighted average share price of 94.0p (2008: 147.5p) at the grant date, the exercise prices shown above, weighted average volatility of 38% (2008: 40.9%), dividend yield of Nil (2008: Nil), an expected option life derived from historic exercise multiples and an annual risk-free interest rate of 4.5% (2008: 4.5%).

The expected volatility inputs to the model were calculated using historic daily share prices of the Company's shares.

At 31 December, the Group had the following outstanding options and exercise prices:

	2009			2008		
Expiry date	Average exercise price per share p	Options No	Weighted average remaining contractual life Months	Average exercise price per share p	Options No	Weighted average remaining contractual life Months
2013	11.4	148,204	37.0	11.4	461,312	53.0
2014	43.3	105,673	56.9	43.3	105,673	68.9
2015	62.3	72,556	63.0	62.3	72,556	75.0
2016	62.3	90,326	78.4	62.3	93,337	90.3
2017	162.5	270,959	85.0	162.5	270,959	97.0
2018	147.5	194,537	99.0	147.5	198,549	111.0
2019	94.0	207,313	109.0	–	–	–
At 31 December	99.70	1,089,568	80.8	77.8	1,202,386	78.1

12 Provisions

	Dilapidation provisions £'000
At 1 January 2008	–
Provided in the year	48
At 31 December 2008	48
Provided in the year	6
Exchange differences	(1)
At 31 December 2009	53

Dilapidation provisions represent the Group's best estimate of costs required to meet its obligations under property lease agreements. At the balance sheet date £25,000 (2008: Nil) was included within current liabilities.

13 Trade and other payables

	2009 £'000	2008 £'000
Trade payables	757	728
Social security and other taxes	493	146
Accruals and deferred income	1,343	1,200
	2,593	2,074

Trade and other payables are due within one year and are non-interest bearing. The contractual terms for the payment of trade payables are generally 30 days from receipt of invoice.

14 Commitments

The Group leases offices under non-cancellable operating leases for which the future aggregate minimum lease payments are as follows:

	2009 £'000	2008 £'000
No later than 1 year	126	122
Later than 1 but no later than 5 years	163	71
	289	193

Included within the amounts disclosed above, the Group has the benefit of nine months rent free for the first three years of a lease with an annual rental commitment of £66,360. At the balance sheet date no rent free months were outstanding (2008: nil). The benefit of the rent free months has been spread over the term of the lease.

15 Expenses by nature

	2009 £'000	2008 £'000
Changes in work in progress	(2)	(2)
Employee benefit expense	4,571	3,528
Depreciation and amortisation	232	138
Net foreign exchange losses	164	(158)
Other expenses	5,204	4,526
	10,169	8,032
Analysed as:		
Cost of sales	2,879	2,458
Administrative expenses	7,290	5,574
	10,169	8,032

16 Profit before taxation

Profit before taxation is stated after charging:

	2009 £'000	2008 £'000
Auditor's remuneration:		
Audit fees	27	25
Taxation services	12	8
Other services supplied pursuant to such legislation	3	7
Other services	–	15
Operating lease expenses:		
Land and buildings	173	161
Depreciation and amortisation	232	138
Net loss/(gain) on foreign currency translation	164	(158)

17 Employee benefit expense

The average number of staff employed by the Group during the financial year amounted to:

	2009 No	2008 No
Number of administrative staff	70	59

The aggregate payroll costs of the above were:

	2009 £'000	2008 £'000
Wages and salaries	3,839	3,026
Social security costs	405	302
Other pension costs	155	95
Share-based remuneration	172	105
	4,571	3,528

The directors have identified 11 (2008: 9) key management personnel, including directors. Compensation to key management is set out below:

	2009 £'000	2008 £'000
Wages and salaries	1,119	773
Social security costs	96	79
Other pension costs	43	21
Share-based remuneration	112	50
	1,370	923

Details of directors' emoluments are given in the Remuneration Report on page 26.

