TEN ALPS PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2015

Company no SC075133

Contents

Overview and financial highlights

We are a multimedia producer of TV programming together with publishing and communications content. We bring insight and clever strategic thought together with compelling ideas and stories, combining these with top creative and technical skills.

Our three expert divisions offer a fully integrated service when it comes to content creation for television production, publishing and digital communications.

Financial performance
(Note that the results for 30 June 2014 are for a 15 month period)

- Group revenues of £20.47m (2014: £29.45m)
- Adjusted EBITDA loss of £(0.59)m (2014: £(1.13)m)
- Loss before tax £1.32m (2014: £2.56m)
- Diluted loss per share from continuing activities (0.48)p (2014: (1.01)p)
- Total assets £14.47m (2014: £15.35m)
- Gross Debt at £9.01m (2014: £8.45m)
- Cash at £1.91m (2014: £2.58m)
- Net Debt at £7.1m (2014: £5.87m)

Highlights

- Second half growth across all three divisions - Television, Publishing and Communication and all profitable at an operational level
- Following the July 2015 refinancing, gross debt reduced to £2m (2014: £8.45m)
- Strengthened Board of Directors, with the additions of Luke Johnson and Jonathan Goodwin as non-executive directors
- Current TV order book at 42% of revenues, cross-Group at 40% as at the end of Q1

Post year-end activity & Outlook

Full-year revenue at £20.47m (2014: £29.45m) and EBITDA loss of £(0.59)m (2014: £(1.13)m) were in line with our expectations and reflect a turn-around in performance, with all of the Group's divisions operating profitably in the second half. Comparative figures shown in respect of the 2014 period are for the fifteen months ended 30 June 2014.

In July 2015, post year end, the Group completed a major refinancing, raised £4.5m in new equity and acquired Reef TV, a programme production business. It also took the opportunity to restructure its balance sheet, which involved the conversion of approximately £7m of debt to equity and preference shares which resulted in debt being reduced to £2m (2014: £8.48m).

Trading since the start of the new financial year has been encouraging in all sectors of the Group and we have secured around 40% of the current year's target revenue. As such we are well placed to achieve our current objectives, while positioning the Group for long-term growth as a TV, digital content and publishing business.

Creating a high quality content producer

Chairman's Statement

Peter Bertram Chairman

The Group has reduced losses, increased its revenue potential via the acquisition and organic growth in TV, moved to a single London location and revamped the Board.

The Board is pleased to report the successful completion of a major restructure and refinance. As outlined above we have been able to convert approximately £7m of debt into equity and preference shares, raise £4.5m in new funds and complete the acquisition of Reef TV, which helped scale and improve the commerciality of our TV operations.

The Board is appreciative of our major shareholders and debt-holders for facilitating the restructuring and to the new investors who have shown confidence in the planned trajectory of the business.

On July 2014 we appointed Mark Wood as a non-executive Director and in December 2014 he became Chief Executive Officer. He brings a wealth of experience in television, digital content and publishing. We are delighted to welcome Luke Johnson and Jonathan Goodwin who joined as new non-executive Board members in July 2015, both of whom participated in the recent fund raise. They each have stellar reputations in the UK business community and bring not only a wealth of experience but a commitment to helping map a strategy for faster growth for the Ten Alps business.

Furthermore, we are grateful to Bob Geldof, Tim Hoare and Brian Walden, who all stepped down from the Board during 2015, for their continued support of Ten Alps and we wish them well for the future.

Ten Alps is looking and acting like a new business. The CEO and management team have not only returned the business to profitability at an operational level but focussed it for growth in sectors of the media markets which look set for continued expansion. There is a palpable energy across the Group and a confidence that we will create value for investors in the periods ahead.

Finally, the Board would once again like to thank all our employees for their professional and dedicated work across the Group.

Chief Executive's statement

Chief Executive Mark Wood commented:

"We have successfully refocussed the Ten Alps' business and brought it back to profitability on an operational level.

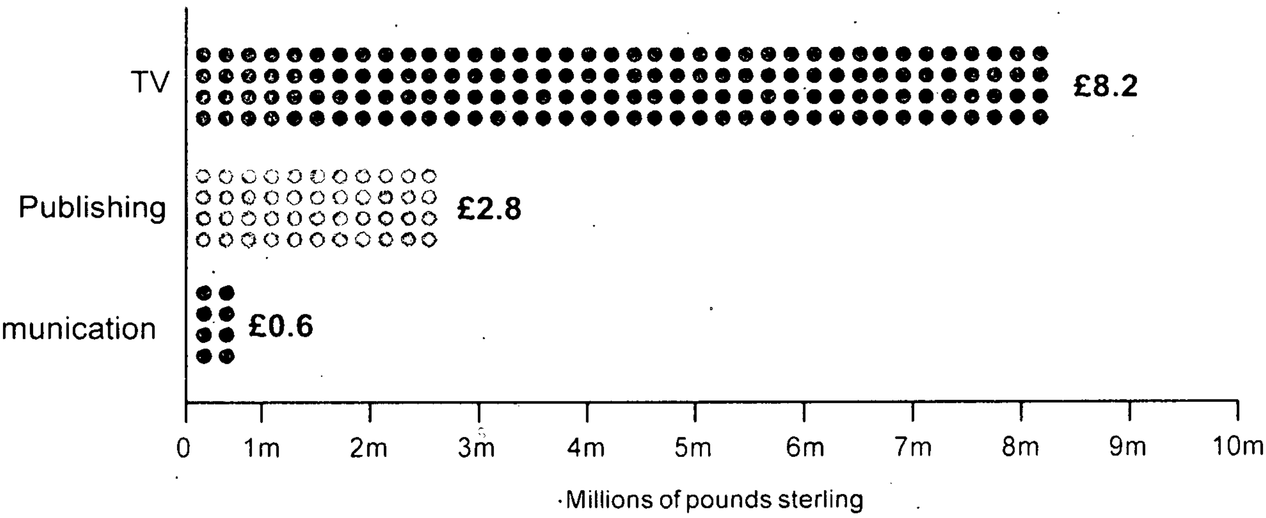
"We have created a television production business of scale, transformed previously under-performing publishing assets and positioned our communications business for growth in both corporate communications and content marketing. Overall, the business is now improving.

"The post-acquisition integration of Reef has gone smoothly and it is now co-located with Ten Alps' own operations in its new single London office. Reef is currently performing to plan and Senior Reef executives are now a key part of the Group's senior management team.

"Trading since the start of the new financial year has been encouraging and all business units are forecast to operate profitably throughout the current financial year. We are now seeing great momentum behind the Group and have secured 40% of our target full-year revenues before the end of the first quarter.

"We will continue to pursue growth, both organically and through acquisition, to achieve scale as one of the UK's leading content creation and story-telling businesses."

Order book



Chief Executive Officer's report

Performance

We achieved a significant transformation of the Ten Alps' business over the 12 months under review. We also completed a restructuring and refinancing in July 2015. This has reinvigorated the business, reduced our debt levels significantly and, thanks to newinvestment, enabled us to scale up our media business by the acquisition of Reef TV. Ten Alps is now one of the largest independent television production businesses in the UK.

Creating content that counts

We have set out clear targets to return the business to profitability across all units. Although we reported a loss of £1.32m for the full year in 2015, the business was going through a period of change which put it into positive territory in the second half. Our current pace of trading gives us a degree of assurance for the 2016 financial year.

Action has been taken to reorganise underperforming units, reduce operating costs and forge a new management culture. Overall we are making steady progress in our aim of improving operating margins across the businesses.

Ten Alps operates in markets where there are strong growth trends and it is our ambition to achieve consistent growth both organically and through targeted acquisitions.

...delivering engaging, intelligent and entertaining content

The Group has become a magnet for commercial and creative talent. Significant new recruits include Greg Sanderson, joining from a senior BBC role as managing director of Brook Lapping, and Annette Clowes, former managing director of Loot, who has taken over our Macclesfield-based publishing operations and home improvement portfolio.

Our television business, which now includes Reef TV, is securing new commissions at a faster rate and we are focussed on growing our international presence in the sector. The publishing business has been refocussed around a series of simplified verticals where we are creating new revenue streams from digital distribution and events. The communication unit is expanding its core business in production of digital educational content and is starting to build new business in content marketing and corporate communications.

Television – delivering engaging, intelligent and entertaining content

The TV Division (Blakeway, Brook Lapping, Films of Record) improved profits over the prior year and has been enhanced by the acquisition of Reef TV, which brings in expertise daytime programming and higher-margin long-running series. Recent new commissions have also enabled Reef TV to diversify genres and broadcast customers and develop new formatted returnable series. In July 2015 we have made a direct investment into Chrysalis Vision, a drama start-up pitching for long-running series, increasing our overall investment over an 18 month period. Ten Alps has an option to acquire a majority holding if the business is a success.

We have, we believe, created a solid platform for sustained growth and are also laying the groundwork for new revenue generation opportunities. There is now a drive to pitch for larger-budget, repeatable series across serious factual and factual entertainment programming. Another objective will be to increase non-UK revenues through co-production partnerships, to target growth in royalty revenues through sale of current and past catalogues on a more ambitious scale and a drive to sell series and formats into other major markets, including the US.

The division has performed well with revenues of £10.01m (2014: 15mth period £10.73m) and segment EBITDA of £0.43m (2014: 15 mth period £0.32m) before allocation of plc costs.

Publishing - B2B and consumer content which informs and helps decision-making

In publishing, we have moved well beyond the heavily print-based model of the past and are growing a diversified revenue base from new websites and from events such conferences, awards and seminars. We recently launched the Director of Finance Awards, aimed at recognising the most innovative, vigorous and dynamic teams and individuals from the financial management profession. The inaugural event was held on 9 July 2015 to positive feedback.

As the division continues to focuses on higher margin owned assets and exiting third party low margin contracts the revenue has declined to £8.44m (2014: 15mth period £15.87m). Segment EBITDA was a loss of £(0.51m) down from 2014 loss of £(0.73m) before allocation of plc costs.

Chief Executive Officer's report

Communication – creating content that counts

We see significant potential in the development of content marketing and corporate 'story-telling' markets in the UK and the aim is to make the Group a bigger player in this fast-growing industry. We are now producing branded programming and short-form corporate video and are engaged with a number of organisations on long-term communications planning.

During the year we relocated our London television, publishing and communication businesses to new premises. The relocation also provided an opportunity to integrate the Reef TV business, a move which is already producing cost efficiencies and enables us to capture synergies across the business; most importantly in sharing digital and social media expertise.

The division reported revenues of £1.84m (2014:15mth period £2.42m) with segment EBITDA of £0.13m (2014: 15mth period £0.15m) before allocation of plc costs.

Publishing

- Secured new 5-year contract to produce planning guidelines for local authorities across UK and sell trader advertising. Transitioning from print products to e-books and building 'Home & Build' website, as nationwide directory of trusted (and council endorsed) trades people.
- Farming division launches new conferences in dairy farming and animal husbandry
- Director of Finance awards and Community Practitioner awards launched sell out first events
- Redeveloped our digital offering making all titles available through desktop, mobile and tablet, predominantly via own apps in the android and Apple stores. Websites are also being developed to help readers cut through the volume of information available to them
- Our consumer division won a bid to sell advertising for the BA staff publications, pitching against many rival publishing houses

Reef TV joins Ten Alps

Television

Ten Alps produces television programming under the Blakeway, Brook Lapping and Films of Record and now Reef TV (a post year end acquisition) brands:

- Benidorm ER: fourth season of popular factual series produced for Channel 5
- Shakespeare Uncovered/My Shakespeare: second season produced for Sky Arts and PBS
- Great Ormond Street: a third season of the acclaimed series delivered to BBC2
- Hockney: first full-length documentary film, launched with a Q&A with David Hockney beamed live by satellite to over 230 cinemas across the UK, which was in competition in the London Film Festival
- Hunted, the War against Gays in Russia: produced for Channel 4's Dispatches, wins Best Documentary on Current Affairs at the prestigious Grierson awards. Screened in the US by HBO and nominated for an Emmy for News and Documentary
- Hiroshima: The Aftermath: marking the 70th anniversary of the dropping of the bomb, a major co-production involving NHK Japan, Arte France, Channel 5 and BBC Worldwide
- Panorama: Ebola Frontline: nominated for Current Affairs BAFTA and wins Popular Features Award in the One World Media Awards 2015
- Churchill: A Nation's Farewell: presented by Jeremy Paxman on BBC1 to mark the 50th anniversary of Churchill's funeral
- The Iraq War: Regime Change: wins Best Historical Documentary the Griersons 2014
- Panorama: After Paris: The Battle for British Islam presented by reporter John Ware and delivered immediately after the Paris attacks
- Reef TV: following the acquisition, our portfolio now includes long-running daytime series such as 'French Collection' and 'Dealers – Put Your Money Where Your Mouth Is' to music special 'La Traviata'

Communication

- Transport for London
  Following a 12 month competitive tender process, we renewed an existing contract to create and manage a comprehensive, London-centric, digital road safety educational campaign for pre-school children. The new contract worth over £1 million per annum, which represents an increase of approximately 30 per cent. of the value of the previous contract, commenced on 1 April 2015 for a minimum of 3.5 years, with a potential to extend it for a further 3 years at the end of the initial term
- BTG
  Created short form video for this international pharmaceutical company covering internal communications about corporate values
- Nationwide Building Society
  Developed the 'Big Money Movie Pitch' competition for students aged 11 to 14 across UK, bringing financial capability to life by creating a film. The winning entry was made into a short film by industry professionals and premiered at Vue Westfield London
- Stabilo
  We have developed the EASTstart Writing Box for leading pen manufacturer Stablio to support the fundamental understanding of how to write letters in a way that inspires curiosity and is based on the scientific development of fine motor skills
- Cartoon Network
  We have developed a suite of resources to support the launch of Cartoon Network's imagination studios awards, a competition for 6 to 11 year olds where they create a character, storyboard or animation inspired by the theme of 'friendship'

Outlook

Trading since the start of the new financial year has been encouraging in all sectors of the Group and we are well placed to achieve our current objectives, while positioning the business for long-term growth as a TV and digital content business. The integration of previously disparate business units at a single London location has created a new dynamism and is facilitating a mix of TV and digital expertise which we believe few media businesses can match.

