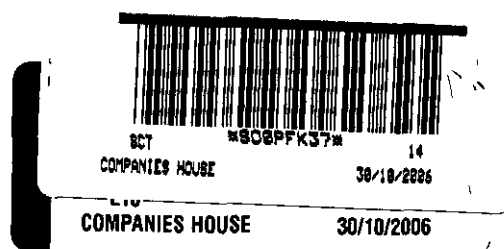


TEN ALPS PLC
FINANCIAL STATEMENTS
YEAR ENDED
31ST MARCH 2006



Report of the Directors

The Directors present their annual report, together with the audited accounts, for the year ended 31 March 2006

Principal Activity

The principal activity of the Company is providing a range of TV and radio production, publishing, event organising and advertising and Internet services

Results

The results for the year ended 31 March 2006 are set out on page 24

The Group made a profit on ordinary activities before interest in the year of £191m (2005 £567,000) and the retained profit for the year after taxation of £816,000 (2005 £232,000) has been transferred to reserves

Dividends

The Directors do not recommend the payment of a dividend for the year

Directors and their interests

The Directors who served during the year were as follows

A M Connock

N Patel

A B Walden*

R F Z Geldof KBE*

P J G Caldwell* (resigned 28 08 05)

*Non Executive

According to the register of Directors' interests maintained under the Companies Act, the following interests in the shares of Group companies were held by the Directors in office at the year end

	Nature of Interest	Ordinary Shares of 2p each	
		1 April 2005	31 March 2006
A M Connock	Beneficial	3,643,181	3,643,181
N Patel	Beneficial		
A B Walden	Beneficial	68,750	68,750
R F Z Geldof KBE	Beneficial	3,642,116	3,642,116

Options over 2p ordinary shares of the Company were held by the following

	At 31 March 2005	As at 31 March 2006	Exercise price	Dates normally exercisable
A M Connock	148,750	148,750	23p	2002 to 2010
		100,000	67.5p	2006 to 2116
R F Z Geldof KBE	148,750	148,750	23p	2002 to 2010
		100,000	67.5p	2006 to 2116
N Patel	148,750	148,750	23p	2002 to 2010
		100,000	67.5p	2006 to 2116

Material Contracts

Other than set out in note 28 at no time during the year did any serving Director have a material contract with the Group

Substantial Shareholdings

The Company has been informed of the following shareholdings at 31 May 2006, each representing 2% or more of the current issued share capital

	%
Rathbones	7.69
Herald Investments	6.50
Gartmore	5.55
New Star	3.21
UBS	2.65
Laing and Cruickshank (UBS)	2.61
Framlington	2.49

Share Capital

Details of share capital are given in Note 19 to the financial statements

Suppliers' Payment Policy

The Group's policy is to agree the terms of payment with each supplier and to abide by those terms. Creditor settlement time for the year ended 31 March 2006 was 59 days (2005: 49 days)

Employees

The Group operates an equal opportunities employment policy. The Group's policy on recruitment, development, training and promotion includes provision to give full and fair consideration to disabled persons, having particular regard to their aptitudes and abilities.

The Group appreciates and values the input of all its employees and encourages development and training to enhance employee skills. The Group ensures that employees are aware of any important matters that may impact on the performance of the Group.

Charitable and Political Donations

The Company made no charitable or political donations during the period under review.

Report of the Directors

Corporate Governance

The Board consists of a Non Executive Chairman, a Non Executive Director, the Chief Executive and the Finance Director and their biographies appear on page 4. The Board meets regularly and is responsible for reviewing and approving Group strategy, budgets and plans, major items of capital expenditure and possible acquisitions and investments.

The differing roles of Chairman and Chief Executive are acknowledged by the Board. The Chairman is required to conduct Board meetings, meetings of shareholders and to ensure that all Directors are properly briefed in order to take full and constructive part in Board discussions. The Chief Executive is required to develop and lead business strategies and processes to enable the Group's business to meet the requirements of its shareholders.

The Board has established an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities. The Audit Committee consists of Brian Walden and Bob Geldof, both Non Executive Directors. The Audit Committee meets at least twice each year and is responsible for ensuring that the financial performance of the Group is properly monitored and reported on, for meeting the auditors and reviewing reports from auditors relating to accounts and internal control systems.

The Remuneration Committee also consists of Brian Walden and Bob Geldof. The Remuneration Committee reviews the performance of the Executive Directors, sets the scale and structure of their remuneration and reviews the basis for their service agreements with due regard to the interests of shareholders.

Going Concern

After making appropriate enquiries, the Directors have a reasonable expectation that the Group during the course of undertaking its anticipated level of activities, will have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Financial risk management objectives and policies

The Group uses various financial instruments these include loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

An analysis of the Group's financial assets and liabilities (excluding short term trade debtors and trade creditors), together with the associated financial risks, is set out in note 18.

The main risks arising from the company's financial instruments are market risk, cash flow interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Market risk

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. The company's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below.

Currency risk

The Group's sales are primarily invoiced in sterling and occasionally in US dollars and euros. The Directors continually monitor currency exposure.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The maturity of borrowings is set out in notes 15 and 16 to the financial statements.

Interest rate risk

The Group finances its operations through a mixture of retained profits and bank borrowings. The Group's exposure to interest rate fluctuations on its borrowings is managed by the use of floating facilities.

International Financial Reporting Standards (IFRS)

The Group has established a working party committee to timetable the implementation of IFRS.