18 Investment income

	2009 £'000	2008 £'000
Bank interest receivable	13	82

19 Income tax expense

	2009 £'000	2008 £'000
Current tax	498	330
Deferred tax	(25)	78
	473	408

Income tax expense for the year differs from the standard rate of taxation as follows:

	2009	2008
Profit on ordinary activities before taxation	1,658	1,372
Profit on ordinary activities multiplied by standard rate of tax of 28% (2008: 28%)	464	384
Difference between tax rates applied to Group's subsidiaries	4	19
UK corporation tax at 30% for portion of year	–	5
Expenses not deductible for tax purposes	41	45
Other temporary differences	(24)	16
Utilisation of previously unrecognised tax losses	–	(41)
Adjustment to current tax in respect of prior years	(12)	(20)
Total tax	473	408

20 Deferred tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	2009 £'000	2008 £'000
Deferred tax assets:		
– Deferred tax assets to be recovered after more than 12 months	85	119
Deferred tax liabilities:		
– Deferred tax liability to be recovered within 12 months	(44)	(58)
Deferred tax asset (net):	41	61

The gross movement in deferred tax is as follows:

	2009 £'000	2008 £'000
At 1 January	61	222
Income statement (charge)/credit	25	(78)
Tax charged directly to equity	(45)	(83)
At 31 December	41	61

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets

	Share option scheme £'000	Dilapidation provisions £'000	Total £'000
At 1 January 2009	119	–	119
Charged to income statement	–	11	11
Charged directly to equity	(45)	–	(45)
At 31 December 2009	74	11	85

20 Deferred tax continued

Deferred tax liabilities

	Accelerated capital allowances £'000	Total £'000
At 1 January 2009	(58)	(58)
Charged to income statement	14	14
At 31 December 2009	(44)	(44)

There are no unrecognised deferred tax assets.

Deferred tax assets are recognised only to the extent that their recoverability is considered probable.

The deferred tax asset in respect of the Company's share option scheme relates to corporate tax deductions available on exercise of HM Revenue and Customs approved share options.

21 Earnings per share

(a) Basic

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Ordinary Shares in issue during the year.

	2009 £'000	2008 £'000
Profit attributable to equity holders of the Company	1,185	964
Weighted average number of Ordinary Shares in issue	12,923,663	12,610,803
Basic earnings per share	9.2p	7.6p

In January 2010, 222,011 options over Ordinary Shares were granted to employees pursuant to the Company's Share Option Scheme and 17,000 Ordinary Shares issued under the Company's Employee Share Incentive Plan.

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential Ordinary Shares. For share options, a calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated in this way is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2009 £'000	2008 £'000
Profit attributable to equity holders of the Company and profit used to determine diluted earnings per share	1,185	964
Weighted average number of Ordinary Shares in issue	12,923,663	12,610,803
Share options	183,422	497,323
Weighted average number of Ordinary Shares for diluted earnings per share	13,107,085	13,108,126
Diluted earnings per share	9.0p	7.4p

22 Dividends per share

	2009 £'000	2008 £'000
Dividends paid on Ordinary Shares		
Interim, 0.6p per share (2008: 0.5p interim)	77	63
Special dividend, Nil (2008: 1.7p per share)	–	214
	77	277
Final dividend relating to 2008 (1p per share)	130	–
Total ordinary dividends paid in the year	207	277

A dividend in respect of the year ended 31 December 2009 of 1.3p per share, is to be proposed at the AGM. These financial statements do not reflect this dividend payable.

23 Related party transactions

The Group made sales to companies connected to Unilever UK Holdings Limited, a significant shareholder, during the year totalling 1,906,286 (2008: £1,063,525). The balance outstanding at the year end was 805,545 (2008: £471,145).

Services are sold to related parties on an arm's length basis at prices available to third parties.

The wife of Mark Muth, a director of the Company, provided services for the Group totalling £Nil (2008: £18,181). There was no balance outstanding at the year end (2008: £Nil).

24 Cash generated from operations

	2009 £'000	2008 £'000
Profit before taxation	1,658	1,372
Depreciation	113	94
Amortisation	119	44
Interest received	(13)	(82)
Share-based payment expense	172	105
Decrease in inventory	2	2
Increase in receivables	(867)	(576)
Increase in payables	524	30
Exchange differences	(63)	149
Net cash generated from operations	1,645	1,138

25 Post balance sheet events

On 7 January 2010 the Group entered into a share purchase agreement to acquire the entire issued share capital of High Level Research Inc., a company incorporated in Canada, for cash consideration of CAD$1. The net assets and goodwill of the acquiree are not material to the Group.

On 4 January 2010 the Company purchased 37,000 Ordinary Shares of 1p each in the Company into treasury at a price of 131.5p in accordance with the authority granted to it by shareholders at the Annual General Meeting held on 13 May 2009. 17,000 of the shares purchased have been transferred out of treasury to award shares under the Company's Employee Share Incentive Plan.

26 Seasonality of revenues

Based upon prior experience, Group revenues tend to be higher in the second-half of the financial year than in the first six months.