Chief Financial Officer's report

Financial Review

We are confident the Group is now moving in the right direction. The extensive divisional consolidation programme over the last few years has been completed and the results are starting to show stability and future growth potential. We believe we have stable foundations to build upon and see an encouraging new business pipeline.

Revenue from continuing operations for the 12 month period was £20.47m (2014: 15 month period £29.45m) and gross profit was £6.79m (2014: £9.42m). As expected the main variance in revenues was in the Group's publishing, which saw a decrease of 32.9% or £4.13m year on year, as the unit continued to streamline its portfolio and exit non-profitable, low margin contracts. TV increased it revenues year on year from £8.7m to £10.01m being 15.1% and Communicate had a small decrease of 3.7% to £1.84m compared to £1.91m.

Gross margin increased from 32% to 33.2% in the year, with operating expenses representing 36% of revenues (2014: 35.8%). This is a consequence of significant restructuring undertaken by the Group over the last three years and the aim is for this figure to drop below 30% by 2015/16. The charge for reorganisation and restructuring was £0.12m (2014: £0.33m).

Adjusted EBITDA equated to a loss of £0.59m (2014: £1.13m). Operating loss decreased to £0.82m (2014: £1.99m) after an amortisation charge of £0.04m (2014: £0.35m).

The loss was mainly attributable to one of the four units within publishing, which has since been scaled back and refocused. All other parts of the businesses were operating profitably before allocation of central overheads of publishing and plc costs.

As the Group made overall losses for the year to 30 June 2015 there was no corporation tax charge in the year. The Group reflected no movement in the deferred tax asset for the year (2014: £(0.25)m). The asset carried on the balance sheet is £0.49m (2014: £0.49m).

For the fifteen month period ended 30 June 2014 discontinued operations relate to the Fareham Agency held within publishing which was considered a non-core business unit and was disposed of in May 2013. The results for the year include a gain on discontinued operations of £Nil (2014: profit of £0.24m).

Earnings per share

Basic and diluted loss per share from continuing operations in the year was 0:48p (2014: loss 1.01p) and was calculated on the losses for the year attributable to Ten Alps shareholders of £1.32m (2014: loss £2.8m) divided by the weighted average number of shares in issue during the year being 276,666,012 (2014: 276,666,012).

Statement of Financial Position

Assets

The Group's non-current assets comprise of goodwill of £6.9m (2014: £6.95m), reflecting no impairment for the year ended 30 June 2015 (2014: £Nil), property, plant and equipment of £0.16m (2014: £0.19m) and deferred tax asset of £0.49m (2014: £0.49m).

Inventories and trade receivables have decreased by £0.48m to £3.06m (2014: £3.54m) reflecting the impact of the disposals in the previous year and reduction in publishing revenues. Other receivables have increased to £1.94m (2014: £1.6m) reflecting an increase in accrued income in the year.

The Group had a cash balance of £1.91m as at 30 June 2015 (2014: £2.58m). The balance is lower than last year, reflecting the unfavourable movement in net working capital in the year of £0.88m (2014: £1.87m) and reduced net financing activities of £0.25m (2014: £1.25m)

Total assets for the Group were £14.46m (2014: £15.35m).

Equity and Liabilities

Retained losses as at 30 June 2015 were £24.18m (2014: losses: £22.85m) and total shareholders' equity at that date was a liability of £2.72m (2014: liabilities of £1.4m).

During the year, the Group announced that it received unsecured loan notes of £0.3m for business development and general working capital requirements and were due within one year. As the long term debt was reclassified as current the debt increased to £9.01m (2014: £Nil). The Group had an outstanding long term debt debt of £Nil (2014: £8.45m) as at 30 June 2015.

Prior to the debt conversion, completed in July 2015 (further detail of which is discussed below at Post Balance Sheet Events), the Company's borrowings were split into three categories: an unsecured debt facility of £4.4m (2014: £4.37m), secured loan notes of £2.62m (2014: £2.32m) and unsecured loan notes of £1.99m (2014: £1.76m). The debt facility was due in February 2016 and the loan notes in March 2016 with no mandatory repayments on either of these amounts until the final repayment dates. Net debt as at 30 June 2015 was £7.1m (2014: £5.87m).

Current liabilities consisting of trade and other creditors have decreased by £0.13m to £8.17m (2014: £8.3m). Deferred income of £1.3m (2014: £2.04m) has decreased due to reduced revenue in certain units.

Cash flows

The Group used cash of £0.88m in the year (2014: 15 month period £1.87m) in its operations. The net movement in the year was a decrease in cash of £0.67m (2014: increase of £0.56m) after financing activity cash inflow of £0.25m (2014: £1.25m).

Post Balance Sheet Events

On 17 June 2015, the Group announced that it had agreed to acquire Reef TV, an award-winning producer of innovative content for multiple broadcasters, for a total consideration of approximately £5 million (comprising £2 million initial consideration and deferred consideration of approximately £3 million plus an additional amount of earn-out consideration) (the "Acquisition").

The Group raised £4.5 million (before expenses) by way of a placing and subscription of 225,000,000 of new ordinary shares to fund the initial consideration due in respect of the Acquisition and for working capital purposes generally. The Acquisition constituted a reverse takeover of the Group for the purposes of the AIM Rules for Companies and therefore required shareholder approval at the General Meeting.

The Group also carried out a debt conversion which resulted in a reduction of the Group's total debt obligations to £2 million (2014: £8.76m) and a reduction in certain short-term debt obligation to £Nil (2014: £0.25m).

The Group has received shareholder approval for a share capital reorganisation which is subject to Court Approval. This would lead to £5.12m in share capital and £15.23m of share premium being transferred to retained earnings.

Please refer to page 12 and Note 34 for an unaudited proforma of the balance sheet of the Group as at 30 June 2015 reflecting the PBSE transaction having completed at year end

Pro-forma balance sheet

Ten Alps plc consolidated unaudited pro-forma balance sheet as at 30 June 2015 reflecting PBSE transactions

	Audited 30 June 2015 £'000	Unaudited Proforma adj £'000	**Unaudited 30 June 2015 £'000**	Audited 30 June 2014 £'000
Assets				
Non-current				
Goodwill and intangibles	6,898	2,245	**9,143**	6,953
Other intangible assets	-	2,950	**2,950**	-
Property, plant and equipment	155	34	**189**	186
Deferred tax	493	(592)	**(99)**	493
	7,546	4,637	**12,183**	7,632
Current assets				
Inventories	780	-	**780**	989
Trade receivables	2,282	214	**2,496**	2,552
Other receivables	1,941	42	**1,983**	1,596
Cash and cash equivalents	1,914	3,098	**5,012**	2,578
	6,917	3,354	**10,271**	7,715
Total Assets	14,463	7,991	**22,454**	15,347
Equity and liabilities				
Shareholders' equity				
Called up share capital	5,534	(5,115)	**419**	5,534
Share premium account *	15,228	(15,228)*	**-**	15,228
Merger reserve	696	-	**696**	696
Preference Shares	-	2,909	**2,909**	-
Retained earnings *	(24,178)	28,782*	**4,604**	(22,854)
Total Shareholders' Equity	(2,720)	11,348	**8,628**	(1,396)
Liabilities				
Non-current				
Borrowings	-	2,000	**2,000**	8,447
Other non-current liabilities	-	3,000	**3,000**	-
	-	5,000	**5,000**	8,447
Current liabilities				
Trade payables	2,733	(300)	**2,433**	3,013
Other payables	5,440	953	**6,393**	5,283
Borrowings - current	9,010	(9,010)	**-**	-
	17,183	(8,357)	**8,826**	8,296
Total equity and liabilities	14,463	7,991	**22,454**	15,347

* *Awaiting Court Approval*

Our Strategy

The Directors of the Company and its subsidiary undertakings (which together comprise "the Group") present their Strategic Report for the year ended 30 June 2015.

In accordance with Section 414A of the Companies Act 2006, the directors serving during the year ended 30 June 2015 and up to the date of signing the financial statements are pleased to present their Strategic Report on the development and performance of the Group during the year ended 30 June 2015, the financial position of the Group as at 30 June 2015 and the principal risks to which the Group is exposed to.

This report is a key component of the annual report and accounts which provides an opportunity for the directors to communicate our strategy and goals **(Our Strategy)**, the measures we use to determine how well the business is performing **(Key Performance Indicators)** and the principal risks **(Principal Risks)** faced by the business which could prevent these goals being achieved.

> Our Strategy and Business - storytelling through compelling content

We also provide an overview of how our business is structured **(Our Business- per below)** and a review of the Group's performance for the year ended 30 June 2015 **(Review of Performance-as above)** in order to add context to the results shown in the financial statements. This review includes commentary on the three main pillars of our business model.

Our Strategy and Business - storytelling through compelling content

Our strategy is to create and produce a high quality business.

Ten Alps has three business divisions: Television, Publishing and Communication.

TV programme production is under four brands: Blakeway, Brook Lapping and Films of Record produce current affairs programming and documentaries and Ten Alps regularly produces Panorama and Dispatches broadcasts for BBC and Chanel 4. Reef TV is strong in daytime TV, producing a number of long-running popular factual series. The *acquisition of Reef TV has helped to create an 'indie'* television business with suitable scale.

The Publishing division has been restructured around a series of high-value B2B audiences, including finance, SME management, pharmaceuticals, farming, trade, logistics and home improvement, and is growing revenues from digital delivery and events. In a series of recent divisional changes, the Group has redesigned and relaunched core print titles, developed websites and made provision for the delivery of its content to mobile devices, in addition to building event revenues with awards and specialised conferences. The aim is to increase the size and value of the specialist audiences targeted in each of these areas and to build steadily on these high-value databases.

Ten Alps Communicate manages a digital, cross-platform education programme for Transport for London (The Children's Traffic Club) and educational websites for Siemens, BMW, Nationwide, AstraZeneca and other major organisations. The aim is to make the Group a bigger player in the fast-growing corporate and commercial market for high-quality digital content. It intends to expand into content marketing, brand building and corporate communications, targeting large-scale international organisations seeking high-quality content and editorial production.

The Board aims to focus the Group on growing revenues primarily in the expanding, high-margin television and digital content markets. As well as bringing in the commercial and creative talent needed to drive organic growth, the Group will continue to review further opportunities for growth through strategic acquisitions, where it sees relevant opportunities at acceptable valuations.

The overall improvements reflect systematic implementation of a strategy to focus the Group on growth as a high-quality content producer and to diversify revenues streams.

Strategic report

Growth in Revenue and Order Book (%)

Revenue was £20.47m for the year and on a like for like basis decreased by £3.05m from £23.52m on an annualised basis. This has been mainly in the publishing unit where revenue decreased by £4.13m in the year as the unit reduced the number of publications and continued to exit from non-profitable contracts.

Gross margin (%)

Gross margin is the ratio of gross profit to sales expressed as a percentage. Gross margin has increased on last year to 33% (2014: 32%) and reflects the change of the product mix and better cost control.

Growth in Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (%)

This is a key measure we use to assess the results of the Group in any one year/period as growth in the adjusted EBITDA figure ensures that the Group can increase margins as well as revenue and cashflows. The Group recorded a loss in the year of £0.59m (2014: loss of £1.13m) as described in the overall financial review section.

Cashflow

This is a key KPI and is constantly under review and updated. The Group has implemented more focused strategies on cash generation and conversion and has looked to rebalance the working capital as it aimed to reduce trade and other payables significantly. The Group will continually target positive cash generation as it aims to return to profitability, reduced restructuring costs going forward and restructured balance sheet including long term debt. In the year to 2015 the Group cash outflowed before investing activities by £0.88m (2014: £1.87m). Borrowings increased by £0.25m (2014: £1.25m).

Capital Management

The Group aims to maintain manageable and cautious capital ratios in the coming years with a focus on the EBITDA/Debt and Interest Cover ratios. In relation to the former, the Group will look to maintain a ratio below 3 times as soon as possible and in the latter look to maintain cover of at least 3.5 times or more going forward.

Improving Creative Capabilities

The Group constantly aims to create high quality content and our ideas are therefore key. With targeted training and recruitment of high calibre talent across the divisions we can deliver on this KPI. As a testament the Group wins numerous awards for the content it creates.

Risks and Uncertainties

In this section we describe the principal risks and uncertainties that the Directors believe could materially affect our business. Sound risk management is an essential discipline for running the business efficiently and pursuing our strategy successfully.

The Group operates in a highly competitive environment that is subject to constant and unpredictable changes in client demand and the advertising economy. In order to remain competitive it must continue to invest in and adapt its TV, Publishing and Communication businesses.

Risk is reduced by creating and maintaining a balanced portfolio of products which evolves to meet the needs of our clients. Investing internally in people and infrastructure while maintaining the highest quality in the factual media content we produce and manage will further mitigate these risks.

Key customers and potential impact on Group cashflows

The Group relies on a number of key customers, such as Channel 4 and the BBC. The business plan produced by management assumes new and continuing revenue from such key customers. In the event that existing contracts were terminated or new revenue streams were to fail to materialise, this could affect the projected growth of the Group. Furthermore, Ten Alps' core production businesses are dependent on the BBC, Channel 4, ITV, Channel 5 and various international broadcasters as key clients and as such are vulnerable to BBC budget cuts, advertising pressure on commercial broadcasters and market trends.

Given the significance of this concentration, the revenue profile of the Group and the nature of the projects, particularly in the TV and Communications divisions, mean that any delay in commissions, which may or may not be in the control of the Group, could have a material impact on the revenue, forecasting and cash flow.

We seek to mitigate this by establishing good relations with clients, enhance our reputation and delivery and increase code of conduct and quality of creative output.

Royalty income

Across the TV industry royalty income can be a significant profit generator for the intellectual property holder. This income can vary in amounts, be difficult to forecast, require continuous monitoring and upgrading with new products to maintain a steady stream of income. There is a risk that the development of new programmes and formats will not generate the same level of income in the future, as is derived from current products in the portfolio of Reef and Ten Alps.

To mitigate this risk the Group invests in the development of new ideas and intellectual property assets that will, hopefully, be attractive to its client base.