Auditors

Grant Thornton UK LLP were appointed auditors to fill a casual vacancy in accordance with section 388(1) of the Companies Act 1985. Special notice pursuant to section 388(3) having been given, a resolution to confirm the appointment of Grant Thornton UK LLP as auditors will be proposed at the Annual General Meeting.

Annual General Meeting

The Annual General Meeting is to be held at 9 Savoy Street, London WC2E 7HR. Notice of the meeting is set out at the end of the Report and Accounts.

In addition to the adoption of the Accounts, the reappointment of the auditors and the re-election of Brian Walden as a Non Executive Director, there are three other matters which will be considered at the Annual General Meeting. Please note that as part of development of a documentary project about a year in the life of the company, this meeting may be filmed.

The first is to give the Directors general power to allot shares up to an aggregate nominal amount of £517,333 (equal to approximately 50% of the issued ordinary share capital as at the date of this report).

The second is to give the Directors authority to issue shares having an aggregate nominal value of £258,667 (being 25% of the issued ordinary share capital as at the date of this report) for cash without first offering them to the existing shareholders on a pro rata basis.

The third is to give the Directors authority to purchase some of the Company's ordinary shares in the market. No purchase would be made unless the Directors were of the opinion that it would result in an increase in earnings per share, the authority would be used with discretion and purchases would be made only from funds not required for other purposes and in the light of prevailing market conditions. The Directors would also take into account the Company's cash resources, the effect of gearing and other possible investment opportunities before deciding whether to exercise this authority.

Report of the Directors

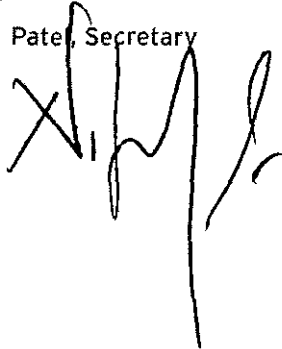
The proposed authority will be limited by the terms of the special resolution to the purchase of up to 7,754,826 ordinary shares, which represents 14.99 per cent of the issued ordinary share capital as at 31 March 2006. The minimum price payable per share would be its nominal amount (this being 2p) and the maximum price (exclusive of expenses) would be five per cent above the average of the middle market quotation of the ordinary shares, derived from the London Stock Exchange, for the five business days immediately preceding any purchase. Any such purchases would be made on the market and would be paid for out of distributable profits. Shares purchased would be cancelled. The authorised ordinary share capital figure would remain unaffected.

Details of any shares purchased pursuant to the proposed authority will be notified to a Regulatory Information Service as soon as possible and in any event by 7.30 a.m. on the business day following the purchase and the Registrar of Companies will be so notified within 28 days. Details will also be included in the Company's Annual Report in respect of the financial period in which any purchases take place.

Each of these authorities will expire on the earlier of one year from the passing of the resolution and the date of the 2007 Annual General Meeting.

By order of the Board

N. Patel, Secretary

A handwritten signature in black ink, appearing to be 'N. Patel', written over the printed name.

Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial period and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

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.

In so far as the directors are 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.

Report of the independent auditor to the members of Ten Alps plc

We have audited the group and parent company financial statements (the "financial statements") of Ten Alps plc for the year ended 31 March 2006 which comprise the principal accounting policies, the group profit and loss account, the group and company balance sheets, the group cash flow statement and notes 1 to 28. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view, whether they are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report, the Chairman's statement, the Chief Executive's statement and the Finance Director's Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

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

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

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 March 2006 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements for the year ended 31 March 2006.

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LONDON

13 JUNE 2006

Grant Thornton UK LLP

Ten Alps plc consolidated profit and loss account
For the year ended 31 March 2006

		Notes	2006 £'000	2005 £'000
Turnover	continuing operations		41,805	34,753
	acquisitions		406	
		2	42,211	34,753
Cost of sales			(32,749)	(27,755)
Gross profit			9,462	6,998
Administrative expenses other			(6,895)	(5,862)
Amortisation of goodwill			(658)	(569)
Total administrative expenses			(7,553)	(6,431)
Operating profit	continuing operations	3	1,950	553
	acquisitions	3	(41)	14
			1,909	567
Net interest receivable		4	91	60
Profit on ordinary activities before tax			2,000	627
Taxation		7	(819)	(252)
Profit on ordinary activities after tax			1,181	375
Minority interest			(365)	(143)
Retained profit for the year		20, 21	816	232
Basic earnings per share		9	183p	0 52p
Diluted earnings per share		9	179p	0 51p

A statement of recognised gains and losses is not included as there are no recognised gains or losses other than those disclosed above

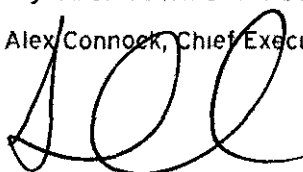
Ten Alps plc consolidated balance sheet
As at 31 March 2006

	Notes	£'000	2006 £'000	£'000	2005 £'000
Fixed assets					
Intangible assets	10		15,718		3,658
Tangible assets	11		1,611		1,279
			17,329		4,937
Current assets					
Work in progress		2,662		244	
Debtors	14	12,978		7,233	
Cash at bank	23	14,515		7,522	
		30,155		14,999	
Creditors					
Amounts falling due within one year	15	(25,005)		(12,015)	
Net current assets			5,150		2,984
Total assets less current liabilities			22,479		7,921
Creditors					
Amounts falling due after more than one year	16		(10,078)		(737)
Net assets			12,401		7,184
Capital and reserves					
Called up share capital	19		1,035		887
Share premium account	20		7,127		3,030
Merger reserve	20		2,930		2,930
Other reserve	20		2		2
Profit and loss account	20		1,006		190
Equity shareholders' funds	21		12,100		7,039
Equity minority interest			301		145
			12,401		7,184