For the year ended 31 December 2009, revenues for the second half of the year represented 59% of total revenues compared to 57% for the year ended 31 December 2008.

27 Reclassification of comparative amounts

Provisions for dilapidations as at 31 December 2008 amounting to £48,000 (2007: £Nil) have been reclassified from current liabilities to non-current liabilities. Provisions for dilapidations are now disclosed in the consolidated balance sheet under provisions rather than trade and other payables. This reclassification has been made in order to show separately on the consolidated balance sheet, provisions previously included within trade and other payables.

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COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	4	834	–
Investments	5	623	408
		1,457	408
Current assets			
Debtors due within one year	6	1,003	1,338
Cash at bank		600	–
		1,603	1,338
Creditors – amounts falling due within one year	7	(345)	–
Net current assets		1,258	1,338
Total assets less current liabilities		2,715	1,746
Capital and reserves			
Share capital	8	129	126
Share premium account	9	1,447	1,413
Other reserve	9	340	207
Retained earnings	9	799	–
Equity shareholders' funds		2,715	1,746

These financial statements were approved by the directors on 9 March 2010 and are signed on their behalf by:

John Kearon
Director

James Geddes
Director

1 Accounting policies

Basis of accounting

The separate financial statements of the Company are presented as required by the Companies Act 2006. They have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and law. The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Debtors

Debtors are stated at nominal value reduced by estimated irrecoverable amounts.

Related party transactions

In accordance with Financial Reporting Standard Number 8: Related Party Disclosures, the Company is exempt from disclosing transactions with wholly owned entities that are part of the BrainJuicer Group as it is a parent company publishing consolidated financial statements.

Share-based payments

Equity-settled, share-based payments are measured at fair value at the date of grant. Equity-settled, share-based payments that are made available to employees of the Company's subsidiaries are treated as increases in equity over the vesting period of the award, with a corresponding increase in the Company's investments in subsidiaries, based on an estimate of the number of shares that will eventually vest.

2 Profit for the year

The Company has made full use of the exemptions as permitted by Section 408 of the Companies Act 2006 and accordingly the profit and loss account of the Company is not presented as part of the accounts. The parent company profit for the year to 31 December 2009 of £1,006,000 (2008: £631,000) is included in the Group profit for the financial year. Details of executive and non-executive directors' emoluments and their interest in shares and options of the company are shown within the directors' remuneration report on page 26.

3 Staff costs

The average number of staff employed by the Company, including directors, was 26 (2008: 4). Staff costs for staff employed by the Company during the year were as follows:

	2009 £'000	2008 £'000
Wages and salaries	1,361	–
Social security costs	161	–
Other pension costs	75	–
Share-based remuneration	93	–
	1,690	–

In the prior year, staff costs for the Company were borne by BrainJuicer Limited.

4 Fixed assets

Cost	Plant and machinery £'000	Assets in the course of construction £'000	Total £'000
At 1 January 2009	–	–	–
Additions	2	126	128
Transfer from BrainJuicer Limited	–	706	706
At 31 December 2009	2	832	834
Net book amount			
At 31 December 2009	2	832	834
At 31 December 2008	–	–	–

Assets in the course of construction represent amounts capitalised in respect of the new software platform for delivering our research. No depreciation has yet been charged as the asset is not yet ready for use.

5 Investments

Cost	Other investments £'000	Group companies £'000	Total £'000
At 1 January 2009	90	318	408
Share-based payment charge in respect of subsidiaries	–	172	172
Additions	43	–	43
At 31 December 2009	133	490	623
Net book amount			
At 31 December 2009	133	490	623
At 31 December 2008	90	318	408

Subsidiary undertakings

Details of subsidiary undertakings at 31 December 2009 are as follows:

	Activity	Interest in issued share capital	Country of incorporation
BrainJuicer Limited	Provision of online market research services	100%	UK
BrainJuicer BV*	Provision of online market research services	100%	Netherlands
BrainJuicer Inc*	Provision of online market research services	100%	USA
BrainJuicer Sarl*	Provision of online market research services	100%	Switzerland
BrainJuicer GmbH*	Provision of online market research services	100%	Germany

* BrainJuicer BV, BrainJuicer Inc, BrainJuicer Sarl and BrainJuicer GmbH are subsidiaries of BrainJuicer Limited.

