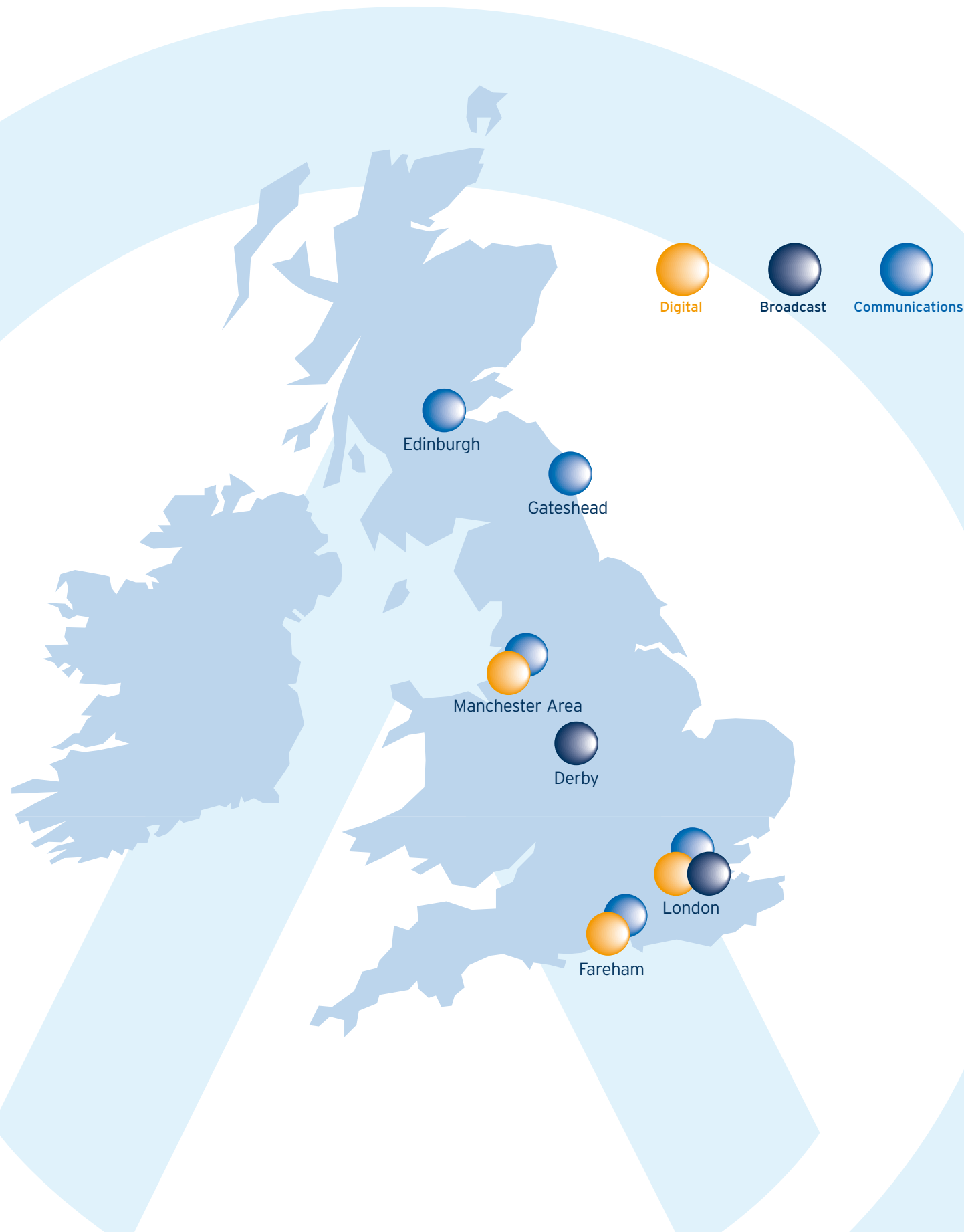


THE FACTUAL MEDIA COMPANY

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2007

Ten Alps plc



Ten Alps is a factual media company which provides and manages content on TV, radio, online TV and print.

Ten Alps targets content to every media outlet that audiences and advertisers use, including 530 publications, scores of TV and radio programmes and 12 online TV channels.

Ten Alps has over 570 staff.
And 52,000 clients.

Strong profits growth

Financial highlights

- Revenues up 63.5% at £69.0m (2006: £42.2m), of which £67.6m was from continuing operations
- EBITDA up 46% at £3.94m (2006: £2.69m)
- Profit before tax up 36% to £2.26m (2006: £1.66m), after substantial investment in online TV
- Retained profit after tax up 200% to £1.43m (2006: £0.48m)
- Basic EPS up 157% to 2.75p (2006: 1.07p)
- Digital revenues up 123.2% at £1.65m (2006: £0.74m)
- Net assets up 11% at £13.8m (2006: £12.4m)

£000's

2500

2000

1500

1000

500

0

Profit Before Tax

2003

2004

2005

2006

2007

Operational highlights

- Creation of divisional structure: Digital, Broadcast, Communications
- Launch of Public TV: on-demand factual television, with 12 online B2B channels
- Winning of Kent TV contract, pioneering local government internet TV
- Expansion in trade media by 43% to 530 titles produced or represented
- Expansion in commercial websites by 176% to 152 managed websites
- Production of scores of highly acclaimed factual TV and Radio programmes
- Acquisition of factual content businesses Atalink and Cameron Publishing and (after year end) DBDA and Mongoose.



Ten Alps board

CEO

Alex Connock

We are a factual media company, producing content for television, radio, print, online TV and conferences.

Advertisers and other clients increasingly need content to reach across all media - including online - because this is how the audiences are using the material.

That's why we believe in our multi-media approach, and the evidence is that it's working. Since Ten Alps floated on AiM we have expanded from £9m of revenue (2001) to £69m (2007) - a compound annual average growth rate of 45.8%.