Key relationships

Both Ten Alps and Reef rely on the strong relationships within their respective television businesses that its key employees have established with its broadcasting clients. The loss of one or more of these key business relationships may have a material adverse effect on the Group's revenues. Furthermore, the loss of key management or other key personnel, particularly to competitors, and, as a consequence, the loss of these key relationships, could have adverse consequences for the Group. Again we seek to mitigate this by continually fostering strong relationships with key clients.

Ability to attract and retain employees

The Group depends on its key management and qualified and experienced employees, especially in relation to its creative and development staff, to enable it to generate and retain business. Furthermore, the Group's ability to manage its financing and development activities will depend in large part on the efforts of these individuals.

Key staff are incentivised through a mixture of sales commissions, profit related bonuses and participation in employee share incentive plans, however should the Group be unable to attract new employees or retain existing employees this could have a material adverse effect on the Group's ability to grow or maintain its business.

Terms of trade

The Group's TV division trades with UK broadcasters who are bound by the Terms of Trade of the Code of Practice introduced under the 2003 Communications Act. Due to recent consolidation of the UK TV independent sector, the Directors expect that certain broadcasters will lobby OFCOM for these Terms of Trade to be renegotiated in the coming years, one potential consequence of which being that the current position relating to intellectual property rights may change. There is, therefore, a risk that the share of revenue generated from intellectual property rights which the Group is currently entitled to could be reduced in the future, which could have a subsequent impact on the financial performance of the Group. Our individual TV subsidiaries are all members of the Producers Association of Cinema and Television (PACT), a trade body that lobbies to secure the best possible regulatory and legislative environment for the independent production sector and defend their member's position, particularly in respect of any changes to these Terms of Trade.

International sales, geographic expansion and foreign exchange risk

The Group intends to increase sales in new and existing overseas markets. This inevitably brings risk such as capacity, managerial, operational and financial issues. The ability to manage future growth will depend on the Group's ability to implement and manage these issues efficiently and adequately. Geographic expansion, which may be a potential strategy the Group could deploy, brings with it economic, foreign exchange, legislative and political risks. All these factors and risks may affect the Group's ability to grow and expand and could therefore reduce revenues, cashflows and profitability in the future.

Technology

The creative industry and in particular the media industry is experiencing a fundamental technology change, the so called 'digital revolution'. As a consequence the market is evolving rapidly and constantly. The Group cannot anticipate accurately or respond strategically to all technology advancements in a timely and effective manner. There is a risk that product development could fail to meet market expectations.

The Group may not be able fully to realise the benefits of the Acquisition (PBSE) and Future Acquisitions

The Group's success will partially depend upon the Directors' ability following the Acquisition to integrate the Reef and Ten Alps businesses without significant disruption to either. This integration process may divert management's attention from the ordinary course of operation of the business and raise unexpected issues and may take longer or prove more costly than anticipated.

Although the Directors believe that such disruption is unlikely, issues may come to light during the course of integrating Reef and Ten Alps that may have an adverse effect on the financial condition and results of operations of the Group. There is no assurance that the Company will realise the potential benefits of the Acquisition including, without limitation, potential synergies and cost savings (to the extent and within the time frame contemplated). If the Company is unable to integrate the Reef and Ten Alps businesses successfully into the Group then this could have a significantly negative impact on the results of operations and/or financial condition of the Group. There is no certainty that customers of Ten Alps and Reef will continue to be customers of the Group following the Acquisition, particularly if customer service is affected whether before or after completion of the Acquisition or in the event that strategic decisions taken by the Directors after completion of the Acquisition cause customers to terminate contractual relations.

An effective acquisition strategy will be a key plank to deliver the Group's anticipated growth and profitability aspirations. There is a risk that its ability to target, execute and integrate such acquisitions may fail and thereby reduce the Group's growth and profitability targets. Further, it may require additional funding to pursue such acquisitions through the issue of equity or debt.

To mitigate these risks the Group follows:

- A tried and tested procedure for integrating acquisitions
- Application of strict financial criteria to any potential acquisition
- A formal legal, financial and tax due diligence process
- Constant monitoring and review of the acquisition's performance

Strategic report

Market and competition

The Group will operate in highly competitive markets which are rapidly evolving and adapting, in particular due to factors such as consumer tastes, trends and technology advancements, and which may become more competitive. Key clients can change programming, strategy and advertising priorities at short notice, which could lead to volatility in revenues, or in the predictability thereof, for the Group. Furthermore, due to the increased level of opportunities for independent television producers, in particular in light of the anticipated change in policy by the BBC in relation to commissioning quotas, this may result in an increased number of competitors entering the market, and there can be no guarantee that the Group's competitors will not develop similar or superior commission proposals which may render the Group uncompetitive.

Intellectual property rights

The commercial success of the Group depends in part on its ability to protect its intellectual property rights. The Group relies upon various intellectual property protections, including trademarks and contractual provisions, to preserve its intellectual property rights. No assurance is given that the Group will be able to protect and preserve its intellectual property rights.

Substantial costs may be incurred if the Group is required to defend its intellectual property rights and trade marks against third parties. Other parties may copy without authorisation the Group's intellectual property. Due to the Group's size and resources, it may not be able effectively to detect and prevent any infringement of its intellectual property rights. Policing unauthorised use of intellectual property is difficult, and some foreign laws do not protect proprietary rights to the same extent as the laws of the United Kingdom.

To protect the Group's intellectual property, the Group may become involved in litigation, which, even if successful could result in substantial expense, divert the attention of its management, cause significant delays, materially disrupt the conduct of the Group's business or adversely affect its revenue, financial condition and results of operations.

In any event, the Group's intellectual property rights may not provide meaningful commercial protection of its content. There can be no assurance that the Group will not receive communications from third parties asserting that the Group's content and other intellectual property infringe, or may infringe, their proprietary rights. Any such claims, with or without merit, could be time consuming, result in costly litigation and the diversion of technical and management personnel, cause delays or require the Group to enter into royalty or licensing agreements or re-brand products. Such royalty or licensing agreements, if required, may not be available on terms acceptable to the Group or at all. In the event of a successful claim of infringement against the Group's business, operating results or financial condition could be materially adversely affected.

Exposure to economic cycle

The Group is exposed to the general economic cycle through its customers' ability to purchase new content. Such content could be vulnerable to delay or cancellation in the event of a continuing and prolonged downturn.

Litigation risks

All industries are subject to legal claims, with and without merit. The Group may become involved in legal disputes in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Group.

By order of the Board

Peter Bertram
Chairman

Mark Wood
CEO

Nitil Patel
CFO

Corporate governance statement

The Company is controlled through a Board of Directors, comprising of a Chairman, two executive directors and two non-executive directors.

Short biographies of each director are below and set out on www.tenalps.com/investors/governance.

Chairman: Peter Bertram

Peter is currently Senior Independent Non-executive Director of Microgen plc. He was previously Chairman of Alphameric plc, AttentiV Systems Group plc and Phoenix IT Group plc and also a Non-executive director of Anite plc and Psion plc. Peter was chief executive of Azlan Group plc from 1998 until its takeover in 2003. He is a fellow of the Institute of Chartered Accountants in England and Wales.

Chief Executive Officer: Mark Wood Mark is known in the media industry for his digital expertise and for refocusing traditional media businesses. He was Chief Executive at Future plc from 2010 to 2014 and is currently a non-executive director of Future plc. He accelerated the growth of Future's digital business. Future was named Consumer Digital Publisher of the Year in the industry's annual awards three years in succession from 2011. Mark was Chief Executive of ITN, the television news organisation, from 2002 to2010, where he developed a range of digital ventures, includinga world-leading online image business. He began his career as a foreign correspondent for Reuters and was based in Berlin, Moscow, Bonn and Vienna. Mark is a director of Citywire Holdings Limited and is a member of the PwC Advisory Board.

Chief Financial Officer: Nitil Patel

Nitil has been a key member of the team from the inception of Ten Alps. He worked with Sayers Butterworth before joining TV production business Planet 24, where he worked as an accountant on productions such as the Big Breakfast. He is a member of the Institute of Chartered Accountants in England and Wales.

Non-Executive Director: Luke Johnson (Joined on 10th July 2015)

Luke Johnson is the Chairman of private equity house Risk Capital Partners LLP. He is Chairman and part-owner of Patisserie Holdings plc and Bread Ltd.
He is also Chairman and majority owner of cruise holiday website operator Cruise.co.uk and Neilson Active Holidays. In 1993, Luke took control of PizzaExpress with partners, subsequently becoming Chairman, and grew thebusiness from 12 owned restaurants to over 250, and theshare price from 40p to over 900p. Luke was Chairman of Channel 4 from January 2004 to January 2010, during which time he appointed a new CEO, restructured the board and saw the organisation enjoy record ratings, revenues and surplus.

Non-Executive Director: Jonathan Goodwin (Joined on 10th July 2015)

Jonathan Goodwin founded Lepe Partnersin 2011. Lepe Partners is a merchant bank created to help entrepreneurs and CEOs inthe media, consumer and internet sectorsgrow their businesses. Prior to founding Lepe, Jonathan was CEO and Co-founder of LongAcre Partners, where he built the company into Europe's leading mid-market media and corporate finance house prior to selling it to Jeffries in 2007. To date, Jonathan has advised on over 100 transactions in the media and internet space. In 2006, Jonathan created theFounders Forum, an entrepreneur's event held annually in London, New York, Brazil and India. In 2009, Jonathan also Co-Founded PROfounders Capital, an early stage fund backed by entrepreneurs for digital entrepreneurs. Previously, Jonathan focused on the media sector at Apax Partners and later joined the MBI team of Talk Radio, backed by News Corporation and Liberty Media. Talk Radio then became the foundation for The Wireless Group PLC, where Jonathan was Group Managing Director. Jonathan is also currently on the advisory board of Opera Solutions and Kelkoo.

Corporate governance statement

The Chairman is responsible for the leadership of the Board, ensuring its effectiveness in all aspects of its role and setting its agenda. The Chairman also ensures that the directors receive accurate, timely and clear information and that there is effective communication with shareholders.

The Board is authorised to manage the business of the Company on behalf of the shareholders and in accordance with the Company's Articles of Association. The Board is responsible for overseeing the management of the business and for ensuring high standards of corporate governance are maintained throughout the Group.

This is delivered through its own decision making and authority to manage the business to the Chairman and the executive directors.

The Board of Tenalps plc which is chaired by Peter Bertram, meets a set number of times a year and at other times as necessary, to discuss a formal schedule of matters specifically reserved for its decision.

These matters routinely include:

- the Group's strategy and associated risks
- financial performance of the business and approval of annual budgets, the half year results, annual report and accounts and dividends
- changes relating to the Group's capital structure
- appointments to and removal from the Board and Committees of the Board
- acquisitions, disposals and other material transactions
- actual or potential conflicts of interest relating to any Director

Number of Board Meetings attended

Board Meetings - 9 in the year	
Peter Bertram	9
Mark Wood	8
Nitil Patel	9
Brian Walden (*resigned after 7th meeting on 30th March 2015*)	5
Tim Hoare	6
Bob Geldof	2

In addition there were a number of informal meetings of the Board.

Financial reporting

The Board places considerable emphasis on ensuring that all communications with shareholders present a balanced *and transparent assessment of the Group's position and* prospects. The Board or a subcommittee of the Board reviews and approves results announcements, interim reports, annual reports, the Chairman's AGM statement and trading updates prior to their release.

The Statement of Directors' Responsibility in respect of the preparation of financial statements is set out on page 20 and the auditor's statement on the respective responsibilities of directors and the auditor is included within their report on page 24.

Internal controls and risk management

The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has considered the need for an internal audit function, but has concluded that the internal control systems in place are appropriate for the size and complexity of the Company.

The Board is also responsible for the identification and evaluation of major risks faced by the Group and for determining the appropriate course of action to manage those risks

Committees of the Board

The Board has two committees, being the Audit Committee and the Remuneration Committee.

Senior Management Team

This comprises of the Chairman, the CEO and the CFO together with the key directors of:

TV Division	Fiona Stourton Richard Farmbrough (since 14th July 2015)
Publishing Division	Annette Clowes (since 24th August 2015) Stuart Hall Alan Whibley
Communication	Bharti Bhikha

Board Committees:

Audit committee

The audit committee is charged with making recommendations to the Board on the appointment of auditors and the audit fee, for reviewing the conduct and control of the annual audit and for reviewing the operation of the internal financial controls. It also has responsibility for reviewing financial statements prior to publication. The Chief Financial Officer and other senior finance management also attend committee meetings by invitation. The Committee has unrestricted access to the Company's auditor.

The members of the Audit Committee are:

Peter Bertram (Chairman of the Audit Committee)

Luke Johnson (since 10th July 2015)

Jonnie Goodwin (since 10th July 2015)

The Committee considers all proposals for non-audit services and ensures that these do not impact on the objectivity and independence of the auditor. The Audit Committee in its meetings with the external auditor reviews the safeguards and procedures developed by the auditor to counter threats or perceived threats to their objectivity and independence and assess the effectiveness of the external audit. The Group's policy on non-audit services performed by the external auditor is to address any issues on a case by case basis.

The Group has no internal audit function. The Audit Committee believes that the controls of the Group, considering its size and complexity, are sufficient as to not to require the extra administration and expense of an internal audit function.

Remuneration committee

The remuneration committee reviews the performance of the executive directors, sets the scale and structure of their remuneration and the basis of their service agreements with due regard to the interests of shareholders and reviews and approves any proposed bonus entitlement. It will also determine the allocation of share options to employees.

The members of the Remuneration Committee are:

Luke Johnson (Chairman of the Remuneration Committee - (since 10th July 2015)

Peter Bertram

Jonnie Goodwin (since 10th July 2015)

Brian Walden, Bob Geldof and Tim Hoare all resigned from the audit and remuneration committees on the 30th March, 17th June and 10th of July 2015 respectively.

AGM

The Board uses the Annual General Meeting to communicate with both institutional and private shareholders. Resolutions are proposed on each substantially separate issue and the agenda includes a resolution to adopt the Group's Annual Report and Accounts. Details of the proxy votes for and against each resolution are announced after the result of the hand votes is known.

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 elected to prepare financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and 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 IFRS 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 adequate accounting records that are sufficient to show and explain the Company and the Group's transactions and 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 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

On behalf of the board

N Patel

Directors report

Results

The results for the year ended 30 June 2015 are set out on page 25. Note that the results for 30 June 2014 are for a 15 month period.