6 Debtors

	2009 £'000	2008 £'000
Amounts due from Group undertakings	966	1,338
Prepayments	37	–
	1,003	1,338

7 Creditors – Amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors	82	–
Amounts owed to Group undertakings	40	–
Accruals and deferred income	223	–
	345	–

8 Share capital

Authorised share capital:

	2009 £'000	2008 £'000
36,000,000 (2008: 36,000,000) Ordinary Shares of 1p each	360	360

Allotted, called up and fully paid:

	Number	£'000
At 1 January 2009	12,616,526	126
Exercise of share options	316,119	3
At 31 December 2009	12,932,645	129
At 1 January 2008	12,589,518	126
Exercise of share options	27,008	–
At 31 December 2008	12,616,526	126

9 Reserves

	Share capital £'000	Share premium £'000	Other reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2009	126	1,413	207	–	1,746
Share-based remuneration charge	–	–	133	–	133
Profit for the financial year	–	–	–	1,006	1,006
Dividend paid	–	–	–	(207)	(207)
Share options exercised	3	34	–	–	37
Purchase of own shares	–	–	–	(39)	(39)
Share Incentive award	–	–	–	39	39
At 31 December 2009	129	1,447	340	799	2,715

COMPANY INFORMATION

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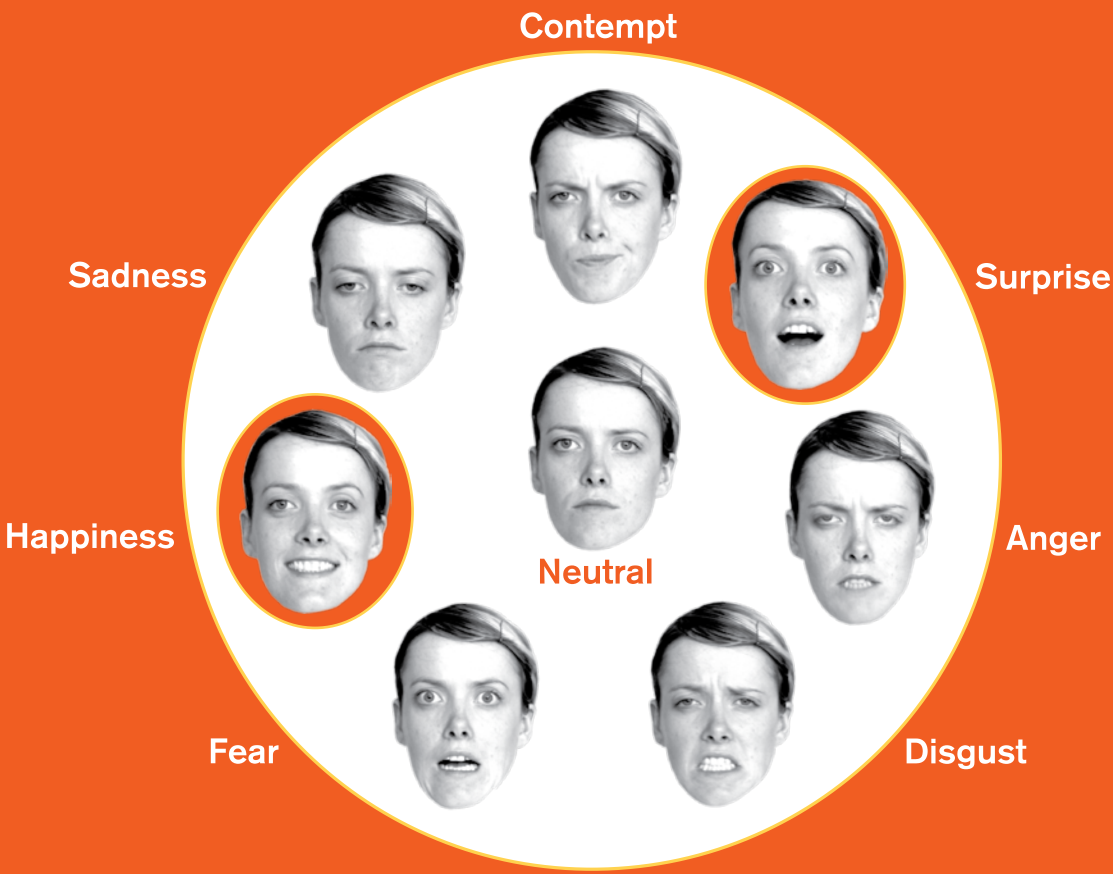
Which of these faces best expresses how you now feel about BrainJuicer Group PLC?



If either of the highlighted emotions match how you feel, we look forward to welcoming you as a BrainJuicer® shareholder.

Thank you for reading 

www.brainjuicer.com