Our challenge is to keep that up, so this year we invested.

We created online TV channels and generated exciting leads for 2007-8. We acquired more factual media companies - two during the year and two more since the year-end. And we expanded our client base - now at 52,000 - as a potential way of growing and de-risking the business.

Chairman

Brian Walden

Ten Alps is not risk-free of course. The media is a competitive industry. Individual clients still represent major portions of our business. But we believe the foundations are in place for a seventh consecutive year of growth.

Our digital investment means whenever our customers choose to convert their content from print to online, Ten Alps can be there to grow with them. In any given editorial niche, we can now sit on both sides of the online-offline divide.

Our focus on the financial value and relative stability of the multi-platform approach has been confirmed to us by the volatility seen in broadcast commissioning during the last financial year.

Most important of all: our focus on talent. Ten Alps now has 570 staff in three clear divisions: Communications, Broadcast and Digital. We thank them all for their hard work in taking the company forward.

The Board



Brian Walden
NON EXECUTIVE CHAIRMAN
Former MP and award winning journalist, Brian revolutionised political television programmes with Weekend World which he presented for many years. He has widespread business experience.



Alex Connock
CO-FOUNDER & CHIEF EXECUTIVE
A graduate of Oxford and Columbia Universities, and with an MBA from INSEAD. Alex worked in TV production for Granada, the BBC and Planet 24 before co-founding Ten Alps in 1999. He has been short listed several times as Entrepreneur of the Year



Nitil Patel
FINANCE DIRECTOR
A key member of the team from the very start, Nitil worked with Sayers Butterworth before joining Planet 24. Alongside his role as FD for Ten Alps Plc, Nitil has operational control of Ten Alps Broadcasting across 5 production businesses.



Bob Geldof
CO-FOUNDER & NON EXEC. DIRECTOR
Musician, campaigner, writer, programme maker and businessman, Bob was one of the founding partners of Planet 24, the sale of which resulted in the birth of Ten Alps. He was awarded an honorary knighthood after Band Aid & Live Aid. More than 20 years later, he organised Live8 which remains the single biggest global TV event ever.



Tim Hoare
NON EXEC DIRECTOR
An investment banker, Tim Hoare is Chief Executive of Canaccord Europe, and a board director of Canaccord Adams Plc. He also has substantial experience in the financing of media companies.

Operations Board



Nigel Dacre
MANAGING DIRECTOR, TEN ALPS DIGITAL
Former Editor of ITN News at Ten and founding CEO of Teachers TV.



Adrian Dunleavy
CHIEF EXECUTIVE, TEN ALPS COMMUNICATIONS
Former Chief Executive of McMillan Scott.



Fiona Stourton
EDITORIAL DIRECTOR, TEN ALPS BROADCAST
Ex BBC executive with strong track record in current affairs



Derek Morren
FINANCE DIRECTOR, TEN ALPS COMMUNICATIONS
Former FD Trinity Mirror's Scottish Daily Record and Group Financial Controller Trinity Mirror PLC



Jo Phillips
DIRECTOR OF COMMUNICATIONS
Jo Phillips has been with Ten Alps since the start. Award winning current affairs producer, former press & policy advisor to Paddy Ashdown and key member of the media team for Live8.

Alex Connock
CHIEF EXECUTIVE, TEN ALPS PLC

Nitil Patel
FINANCE DIRECTOR, TEN ALPS PLC

Ten Alps so far



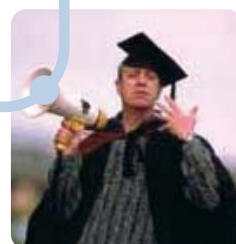
1999

Ten Alps is founded by Alex Connock, Bob Geldof and Des Shaw. Alex buys Planet 24 Radio for £1, on the day that Carlton TV acquires Bob's previous TV company Planet 24 for a reported £15m. Ten Alps is Planet, misspelled, backwards. Ten Alps moves into a small office on an industrial estate in London Docklands.



2000

Produces TV and radio, including the multi-Sony Award-nominated Sunday Service programme for BBC Radio 5 Live and the Arthur Smith lectures for BBC Radio 2.



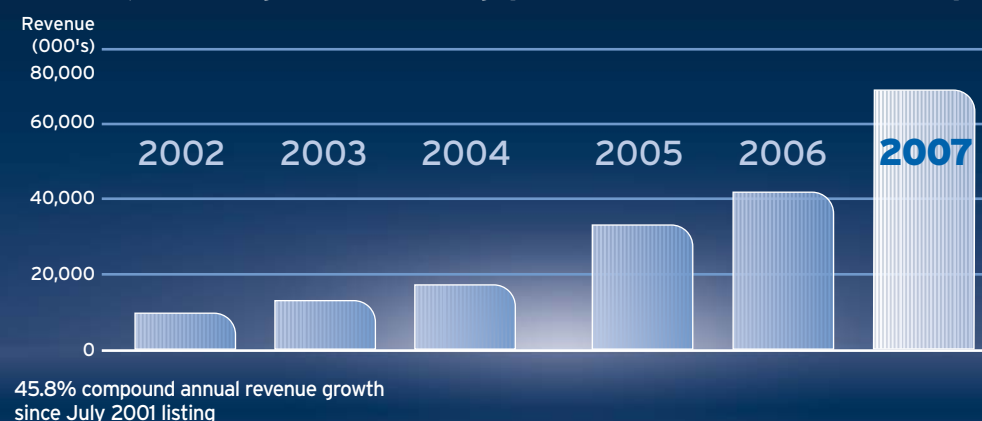
2001

Reverse takeover of AiM-listed Osprey Communications Plc. In the process c.£2.9m cash is raised, after costs, in an equity placing at 23p. Ten Alps moves into a small office above a betting shop in Battersea, South London.

The two Osprey companies within the group are rebranded as Ten Alps RMA and Ten Alps MTD.