The Group made an operating loss in the year of £0.82m, from continuing operations (2014: loss of £1.99m) and the retained loss for the year after interest, taxation, discontinued operations and minority interests of £1.32m (2014: loss of £2.56m).

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:

P. Bertram	**R.F.Z. Geldof KBE */^^^**
M Wood^	**T. D. Hoare */^^^^**
N Patel	**L O Johnson */****
A B Walden */^^	**J Goodwin */****

* Non-Executive

^ M Wood was appointed Non-Executive Director on 28 July 2014 and CEO on 11 Dec 2014

^^ A B Walden resigned on 30 March 2015

^^^ R F Z Geldof resigned on 17 June 2015

^^^^ T Hoare resigned on 10 July 2015

** L O Johnson and J Goodwin were appointed to the Board on 10 July 2015

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 July 2014	 **30 June 2015**
R.F.Z. GeldofKBE	Beneficial	15,124,728	**15,124,728**
T Hoare	Beneficial	9,161,000	**9,161,000**
P Bertram	Beneficial	2,812,500	**2,812,500**
N Patel	Beneficial	1,430,500	**1,430,500**
A.B. Walden	Beneficial	68,750	-

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

	Exercise Price	As at 31 March 2014	**As at 30 June 2015**	Dates normally Exercisable
P Bertram	2p	2,250,000	**2,250,000**	2012 to 2022
R.F.Z. GeldofKBE	67.5p	100,000	**100,000**	2006 to 2116
	55p	150,000	**150,000**	2011 to 2118
	25p	200,000	**200,000**	2011 to 2118
	27p	92,000	**92,000**	2012 to 2019
N. Patel	2p	2,250,000	**2,250,000**	2012 to 2022

Directors report

Post Balance Sheet Event

On the 10th July 2015 the Group raised £3.48m (before expenses) via the placement of 173,900,000 New Ordinary Shares at 2 pence per New Ordinary Share of 0.1p each. Further, the Group completed the subscription it announced on 11th December 2014 to raise c£1m via the issue of New Ordinary shares of 51,100,00 at 2 pence per New Ordinary Share of 0.1p each.

The Group sought and received shareholder approval for the reorganisation of existing Share Capital via a 10 to 1 consolidation and as part of the overall share issue and reorganisation the Group converted existing debt in to new equity and preference shares. As a consequence new equity of £2.8m was issued at 2p to existing debt holders, conversion of £2.87m of long term dent in to Preference shares and £1.45m of accrued interest was waived by the debt holders. This has resulted in Group debt of £2m outstanding under the existing terms with interest of 4% above monthly LIBOR with the exception of the due date now being a bullet payment on 31 December 2017.

The Group adopted New Articles of Association in substitution and exclusion of the existing articles. The Group has received shareholder approval for a share capital reorganisation which is subject to Court Approval. This would lead to £5.12m in share capital and £15.23m of share premium being transferred to retained earnings.

On the 14th of July the Group successfully completed the acquisition of a TV production company called Reef Television Limited and further details of the terms and asset and liabilities purchased are given in Note 19.

To give the user an understanding of the impact the above would have on the Balance Sheet an unaudited proforma has been prepared and shown under Chief Financial Officer Report and per Note 34.

Substantial Shareholdings

The Company has been informed of the following shareholdings on 13 July 2015 each representing 3% or more of the current issued share capital:

	No of Ordinary Shares	%
Herald Investment Management	144,870,422	34.54
Artemis Alpha Trust plc	65,307,978	15.57
Luke Johnson	50,000,000	11.92
Broadwalk Asset Management LLP	27,500,000	6.56
John Booth and The John Booth Charitable Foundation	27,146,355	6.47
N+1 Singer	19,050,000	4.54
Charles Street Securities LLP	15,000,000	3.58

Share Capital

Details of share capital are given in Note 22 to the financial statements.

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.

Going Concern

The Group's business activities and analysis for the year are detailed in the Performance Statement on page 4 to 16 of the Annual Report and Accounts for the year ended 30 June 2015. The financial results and cash position including borrowing facilities are described in the Financial Review on pages 10 to 11 of the Annual Report and Accounts for the year ended 30 June 2015 with further details in the Notes to the Accounts numbers 1.2.1, 17 and 18.

The Group will benefit from the recent funding activity, restructuring of debt and acquisition and the Directors believe they are beginning to see the impact on the results and financial position of the Group. As a guide to reflect the post balance sheet events, the Group has prepared an unaudited pro-forma balance sheet which shows a positive net current asset of £0.9m (2014: £(1.55)m) and overall debt levels falling. from £8.76m in 2014 to £2m in 2015 after the issuance of £2.87m in 4.5% preference shares.

The Group continues to be successful in raising finance as in the past and implementing restructures quickly and efficiently, although there is no assurance that it will be able to obtain adequate finance in the future. The Directors however are confident one of the strategies will be achieved.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Future Development of the Group

Future developments of the Group are stated in the Strategic Report on page 13.

Financial risk management objectives and policies

The Group uses various financial instruments. These include loans, cash and various items, such as trade receivables and trade payables 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, are set out in Note 18.

The principal risks to which the business is exposed are set out below. Although not exhaustive, this highlights the risks that are currently considered to be of most significance to the Group's activities.

The main risks arising from the company's financial instruments are market risk, currency and cash flow interest rate 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 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 note 17 to the financial statements.

Interest rate risk

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

Auditors

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with Section 487(2) of the Companies Act 2006.

Annual General Meeting

The Annual General Meeting is to be held at 13th Floor, Portland House, Bressenden Place, Victoria SW1E 5BH at 9.30am on 8th December 2015. 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 election of Luke Johnson and Jonathan Goodwin as Non-executive Directors, there are three other matters which will be considered at the Annual General Meeting.

The first is to give the Directors general power to allot shares up to an aggregate nominal amount of £209,699 (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 £41,939 (being 10% 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.

The proposed authority will be limited by the terms of the special resolution to the purchase of up to 41,898 ordinary shares, which represents 9.99 per cent of the issued ordinary share capital as at 31 July 2015. The minimum price payable per share would be its nominal amount (this being 0.01p) 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 7.30a.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 year 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 2016 Annual General Meeting.

By order of the Board

N. Patel, Company Secretary

Independent auditor's report - Consolidated accounts

Independent auditor's report to the members of Ten Alps plc

We have audited the Group financial statements of Ten Alps plc for the year ended 30 June 2015 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 20, the Directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Group 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 FRC's website at www.frc.org.uk/apb/auditscopeukprivate.

Opinion on financial statements

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 30 June 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- 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 Strategic and Directors' Report for the financial year for which the Group financial statements are prepared is consistent with the Group 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:

- 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.

Other matter

We have reported separately on the parent company financial statements of Ten Alps plc for the year ended 30 June 2015.

Nicholas Page
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London, UK

Consolidated income statement

	Notes	Year to 30 June 2015 £'000	15 months to 30 June 2014 £'000
Continuing operations			
Revenue	2	**20,467**	29,454
Cost of sales	3	**(13,679)**	(20,030)
Gross Profit		**6,788**	9,424
Operating expenses	3	**(7,373)**	(10,549)
Adjusted EBITDA		**(585)**	(1,125)
Reorganisation and restructuring costs	6	**(120)**	(330)
Depreciation	12	**(71)**	(179)
Amortisation and impairment of intangible assets	11	**(43)**	(352)
Operating loss		**(819)**	(1,986)
Finance costs	7	**(505)**	(570)
Loss before tax		**(1,324)**	(2,556)
Taxation	8	**-**	(247)
Loss for the year/period		**(1,324)**	(2,803)
Discontinued operations			
Profit for the year from discontinued operations	9	**-**	243
Loss for the year/period		**(1,324)**	(2,560)
Continuing operations attributable to:			
Equity holders		**(1,324)**	(2,803)
Discontinued operations attributable to:			
Equity holders		**-**	243
Retained loss for the year/period		**(1,324)**	(2,560)
Basic earnings per share			
From continuing operations	10	**(0.48)p**	(1.01)p
From discontinued operations	10	**Nil p**	0.0[illegible]
Total		**(0.48)p**	(0.92[illegible]
Diluted earnings per share			
From continuing operations	10	**(0.48)p**	(1.01[illegible]
From discontinued operations	10	**Nil p**	0.09p
Total		**(0.48)p**	(0.92)p

The accompanying principal accounting policies and notes from part of these consolidated financial statements.

Consolidated statement of comprehensive income

	Year to 30 June 2015 £'000	15 months to 30 June 2014 £'000
Loss for the year	**(1,324)**	(2,560)
Other comprehensive income		
Total comprehensive income for the year	**(1,324)**	(2,560)
Attributable to:		
Equity holders	**(1,324)**	(2,560)
	(1,324)	(2,560)

Consolidated statement of financial position

	Notes	As at 30 June 2015 £'000	As at 30 June 2014 £'000
Assets			
Non-current			
Goodwill and intangibles	11	**6,898**	6,953
Property, plant and equipment	12	**155**	186
Deferred tax	20	**487**	493
		7,540	7,632
Current assets			
Inventories	13	**780**	989
Trade receivables	14	**2,282**	2,552
Other receivables	14	**1,941**	1,596
Cash and cash equivalents	15	**1,914**	2,578
		6,917	7,715
Total assets		**14,457**	15,347
Equity and liabilities			
Shareholders' equity			
Called up share capital	22	**5,534**	5,534
Share premium account	22	**15,228**	15,228
Merger reserve		**696**	696
Retained earnings		**(24,178)**	(22,854)
Total shareholders' deficit		**(2,720)**	(1,396)
Total equity		**(2,720)**	(1,396)
Liabilities			
Non-current			
Borrowings	17	**-**	8,447
		-	8,447
Current liabilities			
Trade payables	16	**2,733**	3,013
Other payables	16	**5,434**	5,283
Borrowings – current	17	**9,010**	-
		17,177	8,296
Total equity and liabilities		**14,457**	15,347

The consolidated financial statements were approved by the Board on **25 September 2015** and are signed on its behalf by M Wood

Company no SC075133

Consolidated statement of cash flows

	Notes	Year ended 30 June 2015 £'000	15mths Period ended 30 June 2014 £'000
Cash flows from operating activities			
Loss for the year/period		**(1,324)**	(2,560)
Adjustments for:			
Income tax expense	8	**-**	247
Depreciation	12	**71**	179
Amortisation and impairment of intangibles	11	**43**	354
Finance costs	7	**505**	570
(Profit) on disposal of subsidiaries		**-**	(237)
Loss on sale of property, plant and equipment		**-**	4
		(705)	(1,443)
Decrease in inventories		**209**	709
(Increase)/Decrease in trade and other receivables		**(71)**	1,483
(Decrease) in trade and other payables		**(314)**	(2,323)
Cash used in operations		**(881)**	(1,574)
Finance costs paid		**-**	(295)
Net cash flows used in operating activities		**(881)**	(1,869)
Investing activities			
Disposal of subsidiary undertakings, net of cash and overdrafts acquired		**-**	163
Payment of contingent consideration		**-**	(100)
Purchase of property, plant and equipment	12	**(40)**	(5)
Proceeds of sale of property, plant and equipment		**-**	3
Net cash flows used in investing activities		**(40)**	61
Financing activities			
Borrowings paid		**(50)**	-
Borrowings received		**300**	1,250
Net cash flows from financing activities		**250**	1,250
Net (decrease) in cash and cash equivalents		**(671)**	(558)
Translation differences		**7**	6
Cash and cash equivalents at 1 July	15	**2,578**	3,130
Cash and cash equivalents at 30 June 2015 and 2014	15	**1,914**	**2,578**

Consolidated statement of changes in equity

	Share capital £000	Share premium £000	Merger reserve £000	Retained earnings £000	Total £000
Balance at 1 April 2013	**5,534**	**15,228**	**696**	**(20,294)**	**1,164**
Loss for the Year	-	-	-	(2,560)	(2,560)
Other comprehensive income					
Translation differences	-	-	-	-	-
Total comprehensive income	-	-	-	(2,560)	(2,560)
Equity-settled share-based payments	-	-	-	-	-
Disposal of non-controlling interest	-	-	-	-	-
Shares issued	-	-	-	-	-
Balance at 30 June 2014	**5,534**	**15,228**	**696**	**(22,854)**	**(1,396)**

	Share capital £000	Share premium £000	Merger reserve £000	Retained earnings £000	Total £000
Balance at 1 July 2014	**5,534**	**15,228**	**696**	**(22,854)**	**(1,396)**
Loss for the year	-	-	-	(1,324)	(1,324)
Foreign investment translation differences	-	-	-	-	-
Total comprehensive income	-	-	-	(1,324)	(1,324)
Equity-settled share-based payments	-	-	-	-	-
Dividends paid	-	-	-	-	-
Shares issued	-	-	-	-	-
Balance at 30 June 2015	**5,534**	**15,228**	**696**	**(24,178)**	**(2,720)**

Notes to the consolidated financial statements

1) ACCOUNTING POLICIES

1.1) General Information

Ten Alps plc and its subsidiaries (the Group) is a multi-media Group which produces high quality TV and radio together with integrated publishing and communications content.

Ten Alps plc is the Group's ultimate parent and is a public listed company incorporated in Scotland. The address of its registered office is 7 Exchange Crescent, Conference Square, Edinburgh EH3 8AN. Its shares are traded on the AIM Market of the London Stock Exchange plc (LSE:TAL).

These consolidated financial statements have been approved for issue by the Board of Directors on 25 September 2015.

1.2) Basis of Preparation

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU) and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared primarily under the historical cost convention. Areas where other bases are applied are identified in the accounting policies below.

Following the transition to IFRS, the Group's accounting policies as set out below, have been applied consistently throughout the Group to all the years and periods presented, unless otherwise stated.

1.2.1) Going Concern

Although the Group has incurred losses during the year, it has completed and implemented significant funding activities, debt refinancing and cost restructurings to mitigate this. The Group has long term debt due in December 2017 on which the financial covenants have been waived by the debt holders.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current financing.