These financial statements were approved by the board of directors on 13 June 2006

Signed on behalf of the board of directors by

Alex Connock, Chief Executive



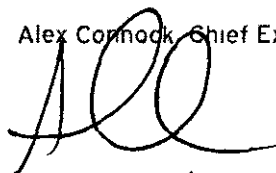
**Ten Alps plc company balance sheet
As at 31 March 2006**

	Notes	£'000	2006 £'000	£'000	2005 £'000
Fixed assets					
Investments in Subsidiaries	12		18,244		5,474
			18,244		5,474
Current assets					
Debtors	14	7,016		1,202	
Cash at bank		317		38	
		7,333		1,240	
Creditors					
Amounts falling due within one year	15	(6,433)	(1,273)		
Net current assets/(liabilities)			900		(33)
Total assets less current liabilities			19,144		5,441
Creditors					
Amounts falling due after more than one year	16		(9,350)		
Net assets			9,794		5,441
Capital and reserves					
Called up share capital	19		1,035		887
Share premium account	20		7,285		3,188
Capital reserve	20		111		111
Other reserve	20		2		2
Profit and loss account	20		1,361		1,253
Equity shareholders' funds			9,794		5,441

These financial statements were approved by the board of directors on 13 June 2006

Signed on behalf of the board of directors by

Alex Connock, Chief Executive



Ten Alps plc consolidated cash flow statement
For the year ended 31 March 2006

		31 March 2006	31 March 2005
	Note	£ '000	£ '000
Net Cash inflow from operating activities	22	3,644	5,338
Return on investments and servicing of finance	22	(119)	60
Taxation	22	(429)	(151)
Capital expenditure and financial investment	22	(387)	(1,027)
Acquisitions and disposals	22	(10,497)	(518)
Net cash (outflow)/inflow before financing		(7,788)	3,702
Financing			
Issue of ordinary share capital		3,863	35
Expenses paid in connection with share issues		382	
Capital element of finance lease rentals		(14)	(52)
Increase/(decrease) in bank and other loans		10,550	(134)
Net cash inflow / (outflow) from financing		14,781	(151)
Increase in cash		6,993	3,551
Reconciliation of net cash flow movement to movement in net debt			
Increase in cash in period		6,993	3,551
Cash (inflow)/outflow from change in debt and lease financing		(10,536)	52
Change in net debt resulting from cash flows		(3,543)	3,603
Finance leases acquired with subsidiaries		(116)	
Movements in media loans			134
Exchange adjustments		(4)	(8)
		(3,663)	3,729
Net funds at 1 April 2005		7,131	3,402
Net funds at 31 March 2006	23	3,468	7,131

Ten Alps plc notes to the accounts

For the year ended 31 March 2006

1. Accounting policies

The financial statements are prepared in accordance with applicable accounting standards

(a) Accounting convention

The accounts are prepared under the historical cost convention

(b) Basis of consolidation

The consolidated accounts reflect the accounts of Ten Alps plc and all its subsidiaries for the year to 31 March 2006. The results of subsidiaries acquired are consolidated for the periods from which control passed.

(c) Acquisitions and disposals

On the acquisition of a business, fair values are ascribed to the Group's share of identifiable assets and liabilities. Where the costs of acquisition exceed the value attributable to such net assets, the difference is treated as purchased goodwill. It is the Group's policy to amortise goodwill over its useful economic life, which is determined to be ten years. Provision is made for any impairment.

(d) Turnover

Turnover (which excludes VAT) represents the value of revenue that the Group has earned in respect of fees, advertising media charges and advertising, media and events production costs. Production Turnover is recognised over the period of the production. Gross profit on production activity is recognised based upon the stage of completion of the production and in accordance with the underlying contract. Gross profit from the exploitation of programme rights is recognised when receivable. Overages on productions are recognised as they arise and underages are recognised on completion of the production.

Included in Turnover is accrued income in relation to Key Performance Indicators (KPIs) being achieved with respect to the Teachers' TV operation. The KPIs range from 0% to 10% and will be based on the actual spend to 31st March 2006. As the full assessment will not be known until November 2006, the Directors have recognised a best estimate accrual.

(e) Depreciation

Depreciation is provided so as to write off the costs of tangible fixed assets over their estimated useful lives.

The following are the main annual rates used:

Leasehold property	Written off on straight line basis over unexpired term
Motor vehicles	20% on straight line basis
Computer equipment	20% on straight line basis
Office equipment	10% on straight line basis

(f) Deferred taxation

Full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date. Deferred tax assets are only recognised to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

(g) Pensions

Payments are made on behalf of various executives to defined contribution schemes. These payments are charged to the profit and loss account as they arise.

(h) Production costs and work in progress

Work in progress is valued at the lower of cost and estimated net realisable value. Cost comprises production and media costs not yet invoiced to clients.

Where the Group has deficit financed a completed and delivered television production, the cost is recognised as a fixed asset, described as "Production costs". The amortisation charge for such production costs will equal the receipt of ancillary revenue in the period, supplemented if necessary by any provision for diminution in the value of the asset. The net book value of the production is reduced at the year end by the income received in the year, and the amount held on the balance sheet will be the lesser of the amount of anticipated ancillary revenues and the amortised cost of investment.