Buys events production companies Dr Party and Pacesetter Associates and starts the Know Comment media management agency.

Ten Alps has grown strongly for six consecutive years



2002

Buys TV production company Brook Lapping, one of the best-known documentary producers in the world.



2003

A consortium led by Brook Lapping wins a major government tender to produce a Teachers TV channel.



2004

Buys TV production company 3BM TV.

Buys TV documentary production company Blakeway Productions.

Teachers TV goes into production.



2005

For the first time, the company reaches 30 TV and radio projects simultaneously in production.

Ten Alps buys the slate of Rock Hammer Productions and starts Ten Alps Midlands.



2006

Ten Alps acquires documentary production company Hart Davies, formerly Hart Ryan.

Ten Alps acquires specialist publishing company McMillan-Scott for up to £12.25m. McMillan-Scott has a 30-year history of producing specialist media through three offices in London, Manchester and Macclesfield.

To fund the acquisition of McMillan-Scott, Ten Alps undertakes its first equity placing since 2001, at 65p.

Ten Alps rebrands McMillan-Scott as Ten Alps Publishing, and buys Camerons Publishing in Gateshead.

Beta launch of Public TV, Ten Alps' first video internet site.

2007

Ten Alps employs 570 staff, manages over 530 specialist publications, scores of TV and radio programmes and 60 live events.

Ten Alps grows, creates an operating board including experienced media executives Fiona Stourton (ex-BBC) and Nigel Dacre (ex-ITN), and appoints investment banker Tim Hoare to the Plc board.

Buys four more factual content specialists Atalink, DBDA, Cameron's and Mongoose.

Rollout of 12 new internet TV channels.



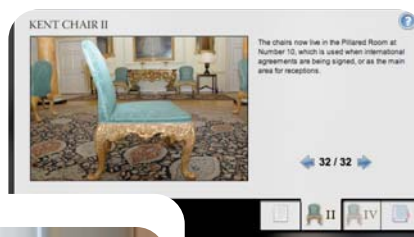
Digital

As technology has moved on, so has Ten Alps' factual output. The internet is at the heart of what we do, and it's why Ten Alps this year launched Public TV with 12 business to business online TV channels.

Ten Alps is well placed to create an ecosystem of online TV for B2B and public sector markets. It has the factual TV heritage, it has the advertiser base, and it has the sheer scale in the market represented by its 530 niche titles.

The result is Public TV, on-demand factual television, useful to professionals in the public and private sectors - from Downing Street to NASA and beyond. Within the overall site are sector-specific channels - health, science, transport and more - to meet increasing demand.

And Ten Alps has other online TV channels in progress as well. We won the contract to produce Kent TV, which will go live later this year - a new way for local authorities to communicate through internet TV. We're also working closely with the Nobel Foundation and the Norwegian government to develop a Peace Channel.



Multi Platform Case Study

The British Veterinary Association, (BVA) who are Ten Alps clients, have asked us to put together a pilot Internet TV website for their members. The site is to be called Vets TV and is set to go live in 2008.



Ten Alps won the contract to produce Kent TV which is planned to go live in September 2007 - the first of its kind. We already produce offline content such as magazines for more than 216 local authorities.



Peace TV...

Broadcast

Ten Alps produces award-winning factual television and radio programmes for a range of broadcasters including the BBC, Channel 4, Discovery and Sky.

Ten Alps owns TV documentary production company Brook Lapping, whose reputation is exceptional, with an iconic list of credits that includes The Death of Yugoslavia, The Fall of Milosevic and Elusive Peace. Brook Lapping is also a 70% shareholder in the consortium that is behind Teachers TV.

Ten Alps' other broadcast companies, Blakeway/3BM and Hart Davies, produce a range of factual programmes that recently included Camilla, Art Rocks, Supergrass and Sergeant Pepper's 40th Anniversary for TV and radio. Meanwhile Ten Alps Midlands produces the regional Politics Show and Ten Alps Radio produces Worricker, the award winning Radio 5 Live news.



Teachers TV, (which Brook Lapping, a Ten Alps-owned company, launched for the Department for Education and Skills), continues to be a successful broadcast channel as well as a market leader in internet TV distribution, with over 1700 programmes databased online. The current contract with the Department for Education and Skills, expires in August 2008 and is being re-tendered, as per the original contract. With partner companies as minority shareholders, the Group is submitting a tender for contract renewal, for which process it has allocated appropriate Group funds and key talent. The result is expected at turn of the year.

Many TV projects these days are also internet linked. Ten Alps' company Blakeway/3BM is making Visionaries for BBC World - a unique interactive TV series which will be broadcast in September 2007. We're also building the Visionaries website



To mark the 40th anniversary of Sergeant Pepper's Lonely Hearts Club Band album, Ten Alps Radio persuaded Oasis, Kaiser Chiefs, Razorlight and other leading bands to re-record the album with the original engineer, using the original recording equipment. Ten Alps-owned production company Hart Davies filmed the sessions and made the TV series.



Blakeway/3BM investigated how America captured, detained and interrogated those it suspected of terrorism, and uncovered a global network of secret jails, where ghost prisoners were held incommunicado for years, without trial, without charge. The story of America's twenty-first century global gulag was made for Channel 4 Dispatches.

Communications

Ten Alps produces, sells and manages factual content for every outlet that audiences and advertisers use - television, radio, print, internet, online TV and live events.

Ten Alps works with clients across both the public and private sectors, including institutes, Royal Colleges, trades unions and associations, as well as central and local government.