Management's strategy has been incorporated into scenario based forecasts which highlight the Group's need to raise additional finance and/or dispose of assets, however certain mitigating actions could be taken to manage cash resources if required. Although the Group continues to be successful in raising finance as in the past, there is no assurance that it will be able to obtain adequate finance in the future.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

1.2.2) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group in the 30 June 2015 financial statements:

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

Standard/ interpretation	Content	Applicable for financial years beginning on/after
IFRS 9	Financial instruments: Classification and measurement	1 January 2018

In November 2009, the Board issued the first part of IFRS 9 relating to the classification and measurement of financial assets. IFRS 9 will ultimately replace IAS 39. The standard requires an entity to classify its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, and subsequently measures the financial assets as either at amortised cost or fair value. The new standard is mandatory for annual years beginning on or after 1 January 2018.

1.3) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an Invested, the Group considers all relevant facts and circumstances In assessing whether it has power over an investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

All infra-group assets and liabilities, equity, Income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes to the consolidated financial statements

1.4) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable from customers, net of trade discounts, VAT, other sales related taxes. Revenue is recognised as follows:

TV

Production revenue comprises broadcaster licence fees and other pre-sales receivable for work carried out in producing television programmes. To the extent that they meet the requirements of IAS 11, certain customer-specific production contracts are reported using the percentage-of-completion method.

In this method, revenues and gains on customer-specific contracts are recognised on the basis of the stage of completion of the respective project concerned. The percentage of completion is calculated as the ratio of the contract costs incurred up until the end of the year to the total estimated project cost (cost-to-cost method). Irrespective of the extent to which a project has been completed, losses resulting from customer-specific contracts are immediately recognised in full in the year in which the loss is identified. Gross profit on production activity is recognised over the year of the production. Overspends on productions are recognised as they arise and underspends are recognised on completion of the productions.

Revenue also includes sums receivable from the exploitation of programmes in which the company owns rights and is recognised when all of the following criteria have been met:

i) an agreement has been executed by both parties;

ii) the programme is available for delivery; and

iii) the arrangements are fixed and determinable.

Net revenue from the exploitation of programme rights is recognised when receivable.

Publishing

Revenue is recognised in the accounting year in which the goods or services are rendered by reference to stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Publishing: advertising revenue is recognised on the date publications are dispatched to customers.

Online: revenue is recognised at the point of delivery or fulfilment for single/discrete services.

Exhibitions: revenue is recognised when the show has been completed. Deposits received in advance are recorded as deferred income on the Statement of Financial Position.

When a service consists of one or more of the above named elements, the value of the service is attributed to the different elements and the revenue recognition criteria are applied to each component separately.

Communicate

Revenue is recognised in the accounting year in which the goods or services are rendered by reference to stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

1.5) Production Costs

In the majority of cases, when the Group is commissioned to make a programme by a broadcaster, the broadcaster pays a licence fee for the programme in their own territory and the Group retains the right to exploit the programme elsewhere.

Where the licence fee exceeds the cost of production, then, due to the uncertain nature of other future revenues, the Group writes off 100% of the production cost against the licence fee income.

1.6) Property, plant and equipment

Property, plant and equipment are stated at cost net of depreciation and any provision for impairment.

Depreciation is calculated to write down the cost less estimated residual value of all property, plant and equipment by equal annual instalments over their expected useful lives. The rates generally applicable are:

Leasehold premises	over the term of the lease
Motor vehicles	20% on cost
Office equipment	10%-20% on cost
Computer Equipment	20%-33% on cost

Useful economic lives are reviewed annually. Depreciation is charged on all additions to, or disposals of, depreciating assets in the year of purchase or disposal. Any impairment in values is charged to the income statement.

1.7) Intangible assets

Goodwill

Business combinations are accounted for by applying the acquisition method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but tested annually for impairment.

1.8) Leased assets

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any, to be borne by the lessee.

A corresponding amount is recognised as a finance leasing liability. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the year of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the income statement on a straight line basis over the lease term.

Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

1.9) Inventories

TV

Inventories comprise of costs on productions that are incomplete at the year-end less any amounts recognised as cost of sales.

Publishing

Inventories comprise cumulative costs incurred in relation to unpublished titles or events, less provision for future losses and are valued on the basis of direct costs plus attributable overheads based on a normal level of activity. No element of profit is included in the valuation of inventories.

Communicate

Inventories comprise of costs of unsold publishing stock and costs on projects that are incomplete at the year-end less any amounts recognised as cost of sales.

1.10) Programmes in progress at year end

Where productions are in progress at the year end and where the sales invoiced exceed the value of work done the excess is shown as deferred income; where the sales recognised 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.

1.11) Impairment of assets

For the purposes of assessing impairment, non-financial assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at the cash-generating unit level.

Goodwill is allocated to those cash generating units that are expected to benefit from the synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

1.12) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturity of less than three months.

1.13) Equity

Equity comprises the following:

- Share capital represents the nominal value of equity shares.
- 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.
- Merger Reserve represents the excess over nominal value of the fair value of consideration received for equity shares, where ordinary shares are issued as consideration for the purchase of subsidiaries in which the Group hold a 90% interest or above
- Retained earnings represent retained losses.

1.14) Current and Deferred taxation

Current tax is the tax currently payable based on taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax is not recognised in respect of:

- the initial recognition of goodwill that is not tax deductible and
- the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Notes to the consolidated financial statements

Deferred tax liabilities are provided in full, with no discounting. 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. Current and deferred tax assets and liabilities are calculated at tax rates and laws that are expected to apply to their respective year of realisation, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

1.15) Financial Instruments

Financial assets and liabilities are recognised on the Group's *Statement of Financial Position when the Group becomes a* party to the contractual provisions of the instrument.

Financial Assets

Trade and other receivables

Trade and other receivables are initially recognised at fair value, adjusted for transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

Financial Liabilities

Financial liabilities and equity

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 Group after deducting all of its liabilities.

Bank Borrowings

Interest bearing bank loans and overdrafts are initially recognised at fair value, adjusted for transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

Finance charges, including premiums payable on settlement and direct issue costs, are accounted for on an effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

Loan Notes

Loan notes are initially recognised at fair value, adjusted for transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

Finance charges, including premiums payable on settlement and direct issue costs, are accounted for on an effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

Trade and other payables

Trade and other payables are initially recognised at fair value, adjusted for transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

1.16) Employee Benefits

Share-based Payments

Under IFRS 2, all share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 April 2006 are recognised in the financial statements.

Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions.

All equity-settled share-based payments are ultimately recognised as an expense in the income statement with a corresponding credit to reserves.

If vesting years apply, the expense is allocated over the vesting year, based on the best available estimate of the number of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current year. No adjustment is made to any expense recognised in prior years if share options that have vested are not exercised.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

When the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph..

Retirement benefits

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement when they are due.

1.17) Provisions

Provisions are recognised when: the group has a present legal or constructive obligation as 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.

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. Any increase in the provision due to the passage of time is recognised as interest expense.

1.18) Profit or loss from discontinued operations

A discontinued operation is a component of the Group that either has been disposed of, or classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Profit or loss from discontinued operations, including prior year components of profit or loss, is presented in a single amount in the income statement. These amounts, which comprises the post-tax profit or loss on discontinued operations and the post-tax gain resulting from the measurement and disposal of assets classified as held for sale, is further analysed in note 9. Any gain or loss arising on the disposal of subsidiaries is included within restructuring costs.

The disclosures for discontinued operations in the prior year relate to all operations that have been discontinued by the reporting date of the latest year presented.

1.19) Significant judgements and estimates

The preparation of consolidated financial statements under IFRS requires the Group to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

Discontinued operations

The Group has classified certain cash generating units as discontinued operations during last year. See note 9. In determining whether or not to classify a cash generating unit as a discontinued operation, the Group must determine whether or not a cash generating unit represents a separate major line of business or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, as well as being disposed, abandoned or terminated.

Impairment of goodwill

The Group is required to test, at least annually, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a suitable discount rate in order to calculate the present value of these cash flows. Actual outcomes could vary See note 11.

Intangible assets

The Group recognises intangible assets acquired as part of business combinations at fair value at the date of acquisition. The determination of these fair values is based upon management's judgement and includes assumptions on the timing and amount of future incremental cash flows generated by the assets and selection of an appropriate cost of capital. Furthermore, management must estimate the expected useful lives of intangible assets and charge amortisation on these assets accordingly. See note 11.

Revenue recognition on Publishing goods or services consisting of more than one element

Where the goods or services of the Publishing division consist of one or more elements described in para. 1.4, the Group must make an allocation to be attributable to each of the elements in using a fair value estimate in accordance with IAS18. In particular, where an offering, such as a Media Package, consists of a publishing element and an on-line element, management makes an estimate on the fair value attributable to each element on a product by product basis. Such estimates are made using feedback from the customers and sales teams, the payment terms achieved on each product and other factors.

1.20) Segmental reporting

In identifying its operating segments, management follows the Group's service lines, which represent the main products and services provided by the Group. The activities undertaken by the TV segment include the production of television and radio content; and the creation and management of websites and online TV channels. The Publishing unit (formerly B2B) includes publishing, websites, event management, video production and specialised communications services. The Communications Agency unit specialises in digital marketing services.

Each of these operating segments is managed separately as each service line requires different technologies and other resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under IFRS 8 are the same as those used in its financial statements.

Notes to the consolidated financial statements

2) SEGMENTAL INFORMATION

Management currently identifies the Group's three service lines as three operating segments TV, Publishing and Communicate and further described in the accounting policy note. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

In addition, items included under 'Central and Plc' relate mainly to Group activities based in the United Kingdom. Note that the results for 30 June 2014 are for a 15 month period.

	TV		Publishing		Communicate		Central and PLC		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Continuing Operations	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000
Revenue	**10,013**	10,733	**8,443**	15,874	**1,843**	2,423	**168**	424	**20,467**	29,454
EBITDA	**428**	321	**(506)**	(733)	**127**	152	**(634)**	(865)	**(585)**	(1,125)
Restructuring costs	**(15)**	-	**(71)**	(284)	**(9)**	(45)	**(25)**	-	**(120)**	(329)
Depreciation	**(17)**	(51)	**(44)**	(111)	**(10)**	(17)	**-**	-	**(71)**	(179)
Amortisation	**-**	-	**(43)**	16	**-**	(74)	**-**	(295)	**(43)**	(353)
Impairment loss	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Operating profit/(loss)	**396**	270	**(664)**	(1,112)	**108**	16	**(659)**	(1,160)	**(819)**	(1,986)
Segment Assets	**5,081**	5,101	**7,646**	8,709	**1,499**	1,600	**237**	(63)	**14,463**	15,347
Segment Liabilities	**(2,386)**	(2,661)	**(2,979)**	(4,140)	**(446)**	(512)	**(11,372)**	(9,430)	**(17,183)**	(16,743)
Other Segment Items:										
Expenditure on intangible assets	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Expenditure on tangible assets	**15**	-	**23**	4	**2**	1	**-**	-	**40**	5

The internal reporting of the Group's performance does not require that costs and/or Statement of Financial Position information is gathered on the basis of the geographical streams.

The Group's principal operations are in the United Kingdom. Its revenue from external customers in the United Kingdom was £18.17m (2014: £25.12m), and the total revenue from external customers in other countries was £2.3m (2014: £4.33m).

3) EXPENSES BY NATURE

	2015	2014
	£'000	£'000
Cost of sales		
Direct media buying and selling costs	**3,580**	5,587
Production costs	**7,041**	9,319
Salary costs	**2,227**	3,615
Royalties	**474**	572
Distribution costs	**357**	582
Movement in WIP/stock	**-**	355
Total costs of sales	**13,679**	20,030
Operating expenses		
Salary costs	**4,386**	6,047
Leases on premises	**317**	493
Other administrative expenses	**2,655**	3,958
Foreign exchange loss	**15**	51
Total operating expenses	**7,373**	10,549

Included in other administrative expenses is the auditors' remuneration, including expenses for audit and non-audit services, as follows:

	2015 £'000	2014 £'000
Statutory audit services		
Annual audit of the company and the consolidated accounts	**28**	22
Non-audit services		
Audit of subsidiary companies	**45**	45
Tax advisory services	**19**	17
Other services	**20**	25
Total	**112**	109

4) STAFF COSTS

	2015 £'000	2014 £'000
Wages & salaries	**5,861**	8,601
Social security & other costs	**629**	957
Pension costs	**123**	103
Total	**6,613**	9,661

The average number of employees employed by the Group during the year was:

	2015	2014
TV	**70**	63
Publishing	**95**	107
Communicate	**21**	23
Other.	**5**	4
Total	**191**	197

Directors' emoluments

	Salaries and Fees £'000	Bonus £'000	Benefits in kind * £'000	Pension ** £'000	30 June 2015 Total £'000	30 June 2014 Total £'000
Executive Directors						
M. Wood ^/***	70	-	-	-	**70**	-
N. Patel	155	-	2	17	**174**	233
Non-Executive Directors						
P. Bertram (Chairman)	50	-	-	-	**50**	63
A.B. Walden ^^	0	-	-	-	**0**	31
R.F.Z. Geldof KBE ^^^	100	-	-	-	**100**	94
T. Hoare ^^^^	50	-	-	-	**50**	-
Total	**425**	**0**	**2**	**17**	**444**	421

* The benefits in kind shown in the above table relate principally to a fully expensed medical health cover for the Executive Directors and their immediate family.

** During the year, £17,000 (2014: £37,000 - 15 month period) was paid with respect to personal pension schemes for 1 Director (2014: 1).

*** M Wood elected to waive his full salary for 3 months to 31st March 2015

^ M Wood was appointed Non-Executive Director on 28 Jul 2014 and CEO on 11 Dec 2014

^^ A B Walden resigned on 30 Mar 2015

^^^ R F Z Geldof resigned on 17 Jun 2015

^^^^ T Hoare resigned on 10 Jul 2015

Notes to the consolidated financial statements

The Group considers that the Directors are the Key Management personnel. The amount for share based payments charge (see Note 5) which relates to the Directors was £Nil (2014: £Nil). Total remuneration for directors for the 12 months to June 2015 was £425,000 (15 month 2014: £421,000).