Where the Group has deficit financed an incomplete television production, the cost of investment is recognised as a current asset, "Work in Progress" less provisions for any anticipated under recoveries.

(i) Programmes Incomplete at Period End

Where productions are in progress at the period end and where the sales invoiced exceed the value of work done the excess is shown as deferred income, where the costs incurred exceed sales invoiced the amounts are classified as accrued income. Where it is anticipated that a production will make a loss, the anticipated loss is provided for in full.

(j) Development Costs

Development costs on new projects are written off as incurred unless they are attributable to specific projects and the Directors are of the opinion that the relevant project will proceed and be profitable.

(k) Lease and hire purchase contracts

Assets held under hire purchase contracts and the related hire purchase obligations are recorded in the balance sheet at the fair value of the assets at the inception of the contracts. The amounts by which the contract payments exceed the recorded contract obligations are treated as finance charges which are amortised over each contract term to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

(l) Investments

Investments held as fixed assets are stated at cost less provision for impairment.

(m) Media loans and subsidies

Where the Group receives loans and subsidies towards the cost of productions, only that proportion which relates to non repayable subsidies is recognised in the profit and loss account in the year the production is completed and the related income recognised. The loan element is carried forward on the basis of the agreed repayment schedule set out in each relevant contract.

Ten Alps plc notes to the accounts

(n) Deferred income

Monies received in respect to the funding of fixed assets is released to the profit and loss account over the assets expected useful life

(o) Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

(p) Financial instruments

The Group's policy is to manage exposure to interest rate fluctuations on its borrowings by the use of both fixed and floating facilities and short term deposits. Financial assets are recognised in the balance sheet at the lower of cost and net realisable value. Provision is made for diminution in value where appropriate.

2. Segmental Analysis

All turnover and profits were generated in the United Kingdom from the provision of advertising marketing, broadcast media and events organisation services.

Turnover can be analysed by destination as follows:	31 March 2006		31 March 2005	
	Continuing Operations £'000	Acquisitions £'000	Total £'000	Total £'000
UK	38,113	406	38,519	31,217
Rest of Europe	512		512	256
Rest of World	3,180		3,180	3,280
	41,805	406	42,211	34,753

The total figures for continuing operations in 2006 include the following amounts relating to acquisitions: cost of sales £364,000, other administrative expenses £83,000 and amortisation of goodwill of £5,000.

3. Operating Profit

	31 March 2006 £'000	31 March 2005 £'000
Operating Profit is stated after charging		
Depreciation on owned assets	440	310
Depreciation on assets held under finance lease contracts	23	20
Amortisation of goodwill	658	569
Exchange differences	4	
Loss/(Profit) on sale of tangible assets	9	(1)
Payments under operating leases		
land and buildings	447	414
other	62	19
Auditors' remuneration		
audit services	90	70
non audit services	25	33

4. Net interest receivable/(payable)

	31 March 2006 £'000	31 March 2005 £'000
Bank interest receivable	97	80
Less interest payable		
On finance leases and hire purchase contracts	(6)	(13)
Bank interest payable		(7)
	(6)	(20)
Net	91	60

5. Employee costs (including directors)

	31 March 2006 £'000	31 March 2005 £'000
Wages and salaries	4,934	4,378
Social security costs	569	499
Other pension costs	56	32
	5,559	4,909
Average number of employees		
Management	28	30
Administration	19	20
Production	89	102
	136	152

Ten Alps plc notes to the accounts

6. Directors' emoluments

					31 March 2006 Total £'000	31 March 2005 Total £'000
	Fees £'000	Basic salaries £'000	Benefits in kind £'000	Pension £'000		
Executive Directors						
A M Connock		148	11	10	169	144
N Patel		110	1	7	118	96
Non Executive Directors						
A B Walden (Chairman)	10				10	10
R F Z Geldof KBE	75		6		81	81
P J G Caldwell	4				4	10
	89	258	18	17	382	341

During the year, £17,000 (2005 £17,000) was paid with respect to personal pension schemes for 2 directors (2005 2)

7. Tax charge on profit on ordinary activities

	31 March 2006 £'000	31 March 2005 £'000
Analysis of charge in year		
UK corporation tax		
Current tax	767	(242)
Prior year adjustment	9	17
	776	(225)
Deferred tax		
Deferred tax (charge)/credit (note 17)	43	(27)
Tax on profit on ordinary activities	819	(252)
Tax charge reconciliation		
Profit/(loss) on ordinary activities before taxation	2,000	627
Profit on ordinary activities multiplied by the standard rate of corporation tax 30% (2004 30%)	600	(188)
Effects of.		
Expenses not deductible (including goodwill amortisation)	213	(142)
Capital allowance in excess of depreciation	7	14
Utilisation of losses	(56)	70
Other Timing Differences	3	(7)
Marginal rate relief		11
Prior year adjustment	9	17
	776	(225)

8. Parent company's profit

As permitted by section 230 Companies Act 1985, the parent company has not presented its own profit and loss account

The parent company's own profit for the year after tax, amounting to £108,000 (2005 loss of £35,000), has been transferred to reserves