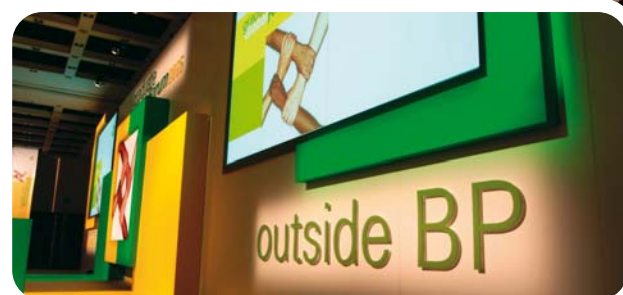
The statistics are these: Ten Alps has 52,000 advertisers, and in the last year it published 530 unique print titles, launched 88 web-hosted titles, commercially managed 100 websites, and staged 60 events.

The acquisition of DBDA in June 2007 added a wealth of expertise in corporate social responsibility, education and environment content, and a raft of clients including BMW, Aviva and Marks and Spencer. Meanwhile Mongoose (also acquired in June 2007) added more advertising sales expertise.

Our belief is that we meet the demands of a rapidly changing media market because we can offer expertise across the range of outlets. For instance, Ten Alps now runs conferences linked to publications which are filmed and made available on Public TV, which means more people can watch, and events (and their associated sponsorship) can have a longer shelf life.

Repeatable events created by Ten Alps this year include Public Sector Project Management, Rail 2007 and Transport Security.

Ten Alps also has two bespoke communications agencies - RMA in Hampshire and MTD in Edinburgh.



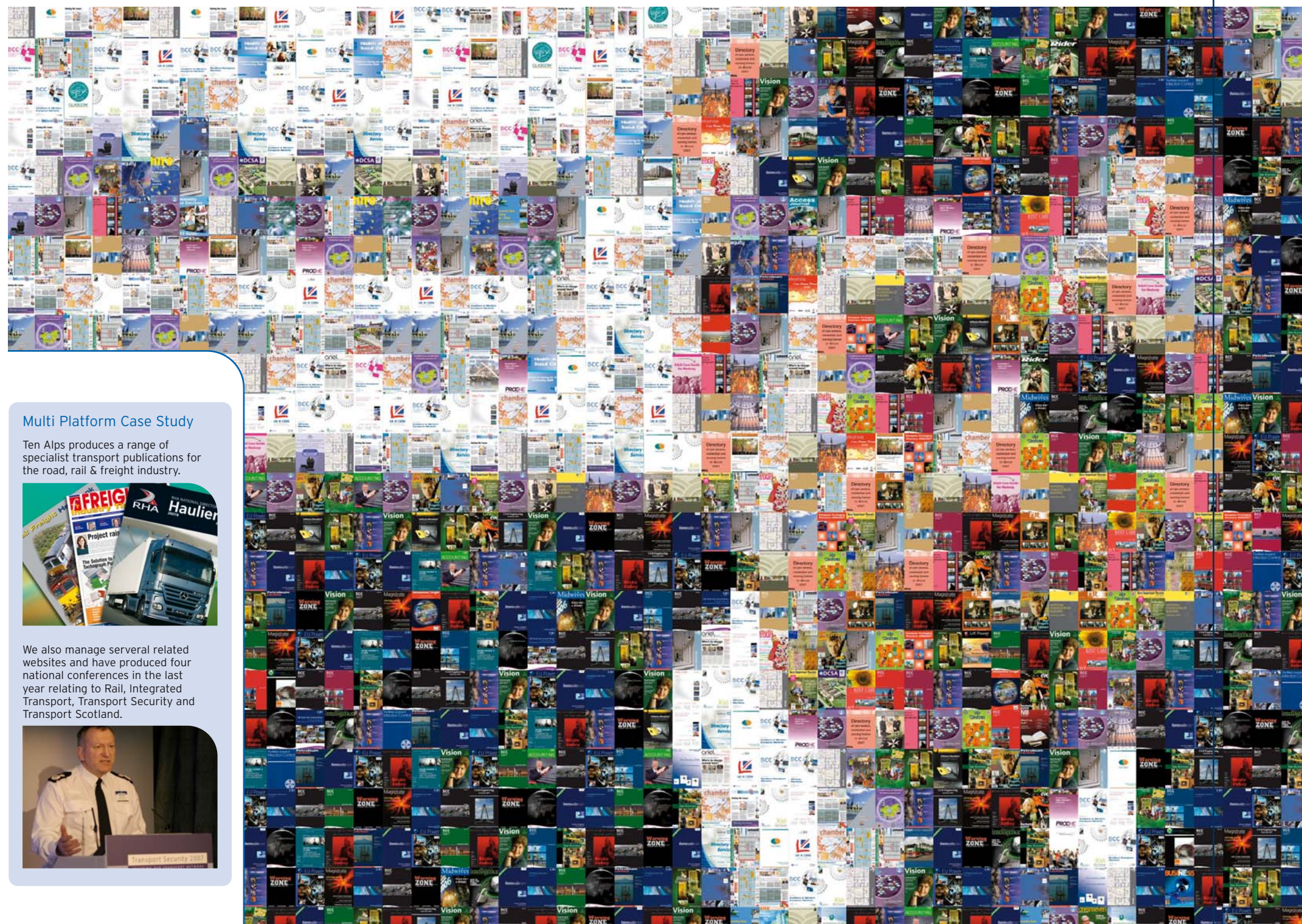
Ten Alps Live has produced 6 conferences for BP in the UK, Europe and USA. Ten Alps radio is also working on producing a comedy jukebox for BP's Wild Bean Café franchise.

Multi Platform Case Study

Ten Alps produces a range of specialist transport publications for the road, rail & freight industry.