5) SHARE BASED PAYMENTS

The charge for share based payments arises from the following schemes:

	2015 £000	2014 £000
Unapproved share option scheme	-	-
Total	-	-

Share Option Schemes

Under the terms of the approved and unapproved share option schemes, the Board may offer options to purchase ordinary share options to employees and other individuals. Share options granted under the company's schemes are normally exercisable for an eight to ten year period. The vesting year ranges from the date of grant up to three years. There are no performance criteria that need to be met before options vest.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

Approved share optionscheme

	2015		2014	
	Number	**WAEP £**	Number	WAEP £
Outstanding at the beginning of the year	**385,000**	**0.53**	485,000	0.53
Lapsed during the year	**(260,000)**	**-**	(100,000)	-
Outstanding at the end of the year	**125,000**	**0.53**	385,000	0.53
Exercisable at the end of the year	**125,000**	**0.53**	385,000	0.53

Unapproved share optionscheme

	2015		2014	
	Number	**WAEP £**	Number	WAEP £
Outstanding at the beginning of the year	**17,574,000**	**0.048**	17,574,000	0.048
Outstanding at the end of the year	**17,574,000**	**0.048**	17,574,000	0.048
Exercisable at the end of the year	**17,699,000**	**0.048**	17,959,000	0.048

The options outstanding as at 30 June 2015 have the following weighted average exercise prices and expire in the following financial years:

Expiry	**Exercise Price £**	**2015 No**	2014 No
31 March 2015	**0.33**	**-**	260,000
31 March 2016	**0.63**	**100,000**	100,000
31 March 2019	**0.40**	**650,000**	650,000
31 March 2020	**0.27**	**199,000**	199,000
31 March 2023	**0.03**	**16,750,000**	16,750,000
Total		**17,699,000**	17,959,000

No options were exercised or cancelled during the year (2014: Nil). Any options cancelled were fully vested at the time of cancellation. No additional charges were expensed in the year. 260,000 share options lapsed in the year (2014:100,000).

The fair value of equity settled transactions is estimated at the date of grant. Fair values were determined according to the Black-Scholes option pricing model using the following:

	2015	
Scheme	**EMI**	**Unapproved**
Number granted	-	**17,750,000**
Weighted average share price at grant	-	**0.026**
Weighted average share exercise price	-	**0.026**
Weighted average expected volatility	-	**45%**
Average expected life (years)	-	**3**
Weighted average risk free rate	-	**2.58%**
Expected dividend yield	-	**0%**

The expected volatility was calculated using the historic volatility of the company's share price over the year since listing. The weighted average risk free rate has been calculated using the gilt rates on the date of grant. The expected life of the options is based on the assumption that on average, the options will be exercised evenly over their life.

6) RESTRUCTURING COSTS

Restructuring Costs are presented separately as, due to their nature or for the infrequency of the events giving rise to them, this allows shareholders to understand better the elements of financial performance for the year, to facilitate comparison with prior year's and to assess better the trends of financial performance.

	2015 £'000	2014 £'000
Restructuring Costs		
Redundancy	120	117
WIP write off on relocation of unit	-	213
Total	120	330

7) FINANCE COSTS AND INCOME

	2015 £'000	2014 £'000
Finance Costs		
Interest payable on bank borrowings	(191)	(245)
Amortisation of origination costs on bank borrowings	(39)	(48)
Interest payable on loan note	(275)	(277)
Interest payable on finance leases	-	-
Finance Costs	(505)	(570)

8) INCOME TAX EXPENSE

Taxation Charge

	2015 £'000	2014 £'000
Current tax expense:		
current year before exceptional items	-	-
adjustment for prior years	-	-
	-	-
Deferred tax		
Origination and reversal of temporary differences (see note 20)	-	132
Impact in change of corporate tax rate	-	115
Total income tax expense	-	247

Reconciliation of taxation expense:

	2015 £'000	2014 £'000
Loss before tax	**(1,324)**	(2,556)
Taxation expense at UK corporation tax rate of 20.75% (2014: 21%)	**(274)**	(537)
Non-taxable income/non-deductible expenses	**208**	268
Losses carried forward and temporary differences not recognised	**66**	516
Overprovision in prior years	-	-
Adjustments for discontinued operations		
Total income tax expense	-	247

9) DISCONTINUED OPERATIONS

During the period to 30 June 2014, the Fareham Agencies unit in the Publishing and Communication division was disposed of.

Analysis of the result of the discontinued operations is as follows:

	2015 £'000	2014 £'000
Revenue	-	333
Cost of sales	-	(250)
Gross Profit	-	83
Operating expenses	-	(77)
Depreciation	-	(1)
Operating profit	-	5
Profit before tax	-	5
Pre-tax gain on disposal of discontinued operations	-	238
Profit for the year from discontinued operations	-	243

The net cash flows attributable to the discontinued operations are as follows:

	2015 £'000	2014 £'000
Operating cash flows	-	110
Total cash flows	-	110

10) EARNINGS PER SHARE

	2015	2014
Weighted average number of shares used in basic earnings per share calculation	**276,666,012**	276,666,012
Dilutive effect of share options	-	-
Weighted average number of shares used in diluted earnings per share calculation	**276,666,012**	276,666,012
	£'000	£'000
Loss for year attributable to shareholders	**(1,324)**	(2,803)
Amortisation and impairment of intangible assets adjusted for deferred tax impact	**18**	327
Restructuring	**120**	329
Adjusted loss for year attributable to equity holders of the parent	**(1,186)**	(2,147)
Profit for year/period from discontinued operations attributable to shareholders	-	243

Continuing operations:		
Basic Loss per Share	**(0.48)p**	(1.01)p
Diluted Loss per Share	**(0.48)p**	(1.01)p
Adjusted Basic Loss per Share	**(0.43)p**	(0.78)p
Adjusted Diluted Loss per Share	**(0.43)p**	(0.78)p
Discontinued operations:		
Basic Profit per Share	**Nil p**	0.09 p
Diluted Profit per Share	**Nil p**	0.09 p

11) INTANGIBLE ASSETS

	Goodwill £'000	Customer Relationships £'000	Magazine titles £'000	Customer Contracts £'000	Websites £'000	Total £'000
Cost						
At 1 April 2013	25,662	3,818	1,118	171	1,310	32,079
At 30 June 2014	25,662	3,818	1,118	171	1,310	32,079
Additions	-	-	-	-	-	-
At 30 June 2015	**25,662**	**3,818**	**1,118**	**171**	**1,310**	**32,079**
Amortisation						
At 1 April 2013	(18,765)	(3,728)	(1,104)	(171)	(1,006)	(24,774)
Charge for the period	-	(90)	(14)	-	(248)	(352)
At 30 June 2014	(18,765)	(3,818)	(1,118)	(171)	(1,254)	(25,126)
Charge for the year	-	-	-	-	(43)	(43)
Disposals & retirements	-	-	-	-	(12)	(12)
At 30 June 2015	**(18,765)**	**(3,818)**	**(1,118)**	**(171)**	**(1,309)**	**(25,181)**
Net Book Value						
At 30 June 2015	**6,897**	**-**	**-**	**-**	**1**	**6,898**
At 30 June 2014	6,897	-	-	-	56	6,953

Notes to the consolidated financial statements

Goodwill

Goodwill arising on acquisitions after the date of transition to IFRS is attributable to operational synergies and earnings potential expected to be realised over the longer term.

Customer Relationships

Customer relationships relating to contract publishing relationships are amortised over an 8 year which is representative of the average length of the contract publishing relationships acquired.

Magazine Titles

Magazine titles are magazines for which the intellectual property is wholly owned by the company.

Websites

Development costs of revenue generating websites are capitalised as intangible assets.

Impairment Tests for Goodwill

The carrying amount of goodwill by operating segment is:

	2015	2014
	£'000	£'000
Publishing	4,399	4,399
TV	1,611	1,611
Agency	887	887
Total	6,897	6,897

Goodwill is not amortised but tested annually for impairment with the recoverable amount being determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rate, growth rates and forecasts in income and costs.

The Group assessed whether the carrying value of goodwill was supported by the discounted cash flow forecasts of operating segment based on financial forecasts approved by management covering a seven-year period, taking in to account both past performance and expectations for future market developments.

Management has used a seven year model predominately because the earnout models used on acquisitions have been based on seven year scenarios. Management estimates the discount rate using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to media businesses.

In assessing the divisions the Group reviewed the management forecasts. The Group evaluated the impact of various strategic investments made in the year via new executive producers and management, creation and expansion of the events portfolio, enhanced offering across various media platforms, increased in house editorial and content creation and further cost control via margin and third supplier contracts.

In regard to the 2017, management used a growth rate of 2.5% in line or below the long term growth rate and was based on the enhanced expectations of the forecasts of 2016 following the implementations mentioned above. Management believe this rate does not exceed the growth rate of the industry and the UK economy in the long term. After the 2 year period, management reflected the significant cost benefits and restructure incurred by the Group over the last three years into the forecasts and concluded that no further benefit or growth rate would be applied thereafter. The management forecasts include restructurings which have been completed prior to 30 June 2015.

In evaluating the recoverable amount, we employ the discounted cash flow methodology, which is based on making assumptions and judgements on forecasts, margins, discount rates and working capital needs. These estimates will differ from actuals in the future and could therefore lead to material changes to the recoverable amounts. The key assumptions used for estimating cash flow projections in the Group's impairment testing are those relating to revenue growth and operating margin. The key assumptions take account of the businesses' expectations for the projection period. These expectations consider the macroeconomic environment, industry and market conditions, the unit's historical performance and any other circumstances particular to the unit, such as business strategy and client mix.

As all the segments operate in a similar media landscape the discount rate applied across to the segments for 2015 was 9.1% (2015: 7.5%). The increase reflects the weighting of the debt and equity valuation of the Group based on the unaudited proforma balance sheet with the overall calculation and methodology remaining unchanged from prior years. As the debt has decreased and the equity value increased in the year, the discount rate has risen to reflect the lower debt borrowing costs and higher cost of equity. A sensitivity analysis of an increase in the discount rate by 2% is shown below.

TV

A pre-tax discount rate of 9.1% (2014: 7.5%) has been used. The main assumptions on which the forecast cash flows were based include revenue growth and margin growth. All key assumptions used by management within the cash flow forecasts are based on past experience and sector experience.

Publishing

A pre-tax discount rate of 9.1% (2014: 7.5%) has been used. The main assumptions on which the forecast cash flows were based include revenue growth and margin growth. All key assumptions used by management within the cash flow forecasts are based on past experience and sector experience.

Communicate

A pre-tax discount rate of 9.1% (2014: 7.5%) has been used. The main assumptions on which the forecast cash flows were based include revenue growth and margin growth. All key assumptions used by management within the cash flow forecasts are based on past experience and sector experience.

Changes in these assumptions can have a significant effect on the recoverable amount and therefore the value of the impairment recognised.

Assumption	Judgements	Sensitivity
Discount Rate	[illegible] 9.1%	An increase in the discount rate by 2% will result in a decrease in the overall goodwill carried at the yearend by £0.25m. A decrease in the discount rate by 1% will result in no impairment charge.
Growth Rate and Strategic plans	Strategic investment, restructuring and growth of owned assets assumed for 2016 A rate of 2.6% has been used for the 2017.	If 0% growth rate was applied after 2016 and all benefits from the strategic investment, restructuring and reorganisation were eliminated then the Publishing unit would be impaired by £2.1m. TV and Communicate would not be impaired.
Cashflows	Cash collection is consistent with previous years with no significant bad debts being incurred due to write offs taken in the previous years and provisions for this year. Cash collection is consistent with previous years with no significant bad debts being incurred due to write offs taken in the previous years and provisions for this year.	A 15% fall in cashflow estimates would result in an overall impairment of £0.63m in the year.

Notes to the consolidated financial statements

12) PROPERTY, PLANT AND EQUIPMENT

	Short leasehold land and buildings £'000	Motor vehicles £'000	Office and computer equipment £'000	Total £'000
Cost				
At 1 April 2013	112	8	1,348	1,468
Additions	-	-	5	5
Disposals & retirements	-	(8)	(25)	(33)
At 30 June 2014	112	-	1,328	1,440
Additions	-	-	40	40
At 30 June 2015	**112**	-	**1,368**	**1,480**
Depreciation				
At 1 April 2013	(91)	(3)	(1,043)	(1,137)
Charge for the period	(19)	-	(160)	(179)
Disposals & retirements	(2)	3	61	62
At 30 June 2014	(112)	-	(1,142)	(1,254)
Charge for the year	-	-	(71)	(71)
At 30 June 2015	**(112)**	-	**(1,213)**	**(1,325)**
Net Book Value at 30 June 2015	-	-	**155**	**155**
At 30 June 2014	-	-	186	186

13) INVENTORIES

	2015 £'000	2014 £'000
Work in progress - Publishing	**501**	657
Work in progress – TV	**139**	197
Stock – Communicate	**140**	135
Total Inventories	**780**	989

14) TRADE AND OTHER RECEIVABLES

	2015 £'000	2014 £'000
Current		
Trade receivables	**2,502**	2,895
Less provision for impairment	**(220)**	(343)
Net trade receivables	**2,282**	2,552
Other receivables	**359**	7
Prepayments	**317**	393
Accrued income	**1,265**	1,196
Total	**4,223**	4,148

During the year the Directors reviewed the trade receivables and concluded that the carrying amount of trade and other receivables approximates to their fair value. The creation and release of provision for impaired receivables have been included in administration expenses in the income statement.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of asset above. The Group does not hold any collateral as security for trade receivables. The Group is not subject to any significant concentrations of credit risk.

Trade receivables that were past due but not impaired relating to a number of customers with no recent history of default are as follows:

	2015 £'000	2014 £'000
Not more than 3 months	**707**	906
More than 3 months but less than 1 year	**464**	261
More than 1 year	**71**	118
Total	**1,242**	**1,285**

15) CASH AND CASH EQUIVALENTS

	2015 £'000	2014 £'000
Total Cash and cash equivalents	**1,914**	2,578

The Group's credit risk exposure in connection with the cash and cash equivalents held with financial institutions is managed by holding funds in a high credit worthy financial institution (Moody's A2- stable).

16) TRADE AND OTHER PAYABLES

	2015 £'000	2014 £'000
Current		
Trade payables	**2,733**	3,013
Shares to be issued	**960**	-
Other payables	**113**	717
Other taxes and social security	**597**	584
Accruals	**2,460**	1,941
Deferred income	**1,304**	2,041
Total	**8,167**	8,296

The Directors consider that the carrying amount of trade and other payables approximates to their fair value. The Group's payables are unsecured.