9. Earnings per ordinary share

	Earnings £'000	Weighted average no. of shares	Basic per share amount pence	Adjusted per share amount pence
2006				
Attributable to ordinary shareholders:				
Retained profit	816			
Amortisation of goodwill	658			
Adjusted earnings	1,474			
Basic EPS		44,554,163	1 83	3 31
Dilutive effect of securities				
Options		1,082,198		
Diluted EPS		45,636,361	1 79	3 23
2005				
Attributable to ordinary shareholders:				
Retained profit	232			
Amortisation of goodwill	569			
Adjusted earnings	801			
Basic EPS		44,206,464	0 52	1.81
Dilutive effect of securities				
Options		1,338,482		
Diluted EPS		45,544,946	0 51	1.76

Ten Alps plc notes to the accounts

10. Intangible fixed assets

	Goodwill £ '000
Group	
At 1 April 2005	5,288
Additions (Note 13)	12,718
At 31 March 2006	18,006
Accumulated amortisation	
At 1 April 2005	1,630
Charge for the year	658
At 31 March 2006	2,288
Net book value	
At 31 March 2006	15,718
At 31 March 2005	3,658

11. Tangible fixed assets

	Short leasehold land and buildings £'000	Motor vehicles £'000	Office and computer equipment £'000	Total £'000
Cost				
At 1 April 2005	186	164	2,058	2,408
Additions	21	17	349	387
Acquisitions of subsidiary undertakings		57	360	417
Disposals		(15)	(98)	(113)
At 31 March 2006	207	223	2,669	3,099
Depreciation				
At 1 April 2005	107	71	951	1,129
Charge for the year	18	27	418	463
Disposals		(10)	(94)	(104)
At 31 March 2006	125	88	1,275	1,488
Net book value				
At 31 March 2006	82	135	1,394	1,611
At 31 March 2005	79	93	1,107	1,279

Included in the above figures for the Group is equipment held under finance lease contracts with a net book value of £68,000 (2005 £35,000)

12. Investments and subsidiaries

	£'000
Company	
Total cost of acquisitions at 1 April 2005	5,474
Additions in year (Note 13)	12,770
Amount written off	
Investment in subsidiaries at 31 March 2006	18,244
Investment in subsidiaries at 31 March 2005	5,474

The principal subsidiaries of the Group during the year were

	Country of incorporation, registration and operation	Class of capital	% held	Description of activity
3BM TV Limited	England & Wales	Ordinary	100% Direct	Film Production
Blakeway Productions Limited	England & Wales	Ordinary	100% Direct	Film and Radio Production
*Brook Lapping Productions Limited	England & Wales	Ordinary	100% Indirect	Film and Radio Production
^Education Digital Limited	England & Wales	Ordinary	70% Indirect	Production of Education Films
HDTV Limited	England & Wales	Ordinary	100% Direct	Film and Radio Production
+Know Comment	England & Wales	Ordinary	100% Indirect	Agency and Media Training
McMillan Scott Limited	England & Wales	Ordinary Preference	100% Direct 100% Direct	Contract Publishing
Ten Alps Live Limited	England & Wales	Ordinary	100% Direct	Event Organisers
Ten Alps MTD Limited	Scotland	Ordinary Preference	100% Direct 100% Direct	Advertising and Marketing Services
Ten Alps RMA Limited	England & Wales	Ordinary	100% Direct	Advertising and Marketing Services
Ten Alps TV Limited	England & Wales	Ordinary	100% Direct	Film and Radio Production

* Subsidiary of Brook Lapping Holdings Limited

^ Subsidiary of Brook Lapping Productions Limited

+ Subsidiary of Ten Alps TV Limited

Ten Alps plc notes to the accounts

13. Acquisitions

McMillan-Scott Limited

On 31 March 2006 the company acquired the whole of the issued share capital of McMillan Scott Limited for cash consideration (including expenses) of £12,300,000

This acquisition has been accounted for by the acquisition method of accounting and the resulting goodwill has been capitalised

The details of the acquisition are as follows.

	Book Value	Fair Value Adjustments	Provisional Fair Value Total
	£'000	£'000	£'000
Intangible fixed assets	60	(60)	
Tangible fixed assets	372		372
Work in progress	2,392		2,392
Debtors	3,793	370	4,163
Bank overdraft	(744)		(744)
Creditors	(6,135)		(6,135)
Net assets acquired	(262)	310	48
Goodwill capitalised			12,252
Consideration given			12,300
Satisfied by			
Cash			9,230
Deferred contingent consideration			3,070

The fair value adjustments made to book value relate to purchased goodwill and deferred taxation

Cash consideration includes £382,000 relating to acquisition costs

The McMillan Scott acquisition is subject to additional consideration amounting to a maximum £3,070,000 £1,200,000 of the additional consideration has been retained pending the calculation of an adjustment based on McMillan Scott's net debt position as at 30 June 2006 Further additional consideration between £1 and £1,750,000 is payable dependent on the company achieving PBIT between £900,000 and £1,400,000 for the 9 months to 31 December 2006 A final amount of £120,000 is payable in April 2008 subject to the CEO remaining with the company At 31 March 2006, the maximum amount payable of £3,070,000 has been provided for

The company's results and net assets up to the date of acquisition are as follows

	9 months to 31 March 2006 £'000	Year to 30 June 2005 £'000
Turnover	16,964	26,053
Operating loss	(809)	
(Loss)/Profit after tax	(510)	320
Net assets	48	573

The net cashflow outflow in relation to the acquisition of McMillan Scott comprised cash overdrafts acquired of £744,000

Other Acquisitions

On 16 September 2005, Ten Alps TV Limited, a subsidiary of Ten Alps plc, acquired the production and development slate of Rock Hammer Productions Limited for cash consideration of £30,000