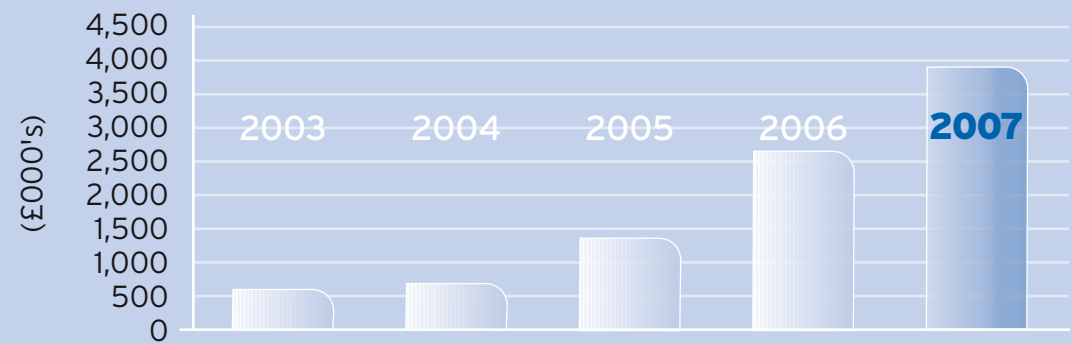
We also manage several related websites and have produced four national conferences in the last year relating to Rail, Integrated Transport, Transport Security and Transport Scotland.



Long-term financial performance since launch

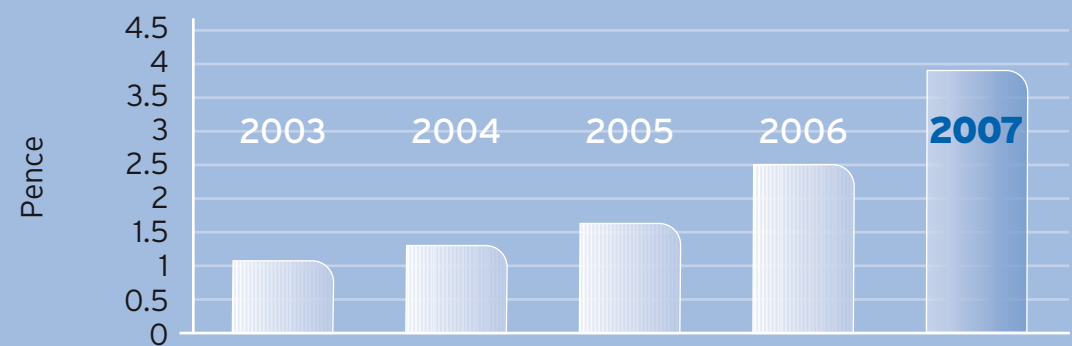
EBITDA

Ten Alps now has five years of unbroken profits growth



Adjusted EPS

Ten Alps has achieved five years of adjusted earnings per share growth



Finance Director's report

Healthy cash flow

Trading Analysis

Group turnover grew by 63.5% to £69.0m (2006: £42.2m) with acquisitions contributing £1.44m. Gross profit increased by 100% to £18.9m (2006: £9.5m).

Gross margins rose from 22.4% in 2006 to 27.4% in 2007, reflecting the change in the product mix after the acquisition of McMillan Scott and Cameron Publishing. As a consequence, total administrative expenses now represent 23.5% of turnover (2006: 18.7%).

Group EBITDA increased by 46.4% to £3.94m (2006: £2.69m) reflecting the impact of both acquisitions and organic growth. Profit before tax was £2.26m (2006: £1.66m) after a goodwill amortisation charge of £588,000 (2006: £658,000) for the year.

As mentioned in our interim results statement of 5 December 2006, our Key Performance Indicator (KPI) bonus on the Teachers TV contract was lower compared to the previous year, which had included two years' performance due to the contract's phasing in its startup period. This effect is illustrated by the fact that the minority interest was £209,000 for 2007 (2006: £365,000).

Basic earnings per share (EPS) increased from 1.07p in 2006 to 2.75p in 2007 with a fully diluted EPS of 2.69p (2006: 1.04p). Adjusted basic EPS (before goodwill amortisation) was 3.88p in 2007 compared to 2.54p in 2006.

Group Balance Sheet

The Group's balance sheet reflects the results for the year and illustrates the financial strength of the Group with net funds as at the year end of £3.8m (2006: £3.5m).

In reference to deferred consideration on previous acquisitions, the estimates payable on the McMillan-Scott acquisition has been lowered as earnout performance against the theoretical maximum is clarified. The payment due to Blakeway Productions was paid in full during the year.

Shareholders' funds have increased from £12.1m to £13.6m, reflecting the acquisitions and the results for the year. The profit and loss account now shows a surplus of £2.5m (2006: £1m).

The long-term debt at the year-end reflects loans from the Bank of Scotland plc. The amount outstanding as at 31 March 2007 was £9.15m (2006: £9.35m). Also included in long term debt are loans from the European Union for development of programmes of £270,000 (2006: £280,000), finance leases of £52,000 (2006: £39,000) and deferred income in relation to fixed assets purchased by Educational Digital Limited of £235,000 (2006: £409,000).

Net assets as at 31 March 2007 were £13.8m, of which £14.4m was held in cash (including £7.3m in Teachers TV).

NITIL PATEL Finance Director



Questions & Answers

Which matters most: shareholder value, creative reputation or scale?

They all matter.

We're aiming to build shareholder value by increasing earnings per share, which is why we make EPS growth our priority on all the deals we do and why we have issued equity only once in the past five years.

EPS growth is even better achieved organically, but for that, it's vital to have the highest possible creative reputation, since quality production is the best sales tool in the factual media business. We have creativity and we've now coupled that with a proven sales force, and we have repeatedly achieved organic earnings growth.

Meanwhile, financial risk in the media is related to scale. 'Boutique-sized' media companies are binary, because any given customer may account for a large proportion of sales and ultimately move on. The bigger a media firm can grow, the smaller the likely impact of any given client will be.

That's why our favourite achievement this year was growing our client base - from fewer than 100 to over 50,000 clients across all media outlets. The more scale we can achieve, the less risky we will be and that should increase shareholder value.

Why are you a 'factual media' company rather than specifically TV or publishing?