17) BORROWINGS AND OTHER FINANCIAL LIABILITIES

	Carrying Value		Fair Value	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Current				
Loan notes - secured and unsecured	9,010	-	250	-
Sub total	9,010	-	250	-
Non-current				
Debt facility - unsecured	-	4,369	4,000	3,793
Loan notes - secured	-	2,323	2,114	2,161
Loan notes - unsecured	-	1,755	1,429	1,632
Sub total	-	-	7,543	-
Total	9,010	8,447	7,793	7,586

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The fair value of the debt facility is based on the value paid by the Lenders on the assignment of the Bank Loan. The fair value of the secured Loan Notes are based on estimated discounted cash flows using the IRR of the Lenders in regards to the Debt Facility, calculated at 21.06% (2014: 21.06%).

Maturity of Financial Liabilities

The maturity of borrowings is as follows:

	2015	2014
	£'000	£'000
Repayable within one year and on demand:		
Loan notes	9,010	-
Finance leases	-	-
Trade payables	2,733	3,013
Sub total	11,743	3,013
Repayable between one and two years:		
Sub total	-	-
Repayable between two and five years:		
Debt facility	-	4,433
Loan notes	-	4,078
Sub total	-	8,511
Total	11,743	11,524

Debt Facility

Loans totalling £4.43m are held by Herald Investment Trust Plc, Artemis Alpha Trust Plc and The John Booth Charitable Foundation, together known as the new "lenders." The interest on the facility is based on monthly LIBOR plus a margin of 4%. The Debt Facility is unsecured and is repayable in full on the 11th of February 2016. There are no financial covenants in force in respect on this debt facility.

The lenders have also entered into a call deed with the Group, giving the Group the option to repurchase amounts of the Facilities at a discounted rate. The Group incurred £151,000 costs in respect to the assignment and these costs have reduced the carrying value of the debt as they will be amortised over the length of the repayment schedule as an interest expense.

Loan notes - unsecured

The unsecured Loan Notes of £1.99m (2014: £1.76m) relates to an agreement with Herald Investment Trust plc, a related party through shareholding. Interest is based on monthly Libor plus a margin of 6%.The interest is accrued and is repayable along with the principle on 31 March 2016.

Loan notes - secured

The secured Loan Notes of £2.62m (2014: £2.32m) relate to a debenture with Herald GP II Limited, a related party through shareholding, and are secured by a floating charge over the assets of all the Group companies. Interest is based on monthly Libor plus a margin of 6%. The interest is accrued and is repayable along with the principal on 31 March 2016.

PBSE

On 10th July 2015 the Group also carried out a Debt Conversion which resulted in a reduction of the Group's total debt obligations to £2 million (2014: £8.76m) and a reduction in certain short-term debt obligation to £Nil (2014: £0.25m). Further details of the transaction are in the Director's Report page 22.

18) FINANCIAL INSTRUMENTS

Financial risk management

The Group's financial instruments, other than derivatives, comprise borrowings, cash and liquid resources and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The principal financial risks faced by the Group are liquidity/funding, interest rate, foreign currency and counterparty risks. The policies and strategies for managing these risks are summarised as follows:

Risk	Potential impact	How it is managed
Liquidity	The Group's debt servicing requirements and investment strategies, along with the diverse nature of the Group's operations, means that liquidity management is recognised as an important area of focus. Liquidity issues could have a negative reputational impact, particularly with suppliers.	The Group's treasury function is principally concerned with internal funding requirements, debt servicing requirements and funding of new investment strategies. Internal funding and debt servicing requirements are monitored on a continuing basis through the Group's management reporting and forecasting. The Group also maintains a continuing dialogue with the Group's lenders as part of its information covenants. The requirements are maintained through a combination of retained earnings, asset sales or capital markets. New investments strategies are to be funded through the use of shareholder loans or where possible capital markets.
Interest rate fluctuations	The Group's exposure to interest rate risk is shown (by way of sensitivity to changes in interest rates) in the rate risk table below.	The Group's debt currently consists of variable rate debt. The Group's policy is to enter into interest rate caps with the associated lender. As at 30 June 2015 no hedging instruments were in place, but the Group is actively monitoring this position.
Exchange rate fluctuations	Transactional foreign currency exposures arise from both the export of services from the UK to overseas clients, and from the import of services directly sourced from overseas suppliers.	The Group is primarily exposed to foreign exchange in relation to sterling against movements in US$ and euro€ but is not considered by management to be significant.

Interest Sensitivity analysis

The table below illustrates the estimated impact on the income statement as a result of market movements in interest rates in relation to all of the Group's financial instruments. The Group considers a 2% increase or no decrease in interest rates to be reasonably possible based on observation of current market conditions. All other variables are held constant. However, this analysis is for illustrative purposes only.

The impact in the income statement due to changes in interest rates reflects the effect on the Group's floating rate debt as at the reporting date.

	0.25% decrease in interest rates £'000	No decrease in interest rates £'000	2% increase in interest rates £'000
At 30 June 2015			
Impact on income statement and equity: (loss)		-	(180)
At 30 June 2014			
Impact on income statement and equity: (loss)		-	(170)

19) BUSINESS COMBINATIONS

Acquisition after reporting period- Reef Television Limited

On 14th July 2015 the Group acquired 100% of the share capital of an English registered company called Reef Television Limited. The Group paid initial £2.55m cash for its 100% holding with a further £3m payable via redeemable loan notes and shares on certain earn out targets being met between 2016 and 2018. The balance sheet acquired was £0.92m in net assets. The directors consider the £3m deferred consideration will be met over the 3 year period. The assets and liabilities arising from the acquisition are as follows:

	Book Value £'000	Fair Value Adjustments £'000	Fair Value £'000
Intangible assets	-	2,950	**2,950**
Property, plant and equipment	34	-	**34**
Trade and other receivables	536	-	**536**
Cash and cash equivalents	2,584	-	**2,584**
Trade and other payables	(1,634)		**(1,634)**
Current tax liabilities	(601)	-	**(601)**
Deferred tax	(2)	(590)	**(592)**
Net assets acquired	917	2,360	**3,277**
Goodwill capitalised			**2,245**
Consideration given			**5,522**

Satisfied by:	
Cash	2,522
Deferred contingent consideration	3,000
Total	**5,522**

The fair value adjustments made to book value relate to the intangible assets identified on the acquisition. Goodwill relating to the acquisition of Reef amounted to £2,244,570.

Earnout Details

The earnout consists of three elements:

- Deferred Consideration of up to £1.5 million and
- Loan Note Consideration of up to £1.5 million
- Additional bonus amount of earn out consideration above £3 million

The Loan Note Consideration and the Deferred Consideration will be settled in cash or Ordinary Shares, at the Company's discretion, subject to a maximum of 50 per cent. of the Loan Note Consideration and the Deferred Consideration being able to be settled in Ordinary Shares. Any issue of new Ordinary Shares to the Vendors will be subject always to the resultant shareholding of the Vendors being not greater than 29.99 per cent. of the issued share capital of Ten Alps, as enlarged by the issue of that tranche of Ordinary Shares. The Ordinary Shares will be valued at the average mid-market closing share price of the Company over the five Business Days prior to the finalisation of the relevant accounts.

The Loan Note Consideration is redeemable and the Deferred Consideration is payable in three tranches of up to £500,000 each, subject to the level of gross profitability of Reef Television for the financial years ended 30 June 2016, 30 June 2017 and 30 June 2018. In respect of the 2016 financial year, the maximum

Loan Note Consideration and Deferred Consideration payment of £1,000,000 is subject to Reef Television achieving at least £1,800,000 in gross profits and to be adjusted downwards thereafter on a straight-line basis to a minimum level of £1,500,000, below which point none of the first tranche of Loan Note Consideration and Deferred Consideration will be paid. The same performance metrics will apply to the second and third tranches of Loan Note Consideration and Deferred Consideration due in respect of the 30 June 2017 and 2018 financial years, with the target gross profit ranges of £2,000,000 to £1,500,000 and £2,200,000 to £1,500,000, respectively.

If there is an over-achievement in either of the 2016 or 2017 years the excess will be carried forward to the next financial year of assessment and if there is an over-achievement in either of the 2017 or 2018 years the Vendors will have the ability to claim back amounts not paid due to under-performance in previous years. An additional amount of earn-out consideration is payable by the Company if the aggregate gross profit for the three years exceeds £6 million. Subject to certain conditions, the Company will pay 50 per cent. of such gross profit excess to the Vendors in either cash or by the issue of Ordinary Shares (in respect of up to 50 per cent. of this additional consideration) at the Company's option. No provision has been made for this element of deferred consideration, due to the uncertainty of future gross profit revenue streams being greater than £6m over the three year period.

20) DEFERRED TAX

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 20% for UK differences. The movements in deferred tax assets and liabilities during the year are shown below.

	Accelerated capital allowances £'000	Losses carried forward £'000	Intangible assets £'000	Share based payments £'000	Other temporary differences £'000	Total £'000
At 1 April 2014	509	241	(61)	-	53	742
Recognised in the income statement	(73)	(101)	25	-	15	(134)
Charge due to change in tax rate	(65)	(32)	(8)	-	(10)	(115)
At 30 June 2014	371	108	(44)	-	58	493
Recognised in the income statement	-	-	-	-	-	-
Charge due to change in tax rate	(8)	1	1	-	-	(6)
At 30 June 2015	**363**	**109**	**(43)**	**-**	**58**	**487**

Deferred tax assets estimated at £3.19m (2014: £3.09m) in respect of losses carried forward have not been recognised due to uncertainties as to whether or not income will arise against which such losses will be utilised.

21) PROVISIONS FOR OTHER LIABILITIES

A provision in the amount of £Nil (2014: £Nil) has been recognised in the current year in other creditors to reflect an onerous contract held with one of our clients.

Notes to the company financial statements

22) SHARE CAPITAL

	2015	2015	2015	2014	2014	2014
	Shares	Share capital	Share premium	Shares	Share capital	Share premium
		£'000	£'000			
Authorised ordinary shares of 2p each	No Maximum	N/A		No maximum	N/A	
Allotted, called up and fully paid ordinary of 2p each:						
At start of year	276,666,012	5,534	15,228	276,666,012	5,534	15,228
Shares issued as consideration	-	-	-	-	-	-
Shares issued as remuneration	-	-	-	-	-	-
Shares issued as private placement	-	-	-	-	-	-
At end of period/year	**276,666,012**	**5,534**	**15,228**	276,666,012	**5,534**	**15,228**

23) CONTINGENCIES AND COMMITMENTS

Capital Commitments

The Group had capital commitments of £Nil as at 30 June 2015 (2014: £Nil).

Operating Leases

The future minimum rentals under non-cancellable operating leases are as follows:

	30 June 2015		30 June 2014	
	Land and buildings	Other £'000	Land and buildings	Other £'000
Within one year	276	-	404	1
Between one and five years	-	-	124	7
After five years	-	-	-	-
Total	276	-	528	8

24) RELATED PARTY TRANSACTIONS

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

Loan Note

On 24 July 2014, the Company announced that it received an unsecured loan note of £150,000 for business development and general working capital requirements from Herald Investment Trust (HIT) (2014: £1.25m).

On 24 July 2014 the Company issued a Loan Note of £50,000 to Tim Hoare, a non-executive director of the Company. The loan was repaid in September 2014.

Subscription Letter

On 04 December 2014 the Company entered in to an underwriting agreement with certain existing shareholders and directors of the Company to subscribe for ordinary shares of the Company of up to an aggregate value of approximately £1 million.

Under the Subscription letter certain directors of the Company being Peter Bertram, Mark Wood and Tim Hoare will each subscribe for £50,000 and Nitil Patel for £20,000.

Under the Subscription letter certain shareholders of the Company being Herald Investment Trust, Artemis Alpha Trust, John Booth and John Booth Charitable Trust and Banque Heritage will each subscribe for a certain amount of ordinary shares in the Company.

The Company entered into the Subscription Letter in order to strengthen the business and to give it greater flexibility to pursue growth opportunities as they arise.

Director Transactions

Timothy Hoare

Timothy Hoare did not have a formal letter of appointment with the Company but was entitled to an annual fee of £50,000 and expenses. Following his resignation he was paid £50,000 in respect of his accrued but unpaid fees to be settled by the issue of 2,500,000 Ordinary Shares in July 2015.

Bob Geldof

It was agreed that Bob Geldof will be paid £100,000 to be settled by the issue of 5,000,000 Ordinary Shares in settlement of the outstanding fees which were due to him prior to his resignation on 16 June 2015.

The above Director transactions were approved by the shareholders on the 10 July 2015.

Independent auditor's report - parent company

Independent auditor's report to the members of Ten Alps plc
We have audited the parent company financial statements of Ten Alps plc for the year ended 30 June 2015 which comprise the parent company balance sheet and the related notes. The financial reporting framework that has been applied in their preparation 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 auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 20, the Directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the parent company 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 FRC's website at www.frc.org.uk/apb/auditscopeukprivate.

Opinion on financial statements
In our opinion the parent company financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Strategic and Directors' Report for the financial year for which the financial statements are prepared is consistent with the parent company 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.

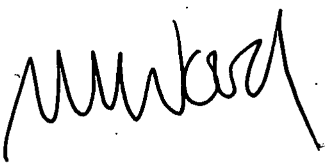
Other matter
We have reported separately on the Group financial statements of Ten Alps plc for the year ended 30 June 2015.

Nicholas Page
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Company balance sheet

Company balance sheet as at 30 June 2015

	Note	30 June 2015 £'000	30 June 2015 £'000	30 June 2014 £'000	30 June 2014 £'000
Fixed assets					
Investments in Subsidiaries	27		**6,543**		6,543
Tangible assets	28		**2**		-
			6,545		6,543
Current assets					
Debtors	29	**1,960**		10,578	
Cash at bank		**97**		88	
		2,057		10,666	
Creditors					
Amounts falling due within one year	30	**(12,681)**		(1,953)	
Net current assets			**(10,624)**		8,713
Total assets less current liabilities			**(4,079)**		15,256
Creditors					
Amounts falling due after more than one year	31		**-**		(8,447
Net assets			**(4,079)**		6,809
Capital and reserves					
Called up share capital	22		**5,534**		5,534
Share premium account	32		**16,054**		16,054
Capital reserve	32		**111**		111
Other reserve	32		**2**		2
Profit and loss account	32		**(25,780)**		(14,892)
Shareholders' deficit/funds			**(4,079)**		6,809



25) ACCOUNTING POLICIES - COMPANY

The financial statements are prepared in accordance with United Kingdom generally accepted accounting standards. The principal accounting policies of the Company are set out below. The policies have remained unchanged from the previous year.