On 16 January 2006, Ten Alps plc acquired the whole of the issued share capital of Hart Davies TV Limited for cash consideration (including expenses) of £251,000

On 1 February 2006, Ten Alps TV Limited acquired the whole of the issued share capital of Cottage Industry Productions Limited for cash consideration (including expenses) of £89,000

These acquisitions have been accounted for by the acquisition method of accounting and the resulting goodwill has been capitalised

The details of the acquisitions are as follows

	Book Value £'000	Fair Value Adjustments £'000	Provisional Fair Value Total £'000
Tangible fixed assets	45		45
Work in progress			
Debtors	85		85
Cash at bank and in hand	132		132
Creditors	(142)		(142)
Net assets acquired	120		120
Goodwill capitalised			248
Consideration given			368
Satisfied by			
Cash			368
Deferred contingent consideration			

There were no fair value adjustments made to book value

Cash consideration includes £64,000 relating to acquisition costs

Ten Alps plc notes to the accounts

Additional consideration of £194,000 was paid in the year in connection with the acquisition of 3BM TV Limited in 2006 as the company achieved profits of £220,000 in the 12 months ending 30 September 2006. £194,000 was provided for in 2005.

Additional consideration of £93,000 was paid in the year in connection with the acquisition of Blakeway Productions Limited in 2005, of which £50,000 was provided for in 2005. A further sum of £175,000 has been provided for in the year being the maximum amount payable as the company achieved £150,000 in pre tax profits.

The Hart Davies acquisition is subject to additional consideration amounting to a total of between £1 and £962,500. The additional consideration is dependent on the company achieving agreed pre tax profit targets of between £100,000 and £400,000 for the period from completion to 31 March 2007 and £75,000 and £300,000 for the year ended 31 March 2008. No provision has been made at 31 March 2006 as in the directors opinion, based on the information available, none will be payable.

The subsidiary undertakings acquired during the year made the following contributions to, and utilisations of, group cashflow

	Total £'000
Net cash inflow from operating activities	82
Returns on Investment and Servicing of Finance	
Taxation	
Capital expenditure	
Financing	
Increase in cash	82

14. Debtors

	31 March 2006		31 March 2005	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade debtors	5,451		6,195	
Amounts owed by subsidiary undertakings		2,112		1,075
Other debtors	4,773	4,660	236	75
Deferred taxation	659	30	151	10
Prepayments and accrued income	2,095	214	651	42
	12,978	7,016	7,233	1,202

15. Creditors: amounts falling due within one year

	31 March 2006		31 March 2005	
	Group £'000	Company £'000	Group £'000	Company £'000
Bank loans, media loans and overdraft	1,277	1,200	77	
Trade creditors	6,837	314	3,642	59
Amounts due to subsidiary undertakings		805		734
Corporation tax	583		241	
Other taxes and social security undertakings	1,610	8	1,103	8
Obligations under finance lease contracts	101		22	
Other creditors	2,030	190	80	
Deferred contingent consideration	3,245	3,245	243	243
Accruals and deferred income	9,322	671	6,607	229
	25,005	6,433	12,015	1,273

16. Creditors: amounts falling due after more than one year

	31 March 2006		31 March 2005	
	Group £'000	Company £'000	Group £'000	Company £'000
Bank Loans	9,350	9,350		
Obligations under finance leases due between two and five years	39		16	
Media Loans between 2 and 5 years (Note 18)	280		276	
Accruals and deferred income	409		445	
	10,078	9,350	737	

Amounts due under hire purchase schemes are secured on the assets to which they relate

The bank loans are repayable as follows

	31 March 2006		31 March 2005	
	Group £'000	Company £'000	Group £'000	Company £'000
In one year or less, or on demand	1,200	1,200		
Between one and two years	6,000	6,000		
Between two and five years	3,350	3,350		
	10,550	10,550		

Further information on the bank loans is given in Note 18

Ten Alps plc notes to the accounts

17. Deferred Taxation

The deferred taxation asset included in the financial statements is set out below

	31 March 2006 £'000	31 March 2005 £'000
Accelerated capital allowances	191	52
Losses carried forward	60	92
Other timing differences	408	7
	659	151

18. Financial Instruments

The Group's financial instruments at 31 March 2006 comprise of short term trade debtors and trade creditors, finance lease agreements for the purchase of certain fixed assets and long term bank and media loans

The Group does not trade in financial instruments and neither uses, nor trades in, derivative financial instruments

The Group's financial assets and liabilities (excluding short term trade debtors and trade creditors) are as follows

	31 March 2006 £'000	31 March 2005 £'000
Financial assets		
Cash denominated in Sterling	13,457	7,036
Cash denominated in Euros	752	221
Cash denominated in US dollars	306	265
	14,515	7,522
Financial liabilities		
Bank loans & overdrafts	10,550	
Media loans	357	353
Finance leases	140	38
	11,047	391

Currency risk

The media loans are denominated in Euros, other than these, and the Euro and US dollar cash balances held at 31 March 2006, there is no exposure to currency risk

Interest rate risk

Interest on bank loans are based on LIBOR, plus a margin. No hedging option has been taken out in relation to interest rate movement.

The Bank of Scotland plc has, in respect of their loans a fixed and floating charge over all assets of the Company and its subsidiaries where applicable.

The media loans have been used to finance certain productions, are interest free and repayment is based on revenues received from the productions.

Liquidity risk

Short term flexibility is achieved by overdraft facilities at the year end of £3.0m. This was undrawn at 31 March 2006.