We live in a multi-media world - with information and entertainment available from TV, internet, radio and print. So Ten Alps is simply making all its content available in a market where audiences and advertisers already demand multiple outlets. Meanwhile we chose factual media because the entertainment market is fickle, and its business model potentially volatile.

Our business model is therefore to focus horizontally on factual content. This contrasts with most independent TV producers, who tend to sit vertically across all segments of TV production, including fiction and entertainment.



Factual is a market where we think we could have real scale and focus. Our TV companies are acclaimed for the programmes they produce. Our online TV channels and publications are all factual and are growing.

Interestingly, this is one of the rare moments in media business history when the world's biggest companies - BBC, Time-Warner, News Corporation - are in many ways more cutting-edge than the smaller media firms, who to a large degree are still playing out the old model of sector-specific production. Ten Alps is looking to avoid that trap.

So who are Ten Alps' stock market peers?

Purely in terms of the percentage split of its revenues (and without making any valuation or profits comparison) Ten Alps is starting to look like the larger, integrated business to business media firms like United Business Media and EMAP.

We believe that Ten Alps has less relation to the traded TV production stocks it has often been compared to, since barely 22% of its 2006/07 revenues derived from broadcast TV commissions. That percentage could be dropping again, in relative terms, even if (as we hope) our TV production revenues grow, because of the expected significant impact on the revenue mix of our four recent acquisitions in B2B media.

Why are you investing in online TV?

The first wave of online TV was entertainment, as YouTube became part of the fabric of everyday life.

But in the specialist media field, both public & private sector, we think there is a second, major opportunity for online TV. No-one has yet built a full, accessible video database of knowledge about every aspect of professional life, from medical procedures to how to run a fire station or run health and safety on an oil rig. We've identified a market for on-demand factual television.

We were inspired by the success of the Teachers TV project where we were able to make all the programmes from the broadcast channel permanently available on the website. Teachers TV demonstrated a real demand for specialist content delivered through online TV.

And that's why we are building up Public TV.

As a shareholder, can I come and visit Ten Alps?

Yes you certainly can. Just get in touch via the contact us button on our website and you are welcome. We are just - for instance - opening new, larger premises in Manchester for our much-expanded sales force in internet advertising and events, and you would be welcome to look around.



Report of the Directors

The Directors present their annual report, together with the audited accounts, for the year ended 31 March 2007.

Principal Activity

Ten Alps is a factual media company which provides and commercially manages the content for TV, radio, online TV and print.

Results

The results for the year ended 31 March 2007 are set out on page 29.

The Group made an operating profit in the year of £2.67m (2006: £1.57m) and the retained profit for the year after taxation and minority interests of £1.43m (2006: £0.48m) has been transferred to reserves.

Dividends

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

Review of Business

The Board monitors the progress of the Group against its strategic objectives on a regular basis. The performance of the Group is measured against strategy, budgets and forecasts using a variety of financial and non-financial indicators. The most significant Key Performance Indicators ("KPI's") used by the Group and the basis of calculation are set out below:

Growth in Turnover (%)

Assessed by year on year turnover growth and expressed as a percentage. Turnover has improved due to our successful acquisition and integration of McMillan Scott Limited and Cameron Publishing Limited which has led to the Group moving its factual content portfolio into publishing, internet TV and digital media services. Ten Alps has seen a 64% growth in turnover in the year which is in line with our growth strategy.

Gross margin (%)

Gross margin is the ratio of gross profit to sales expressed as a percentage. Gross margin has improved on last year to 27% (2006: 22%) and reflects the change in the product mix due to the acquisitions highlighted above.

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 as growth in the EBITDA figure ensures that the Group can increase margins as well as turnover. The Group produced strong growth in the year of 46% (2006: 108%).

Risks and Uncertainties

In this section we describe some of the principal risks that the Directors believe could materially affect our business. Therefore 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 changes. In order to remain competitive it must continue to invest and adapt in its three main divisions of communications, digital and broadcast content.

Risk is reduced, but by no means removed, by creating and maintaining a balanced portfolio of products that evolves to meet the needs of our clients. Investing internally in people, infrastructure while maintaining the highest quality in the factual media content we produce and manage will further mitigate these risks.

Acquisitions

One of our major strategies is acquiring new business for our divisions which inevitably exposes us to the risks associated with acquisitions. Examples of such risks include:

- Finding suitable acquisition targets at the right multiples
- Integrating the acquired companies into Ten Alps.

In addition, potential difficulties inherent in mergers and acquisitions may adversely affect the results of an acquisition. These include delays in implementation or unexpected costs or liabilities, as well as the risk of failing to realise operating benefits or synergies from completed transactions.

To mitigate these risks the Group follows and applies:

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

Publishing Advertising Revenue

A significant proportion of our revenues derive from this division. This sector tends to be cyclical, is sensitive to any economic slowdown or recession and there is also increasing competition for these revenues especially from online advertising.

We address these risks by ensuring we have a wide range of B2B clients. In addition we are migrating our B2B media businesses from their traditional print base to incorporate a higher proportion of event and online revenue. We are also investing in both print and online data services which do not experience the cycle of advertising spend.

Significant Contract

Teachers TV (which Brook Lapping, a Ten Alps-owned company, launched for the Department for Education and Skills) continues to be a successful broadcast channel as well as a market leader in internet TV distribution, with over 1700 programmes databased online. The current contract with the Department for Education and Skills, c£15m per year in revenues, expires in August 2008 and is being re-tendered, as per the original contract. With partner companies as minority shareholders, the Group is submitting a tender for contract renewal, for which process it has allocated appropriate group funds. The result is expected at turn of the year.

Key Management Staff

As we operate across a number of industry segments where there is intense competition for experienced and highly skilled individuals, we face risks of failing to recruit and retain the highest qualified and able staff. As we cannot predict the future availability of these people, we place significant emphasis on succession planning by developing and retaining management talent.