(a) Accounting convention

The accounts are prepared under the historical cost convention.

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company's loss for the year ended 30 June 2015 was £10.89m (2014: £1.21m).

(b) Going concern

The Going concern is addressed in the consolidated financial statements of the Group per note 1.1.2 and in the Directors' Report page 21.

(c) Investments

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

(d) Pensions

Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account when they are due.

(e) Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in years different from those which are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

(f) Share based payments

All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 April 2006 are recognised in the financial statements.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

All equity-settled share-based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to "profit and loss account".

If vesting years or other non-market vesting conditions apply, the expense is allocated over the vesting year, based on the best available estimate of the number of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current year. No adjustment is made to any expense recognised in prior years if share options that have vested are not exercised.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

26) EMPLOYEES - COMPANY

	30 June 2015	30 June 2014
	£'000	£'000
Wages and salaries	426	504
Social security costs	25	44
Other pension costs	19	40
Total	**470**	588
Average number of employees		
Management	5	6
Administration	1	1
Total	**6**	7

The costs related to the Directors are disclosed in note 4.

27) INVESTMENT IN SUBSIDIARIES - COMPANY

	£'000
Total cost of acquisitions at 1 July 2014	6,543
Investment in subsidiaries at 30 June 2015	**6,543**
Investment in subsidiaries at 30 June 2014	6,543

The principal subsidiaries of the Group during the year were:

	Country of incorporation, registration and operation	Class of capital	% held	Description of activity
Ten Alps Media Limited	England & Wales	Ordinary	100% Direct	Contract Publishing
Blakeway Productions Limited	England & Wales	Ordinary	100% Direct	TV and Radio Production
Brook Lapping Productions Limited	England & Wales	Ordinary	100% Direct	TV and Radio Production
Ten Alps Communicate Limited	England & Wales	Ordinary	100% Direct	Digital Marketing
Films of Record Limited	England & Wales	Ordinary	100% Direct	TV Production
+Grove House Publishing Limited	England & Wales	Ordinary	100% Indirect	B2B Publishing
Ten Alps Communications Limited	England & Wales	Ordinary	100% Direct	Contract Publishing & Advertising
Ten Alps TV Limited	England & Wales	Ordinary	100% Direct	TV and Radio Production

+ Subsidiary of Ten Alps Communications Limited

The following dormant subsidiaries were held via Ten Alps Communications limited

	Country of incorporation, registration and operation	Class of capital	% held	Description of activity
Ten Alps RMA Limited	England & Wales	Ordinary	100% Direct	Dormant
Ten Alps Vision (Edinburgh) Limited	Scotland	Ordinary	100% Direct	Dormant
Ten Alps Creative & Media Limited	England & Wales	Ordinary	100% Direct	Dormant
Index Media Limited	England & Wales	Ordinary	100% Direct	Dormant
T G Scott & Son Limited	England & Wales	Ordinary	100% Direct	Dormant
Link 2 Trade Ltd	England & Wales	Ordinary	100% Direct	Dormant
Ten Alps Agency Limited	England & Wales	Ordinary	100% Direct	Dormant
Interface Media Services Limited	England & Wales	Ordinary	100% Direct	Dormant
Children's Traffic Club Limited	England & Wales	Ordinary	100% Direct	Dormant
Cameron Publishing Ltd	England & Wales	Ordinary	100% Direct	Dormant
Cairns Veterinary Books & Supplies Ltd	England & Wales	Ordinary	100% Direct	Dormant
Sovereign Publications Ltd	England & Wales	Ordinary	100% Direct	Dormant
Interact Digital Media Limited	England & Wales	Ordinary	100% Direct	Dormant
Planet 64 Ltd	England & Wales	Ordinary	100% Direct	Dormant
Interact Creative and Media Limited	England & Wales	Ordinary	100% Direct	Dormant
Atalink Limited	England & Wales	Ordinary	100% Direct	Dormant

The following dormant subsidiary was held via Ten Alps Communicate limited

DBDA Limited	England & Wales	Ordinary	100% Direct	Dormant

28) TANGIBLE FIXED ASSETS - COMPANY

	Office and computer equipment £000's	Total £000's
Cost		
At 1 July 2014	7	7
Additions	2	2
At 30 June 2015	9	9
Accumulated Depreciation		
At 1 July 2014	(7)	(7)
At 30 June 2015	(7)	(7)
Net Book Value		
At 30 June 2015	2	2
At 30 June 2014	-	-

29) DEBTORS - COMPANY

	2015 £'000	2014 £'000
Amounts owed by subsidiary undertakings	**1,514**	10,535
Other debtors	**384**	9
Deferred taxation	**23**	23
Prepayments and accrued income	**39**	11
Total	**1,960**	10,578

Notes to the company financial statements - parent company

30) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – COMPANY

	2015 £'000	2014 £'000
Debt Facilities	**4,658**	-
Loan notes	**4,353**	-
Trade creditors	**512**	129
Amounts due to subsidiary undertakings	**1,501**	1,381
Shares to be issued	**960**	-
Other creditors	**174**	174
Accruals and deferred income	**492**	238
Corporation tax	**31**	31
Total	**12,681**	1,953

31) CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR – COMPANY

	2015 £'000	2014 £'000
Debt facilities	-	4,369
Loan notes	-	4,078
Total	-	8,447

32) RESERVES - COMPANY

	Share premium account £'000	Capital reserve £'000	Other reserve £'000	Profit and loss account £'000
Balance at 1 July 2014	16,054	111	2	(14,892)
Retained loss for the year	-	-	-	(10,888)
Balance at 30 June 2015	**16,054**	**111**	**2**	**(25,780)**

33) RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions available under Financial Reporting Standard 8, "Related Party Disclosures", not to disclose transactions with its subsidiary undertakings. Please refer to Note 24 in the Group accounts for all external transactions.

34) UNAUDITED PROFORMA BALANCE SHEET

Ten Alps plc consolidated unaudited balance sheet- proforma reflecting restructure and refinance transaction (PBSE)

	Audited 30 June 2015 £'000	Unaudited Proforma adj £'000	**Unaudited 30 June 2015 £'000**	Audited 30 June 2014 £'000
Assets				
Non-current				
Goodwill and intangibles	6,898	2,245	**9,143**	6,953
Other intangible assets	-	2,950	**2,950**	-
Property, plant and equipment	155	34	**189**	186
Deferred tax	493	(592)	**(99)**	493
	7,546	4,637	**12,183**	7,632
Current assets				
Inventories	780	-	**780**	989
Trade receivables	2,282	214	**2,496**	2,552
Other receivables	1,941	42	**1,983**	1,596
Cash and cash equivalents	1,914	3,098	**5,012**	2,578
	6,917	3,354	**10,271**	7,715
Total Assets	14,463	7,991	**22,454**	15,347
Equity and liabilities				
Shareholders' equity				
Called up share capital	5,534	(5,115)	**419**	5,534
Share premium account	15,228	(15,228)	**-**	15,228
Merger reserve	696	-	**696**	696
Preference Shares	-	2,909	**2,909**	-
Retained earnings	(24,178)	28,782	**4,604**	(22,854)
Total Shareholders' Equity	(2,720)	11,348	**8,628**	(1,396)
Liabilities				
Non-current				
Borrowings	-	2,000	**2,000**	8,447
Other non-current liabilities	-	3,000	**3,000**	-
	-	5,000	**5,000**	8,447
Current liabilities				
Trade payables	2,733	(300)	**2,433**	3,013
Other payables	5,440	953	**6,393**	5,283
Current tax liabilities	-			
Borrowings - current	9,010	(9,010)	**-**	-
	17,183	(8,357)	**8,826**	8,296
Total equity and liabilities	14,463	7,991	**22,454**	15,347

Notice of Annual General Meeting

This Notice of Meeting is important and requires your immediate attention

If you are in any doubt as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your shares in Ten Alps plc (the "**Company**"), please forward this notice, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale.

Notice is hereby given that the annual general meeting ("**AGM**") of the Company will be held at **13th Floor, Portland House, Bressenden Place, Victoria, London SW1E 5BH at 9.30 a.m. on Tuesday 8 December 2015** to transact the following business. Resolutions 1 to 6 inclusive will be proposed as ordinary resolutions. Resolutions 7 and 8 will be proposed as special resolutions:

1. THAT the Company's audited financial statements for the year to 30 June 2015, and the Strategic and Directors' report and the auditors' report on those financial statements, be received and adopted.

2. THAT Grant Thornton LLP be reappointed as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

3. THAT the directors be authorised to determine the auditors' remuneration.

4. THAT Luke Johnson be appointed as a director of the Company.

5. THAT Jonathan Goodwin be appointed as a director of the Company.

6. THAT the directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the "**Act**") to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company (together, "**Relevant Securities**") of up to maximum nominal value of £209,669 (equal to approximately 50% of the issued ordinary share capital as at the date of this resolution) such authority to be in substitution for and to the exclusion of any previous authority to allot Relevant Securities conferred upon the directors and such authority to expire at the conclusion of the Company's next annual general meeting or, if earlier, 15 months from the date of this resolution, save that the Company may before such expiry make an offer or agreement which might require Relevant Securities to be allotted after such expiry date and the directors may allot Relevant Securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

7. THAT conditional upon and subject to the passing of resolution 6 above, the directors be generally and unconditionally authorised pursuant to sections 570 and 573 of the Act to make allotments of equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution 6 as if section 561 of the Act did not apply to any such allotment provided that such power shall be limited to:

(a) the allotment of equity securities in connection with or pursuant to any issue or offer by way of rights or other pre-emptive offer to the holders of ordinary shares of 0.01p each in the capital of the Company ("**Ordinary Shares**") and other persons entitled to participate therein in proportion (as nearly as practicable) where the equity securities respectively attributable to the interest of holders of the Ordinary Shares are proportionate as nearly as maybe practicable to the respective amounts of Ordinary Shares held by them on a fixed record date, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to legal or practical issues under the laws of, or as a requirement of, any regulatory or stock exchange authority in any jurisdiction or territory or in relation to fractional entitlements; and/or

(b) the allotment of equity securities in connection with or pursuant to the terms of warrants to subscribe for equity securities or any share option scheme or plan or any long term incentive scheme or plan or any plan or option scheme in respect of Ordinary Shares for employees and directors of the Company approved by the Company in general meeting whether before or after the date of this resolution; and/or

(c) the allotment (otherwise pursuant to subparagraph (a) or (b) of this resolution) of equity securities up to an aggregate nominal value of £41,939 (being 10% of the issued ordinary share capital as at the date of the notice of this resolution),

such authority to expire at the conclusion of the Company's next annual general meeting or, if earlier, 15 months from the date of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry date and the directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the power conferred by this resolution had expired.

8. THAT the Company be and is hereby generally and unconditionally authorised pursuant to section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares provided that:

(a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased shall be 41,939,692 (representing 9.99% of the Company's issued Ordinary Share capital as at 31 July 2015);

(b) the minimum price which may be paid for an Ordinary Share (exclusive of expenses) shall be 0.01 pence per Ordinary Share;

(c) the maximum price which may be paid for an Ordinary Share (exclusive of expenses) shall not be more than the higher of:

i. 105% of the average of the middle market closing price for an Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is purchased; and

ii. the value of an Ordinary Share calculated on the basis of the higher of:

a. the last independent trade of; or

b. the highest current independent bid for,

any number of Ordinary Shares on the trading venue where the market purchase by the Company will be carried out;

(d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the Company's next annual general meeting or, if earlier, 15 months from the date of this resolution; and

(e) the Company may make a contract to purchase Ordinary Shares under the authority hereby, conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares in pursuance of such contract.

By order of the Board
Nitil Patel
Secretary
Date:
Registered office: 7 Exchange Crescent, Conference Square, Edinburgh EH3 8AN

Notes to the Annual General Meeting

Notes:

1. A shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy or proxies to attend, speak and vote instead of him/her. A proxy need not be a shareholder of the company. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.

2. To be valid, a Form of Proxy must be completed and any power of attorney or other authority under which it is executed (or a duly certified copy thereof) must be received by the Company's Registrar (Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF) not less than 48 hours before the time for holding the meeting. Completion and return of a Form of Proxy will not preclude a shareholder subsequently from personally attending and voting at the AGM (in substitution for their proxy vote) if the shareholder decides to do so.

3. The Form of Proxy must be executed by or on behalf of the shareholder making the appointment. A corporation may execute the Form of Proxy either under its common seal or under hand of a duly authorised officer. **A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy not to vote on any particular resolution. However, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of votes 'For' and 'Against' a resolution.**

4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand on the Register of members in respect of the relevant joint holdings.

5. Pursuant to regulation 41 of the Uncertified Securities Regulations 2001, the Company specifies that only those members registered on the Register of members of the Company as at 6 p.m. on Friday 4 December 2015 or, if the Meeting is adjourned, on the Company's Register of members 48 hours before the time fixed for the adjourned meeting, shall be entitled to attend and/or vote at the Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the Register of members after 6 p.m. on Friday 4 December 2015 or, if the Meeting is adjourned, 48 hours before the time fixed for the adjourned Meeting, shall be disregarded in determining the rights of any person to attend or vote at the Meeting.

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on Tuesday 8 December 2015 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have been appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a **"CREST Proxy Instruction"**) must be properly authenticated in accordance with specifications of Euroclear UK and Ireland Limited (**"EUKI"**) and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUKI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s) to procure that his CREST sponsor or voting service provider(s) take(s)) such an action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertified Securities Regulations 2001.

7. The quorum for the AGM will be two persons entitled to vote upon the business to be transacted, each being a shareholder or a proxy for a shareholder or a duly authorised representative of a corporation which is a shareholder.

8. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

Key contacts

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