Fair value risk

The fair values of the Group's financial instruments are considered to be not materially different to the book values.

19. Share Capital

	31 March 2006 £'000	31 March 2005 £'000
Authorised		
112,500,000 (2005 112,500,000)		
Ordinary Shares of 2p each	2,250	2,250
Allotted and fully paid		
51,733,330 (2005 44,333,330)		
Ordinary Shares of 2p each	1,035	887

On 24 June 2005, the Company allotted 250,000 ordinary shares of 2p each as a result of the exercise of options that were granted in 2004, with total consideration of £40,000 received by the Company.

On 15 December 2005, the Company allotted 50,000 ordinary shares of 2p each as a result of the exercise of options that were granted in 2004, with total consideration of £12,500 received by the Company.

On 21 February 2006, the Company allotted 100,000 ordinary shares of 2p each as a result of the exercise of options that were granted in 2004, with total consideration of £25,000 received by the Company.

On 31 March 2006, the Company made an allotment of 7,000,000 ordinary shares of 2p each. The difference between the total consideration received of £4,550,000 and the total nominal value of £140,000 has been credited to the share premium account. Issue costs of £382,000 have been charged against the share premium account. The allotment was made to raise funds in connection with the acquisition of McMillan Scott (Note 13).

Ten Alps plc notes to the accounts

As at 31 March 2006 the following options had been granted and were still outstanding under the Company's Share Option Schemes

Number of Shares	Exercise price	Dates normally exercised
918,200	23p	2002 2010
50,000	23p	2003 2011
55,000	17p	2004 2012
800,000	20p	2004 2010
100,000	25p	2004 2011
60,000	29p	2006 2014
50,000	34p	2004 2011
150,000	40p	2005 2015
40,000	43p	2006 2014
75,000	43p	2006 2116
60,000	46p	2006 2116
60,000	48p	2006 2116
337,500	67 5p	2006 2116

At 31 March 2005 warrants had been granted on 250,000 shares at an exercise price of 20p per share

These warrants lapsed on 11 January 2006

At 5 April 2006, 63,750 share options were exercised at a price of 23p

During the year the mid market price of the shares ranged from 44p (ordinary shares of 2p each) to 68p (ordinary shares of 2p each) At 31 March 2006 the mid market price of the shares was 67 5p

20. Reserves

Group	Share premium account £'000	Merger reserve £'000	Other reserve £'000	Profit and loss account £'000
Balance at 1 April 2005	3,030	2,930	2	190
Shares issued	4,097			
Retained profit for the year				816
	7,127	2,930	2	1,006

Company	Share premium account £'000	Capital reserve £'000	Other reserve £'000	Profit and loss account £'000
Balance at 1 April 2005	3,188	111	2	1,253
Shares issued	4,097			
Retained profit for the year				108
	7,285	111	2	1,361

Cumulative goodwill relating to acquisitions made prior to 1998, which has been eliminated against reserves, amounts to £1,028,000 (2005 £1,028,000)

21. Reconciliation of movements in shareholders' funds

	31 March 2006 £'000	31 March 2005 £'000
Opening equity shareholders' funds	7,039	6,770
Retained profit for the year	816	232
Share premium	4,097	31
Other reserve		2
Shares issued in the year	148	4
	12,100	7,039

Ten Alps plc notes to the accounts

22. Analysis of cash flows for headings netted in cash flow statement

	31 March 2006 £'000	31 March 2005 £'000
Reconciliation of operating profit to net cash inflow from operating activities:		
Operating profit	1,908	567
Depreciation	464	330
Goodwill amortisation	658	569
Loss/(gain) on sale of fixed assets	9	(1)
Increase in work in progress	(25)	(89)
(Increase) in debtors	(1,546)	(4,383)
Increase in creditors	2,172	8,337
Write back of media loans		
Foreign exchange loss on media loans	4	8
Net cash inflow from operating activities	3,644	5,338
Return on investments and servicing of finance		
Net interest received	97	80
Interest element of finance lease payments	(6)	(13)
Bank interest paid		(7)
Dividends paid to minority interests	(210)	
Net cash (outflow)/inflow from return on investments and servicing of finance	(119)	60
Taxation		
Corporation tax paid	(429)	(151)
Capital expenditure and financial investments		
Purchase of tangible fixed assets	(387)	(1,072)
Disposal of tangible fixed assets		45
Net cash (outflow) from capital expenditure and financial investments	(387)	(1,027)
Acquisitions and disposals:		
Purchase of subsidiaries	(9,598)	(705)
Net (overdraft)/cash acquired with subsidiaries	(612)	187
Payment of deferred consideration	(287)	
Net cash outflow from acquisitions and disposals	(10,497)	(518)

23. Analysis of net funds

	As at 1 April 2005 £'000	Cashflow £'000	Exchange movements £'000	Non cash movements £'000	As at 31 March 2006 £'000
Bank balances	7,522	6,993			14,515
Debt due after one year	(276)	(9,350)	(4)		(9,630)
Debt due within one year	(77)	(1,200)			(1,277)
Finance leases due after 1 year	(16)	(38)		15	(39)
Finance leases due within 1 year	(22)	(64)		(15)	(101)
	(391)	(10,652)	(4)		(11,047)
Net Funds	7,131	(3,659)	(4)		3,468

Included in bank balances is the amount of £809,000 (2005: £342,000) held in trust accounts in connection with specific ongoing projects. These monies are available for these projects without restriction.