Report of the Directors

These are some of the approaches Ten Alps takes to the challenge of staff retention:

- A number of incentive schemes to attract key senior managers and staff
- Training and motivating staff
- Career opportunities across the Group

Directors and their interests

The Directors who served during the year were as follows:

A.M. Connock
N. Patel
A.B. Walden*
R.F.Z. Geldof KBE*
T D Hoare (appointed 8 March 2007)*
*Non-Executive

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

	Nature of interest	Ordinary Shares of 2p each	
		1 April 2006	31 March 2007
A.M. Connock	Beneficial	3,643,181	3,223,181
N. Patel	Beneficial	-	-
A.B. Walden	Beneficial	68,750	68,750
R.F.Z. Geldof KBE	Beneficial	3,642,116	3,642,116
T Hoare	Beneficial	-	-

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

	At 31 March 2006	As at 31 March 2007	Exercise price	Dates normally exercisable
A.M. Connock	148,750	148,750	23p	2002 to 2010
	100,000	100,000	67.5p	2006 to 2116
R.F.Z. Geldof KBE	148,750	148,750	23p	2002 to 2010
	100,000	100,000	67.5p	2006 to 2116
N. Patel	148,750	148,750	23p	2002 to 2010
	100,000	100,000	67.5p	2006 to 2116

Material Contracts

Other than set out in Note 30 at no time during the year did any serving Director have a material contract with the Group.

Substantial Shareholdings

The Company has been informed of the following shareholdings at 24 May 2007, each representing 3% or more of the current issued share capital:

	%
Herald Investment Management	8.39
Rathbones	7.48
Liontrust Asset Management	6.90
Capital Group Companies	4.99
AXA Framlington Investment Management	4.62
D Shaw Esq	3.46
New Star Asset Management	3.26
Fidelity Investments	3.00

Share Capital

Details of share capital are given in Note 20 to the financial statements.

Suppliers' Payment Policy

The Group's policy is to agree the terms of payment with each supplier and to abide by those terms. Creditor settlement time for the year ended 31 March 2007 was 56 days (2006: 59 days).

Employees

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

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

Corporate Governance

The Board consists of a Non-Executive Chairman, two Non-Executive Directors, the Chief Executive and the Finance Director and their biographies appear on page 6. The Board meets regularly and is responsible for reviewing and approving Group strategy, budgets and plans, major items of capital expenditure and possible acquisitions and investments.

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

Report of the Directors

Corporate Governance Continued

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

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

Going Concern

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

Financial risk management objectives and policies

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

An analysis of the Group's financial assets and liabilities (excluding short tem trade debtors and trade creditors), together with the associated financial risks, are set out in Note 19.

The main risks arising from the group's financial instruments are market risk, 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 group's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below.

Currency risk

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

Liquidity risk

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

The maturity of borrowings is set out in Notes 16 and 17 to the financial statements.

Interest rate risk

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

International Financial Reporting Standards (IFRS)

The Group will adopt IFRS for the first time in the Group's Annual Report for the year ending 31 March 2008. Consequently, the Group's Interim Results for the six month period to 30 September 2007 will be presented under IFRS together with restated information for the six months ended 30 September 2006 and the year ended 31 March 2007. The Group has a working party committee which has a timetable established for the implementation of IFRS.

The Group has identified that, other than changes to the presentation of the primary statements and accompanying notes under IAS1 and IAS14, the principle differences between IFRS and the Group's UK GAAP accounting policies relate to IFRS3: "Business Combinations" and IAS12: "Income Taxes". IAS 12 "Income taxes" is wider than that required by UK GAAP, and requires deferred tax to be provided on all temporary differences rather than only timing differences under UK GAAP.

Auditors

A resolution to re-appoint Grant Thornton UK LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

The Annual General Meeting is to be held at Ten Alps' office at Trelawney House, Chestergate, Macclesfield, Cheshire SK11 6DW. Notice of the meeting is set out at the end of the Report and Accounts.

In addition to the adoption of the Accounts, the reappointment of the auditors and the re-election of R F Z Geldof as a Non Executive Director, there are four other matters which will be considered at the Annual General Meeting.

The first is that the Articles of Association of the Company be amended by deleting in the present Article 31.2, the words "two times" and replacing them with the words "five times". This will increase the Company's borrowing limit from two times share holders' funds to five times.

The second is to give the Directors general power to allot shares up to an aggregate nominal amount of £520,471 (equal to approximately 50% of the issued ordinary share capital as at the date of this report).

The third is to give the Directors authority to issue shares having an aggregate nominal value of £260,235 (being 25% of the issued ordinary share capital as at the date of this report) for cash without first offering them to the existing shareholders on a pro-rata basis.

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

Report of the Directors

The proposed authority will be limited by the terms of the special resolution to the purchase of up to 7,801,857 ordinary shares, which represents 14.99 per cent of the issued ordinary share capital as at 31 March 2007. The minimum price payable per share would be its nominal amount (this being 2p) and the maximum price (exclusive of expenses) would be five per cent above the average of the middle market quotation of the ordinary shares, derived from the London Stock Exchange, for the five business days immediately preceding any purchase. Any such purchases would be made on the market and would be paid for out of distributable profits. Shares purchased would be cancelled. The authorised ordinary share capital figure would remain unaffected.

Details of any shares purchased pursuant to the proposed authority will be notified to a Regulatory Information Service as soon as possible and in any event by 7.30a.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 period in which any purchases take place.

Each of these authorities will expire on the earlier of one year from the passing of the resolution and the date of the 2008 Annual General Meeting.

By order of the Board

N. Patel, Secretary

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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial period and of the profit or loss of the Group for that period.

In preparing those financial statements, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the Directors are aware:

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

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

We have audited the Group and parent company financial statements (the “financial statements”) of Ten Alps plc for the year ended 31 March 2007 which comprise the principal accounting policies, the Group profit and loss account, the Group and company balance sheets, the Group cash flow statement, and Notes 1 to 31. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company’s members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the Company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and whether they have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors’ Report is consistent with the financial statements.