24. Obligations under operating leases

At 31 March 2006 the Group had commitments under operating leases to make payments in the next year as follows:

	31 March 2006		31 March 2005	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire				
Within one year	62	5	43	8
Between two and five years	396	39	408	49
After five years	296			
	755	44	451	57

25. Contingent liabilities

The Company has granted performance guarantees in the normal course of business to third parties in respect of the obligations of certain Group companies. The Directors consider that the guarantees are unlikely to result in a material loss to the Company.

The Company has guaranteed the overdraft facility of £3,000,000 in respect of a Group company.

The overdraft was not utilised at the balance sheet date.

26. Capital commitments

The Company had no capital commitments at 31 March 2005 or 31 March 2006.

Ten Alps plc notes to the accounts

27. Controlling related parties

The Directors believe there are no controlling related parties

Details of investments in principal subsidiary undertakings are included in Note 12. In accordance with FRS8, disclosure is not required of transactions and balances between Group companies where such transactions are eliminated on consolidation.

28. Related party transactions

During the year R F Z Geldof received £100,799 for his services on specific television productions via Hixdell Limited, charged at normal commercial rates. At the year end £33,000 was outstanding.

During the year Brian Walden received £25,000 for his services on specific radio productions charged at normal commercial rates. At the year end £25,000 was outstanding.

Five year history

	Year ended 31 March 2006				
	2002	2003	2004	2005	2006
	£'000	£'000	£'000	£'000	£'000
Turnover	10,446	13,059	16,732	34,753	42,211
Cost of sales	(6,763)	(8,779)	(11,955)	(27,755)	(32,749)
Gross profit	3,683	4,280	4,777	6,998	9,462
Administrative expenses	(3,299)	(4,236)	(4,701)	(6,431)	(7,553)
Operating profit	384	44	76	567	1,909
Profit on disposal of businesses	41				
Net interest receivable	52	35	50	60	91
Profit on ordinary activities before taxation	477	79	126	627	2,000
Taxation	(33)	9	24	(252)	(819)
Profit on ordinary activities after taxation	444	88	150	375	1,181

Notice of annual general meeting

47

Please note that as part of a potential film project detailing a year in the life of Ten Alps plc, the AGM may potentially be filmed

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Ten Alps plc will be held at 9 Savoy Street, London WC2E 7HR on 29 August 2006 at 11 00 a m for the following purposes

Ordinary Business

To consider and, if thought fit, pass the following as special resolutions.

1. To receive the Company's audited financial statements for the year to 31st March 2006, and the Directors' report and the Auditors' report on those financial statements.
2. To reappoint Grant Thornton LLP as Auditors of the Company and to authorise the Directors to fix their remuneration
3. To reappoint Brian Walden as Non Executive Chairman.

Special Business

To consider and, if thought fit, pass the following as special resolutions

4. THAT, in substitution for the Directors' existing authorities, the Directors be and are hereby generally and unconditionally
 - (a) authorised, pursuant to section 80 of the Companies Act 1985 (the "Act") to exercise all powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) up to an aggregate nominal amount of £517,333, and
 - (b) empowered, pursuant to section 95(1) of the Act, to allot equity securities (as defined in section 94(2) of the Act) for cash up to an aggregate nominal amount of £258,667 pursuant to the authority set out in paragraph (a) above as if section 89(1) of the Act did not apply to such allotment provided always that such authority and power is granted for the period commencing on the date of the adoption of this resolution and ending on the earlier of the date which is one year from the date of adoption of this resolution and the date of the 2007 Annual General Meeting of the Company
5. THAT the Directors of the Company be and they are hereby generally and unconditionally authorised for the purpose of section 166 of the Companies Act 1985 (the "Act") to make one or more market purchases (within the meaning of section 163(3) of the Act) of ordinary shares of 2p each in the issued share capital of the Company ("Ordinary Shares") provided that
 - (a) the maximum aggregate number of Ordinary Shares authorised to be purchased is 7,754,826 (representing 14.99 per cent of the issued ordinary share capital of the Company),
 - (b) the minimum price which may be paid for an Ordinary share (exclusive of expenses) is nominal value from time to time,
 - (c) the maximum price which may be paid for an ordinary share (exclusive of expenses) is an amount equal to 105 per cent of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange for the five business days immediately preceding the day on which the purchase is made,

Notice of annual general meeting

(d) this authority is granted for the period commencing on the date of the adoption of this resolution and ending on the earlier of the date which is one year from the date of adoption of this resolution and the date of the 2007 Annual General Meeting of the Company, and
(e) the Company may make a contract to purchase ordinary shares under this authority which will or may be executed wholly or partly after the expiry of the authority and may make a purchase of ordinary shares in pursuance of such a contract

By order of the Board

Nitil Patel

Secretary

13 June 2006

Registered office: 100 Union Street, Aberdeen AB10 1QR

Notes

- 1 A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his or her behalf. The proxy need not be a member of the Company.
- 2 To be effective, the instrument appointing a proxy and any authority under which it is executed (or a notarially certified copy of such authority) must be lodged with the Company's Registrars (Capita IRG plc, 34 Beckenham Road, Beckenham, Kent BR3 4TU) not less than 48 hours before the time for holding the meeting. A form of proxy is enclosed with this notice. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting.
- 3 Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the Register of Members of the Company as at 11.00 a.m. on 27 August 2006 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their names at the time. Changes to entries on the Register of Members of the Company after 11.00 a.m. on 27 August 2006 shall be disregarded in determining the rights of any person to attend or vote at the meeting.