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

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

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group’s and Company’s affairs as at 31 March 2007 and of the Group’s profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors’ Report is consistent with the financial statements.

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LONDON

15 June 2007

Ten Alps plc consolidated profit and loss account
For the year ended 31 March 2007

			2007	2006
		Notes	£'000	(restated) £'000
Turnover	continuing operations		67,604	41,805
	acquisitions		1,441	406
		2	69,045	42,211
Cost of sales			(50,125)	(32,749)
Gross profit			18,920	9,462
Administrative expenses - other			(15,666)	(7,236)
Amortisation of goodwill			(588)	(658)
Total administrative expenses			(16,254)	(7,894)
Operating profit	continuing operations	3	2,467	1,609
	acquisitions	3	199	(41)
			2,666	1,568
Net interest (payable)/receivable		5	(403)	91
Profit on ordinary activities before tax			2,263	1,659
Taxation		8	(627)	(819)
Profit on ordinary activities after tax			1,636	840
Minority interest			(209)	(365)
Retained profit for the year		22, 23	1,427	475
Basic earnings per share		10	2.75p	1.07p
Diluted earnings per share		10	2.69p	1.04p

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

Ten Alps plc consolidated balance sheet
As at 31 March 2007

	Notes	£'000	2007 £'000	2006 £'000
Fixed assets				
Intangible assets	11		16,577	15,718
Tangible assets	12		1,754	1,611
			18,331	17,329
Current assets				
Work in progress		2,762		2,662
Debtors	15	11,666		12,978
Cash at bank	25	14,368		14,515
		28,796		30,155
Creditors				
Amounts falling due within one year	16	(23,593)		(25,005)
Net current assets			5,203	5,150
Total assets less current liabilities			23,534	22,479
Creditors				
Amounts falling due after more than one year	17		(9,707)	(10,078)
Net assets			13,827	12,401
Capital and reserves				
Called up share capital	20		1,041	1,035
Share premium account	22		7,188	7,127
Merger reserve	22		2,930	2,930
Other reserve	22		2	2
Profit and loss account	22		2,456	1,006
Shareholders' funds	23		13,617	12,100
Minority interest			210	301
			13,827	12,401

These financial statements were approved by the board of directors on 15 June 2007

Signed on behalf of the board of directors by

Alex Connock, Chief Executive

Ten Alps plc company balance sheet
As at 31 March 2007

	Notes	£'000	2007 £'000	£'000	2006 £'000
Fixed assets					
Investments in Subsidiaries	13		18,384		18,244
Tangible assets	12		123		-
			18,507		18,244
Current assets					
Debtors	15	2,136		7,016	
Cash at bank		2,166		317	
		4,302		7,333	
Creditors					
Amounts falling due within one year	16	(3,916)			(6,433)
Net current assets			386		900
Total assets less current liabilities			18,893		19,144
Creditors					
Amounts falling due after more than one year	17		(9,150)		(9,350)
Net assets			9,743		9,794
Capital and reserves					
Called up share capital	20		1,041		1,035
Share premium account	22		7,346		7,285
Capital reserve	22		111		111
Other reserve	22		2		2
Profit and loss account	22		1,243		1,361
Shareholders' funds			9,743		9,794

These financial statements were approved by the board of directors on 15 June 2007

Signed on behalf of the board of directors by

Alex Connock, Chief Executive

Ten Alps plc consolidated cash flow statement
For the year ended 31 March 2007

	Notes	31 March 2007 £ '000	31 March 2006 £ '000
Net Cash inflow from operating activities	24	4,939	3,644
Return on investments and servicing of finance	24	(703)	(119)
Taxation	24	(711)	(429)
Capital expenditure and financial investment	24	(725)	(387)
Acquisitions and disposals	24	(2,505)	(10,497)
Net cash inflow/(outflow) before financing		295	(7,788)
Financing			
Issue of ordinary share capital		67	3,863
Expenses paid in connection with share issues		-	382
Capital element of finance lease rentals		(45)	(14)
(Decrease)/increase in bank and other loans		(464)	10,550
Net cash (outflow)/inflow from financing		(442)	14,781
(Decrease)/Increase in cash		(147)	6,993
Reconciliation of net cash flow movement to movement in net debt			
(Decrease)/Increase in cash in period		(147)	6,993
Cash outflow/(inflow) from change in debt and lease financing		509	(10,536)
Change in net debt resulting from cash flows		362	(3,543)
Finance leases acquired with subsidiaries		(16)	(116)
Exchange adjustments		(5)	(4)
		341	(3,663)
Net funds at 1 April 2006		3,468	7,131
Net funds at 31 March 2007	25	3,809	3,468

Ten Alps plc notes to the accounts

For the year ended 31 March 2007

1. Accounting policies

The financial statements are prepared in accordance with United Kingdom generally accepted accounting standards other than for the application of a true and fair override from the Companies Act 1985 with respect to the carrying value of intangible assets where the Directors are of the opinion the intangible assets have an indefinite economic life. See note (c) below.

The principal accounting policies of the Group are set out below. The policies have remained unchanged from the previous year, apart from the adoption of FRS 20 “Share Based Payment”. See note (n) below.

(a) Accounting convention

The accounts are prepared under the historical cost convention.

(b) Basis of consolidation

The consolidated accounts reflect the accounts of Ten Alps plc and all its subsidiaries for the year to 31 March 2007. The results of subsidiaries acquired are consolidated for the periods from which control passed.

(c) Acquisitions and disposals

On the acquisition of a business, fair values are ascribed to the Group’s share of net tangible assets. Where the costs of acquisition exceed the value attributable to such net assets, the difference is treated as consolidated goodwill.

The Directors assess each acquisition to determine the appropriate treatment of any related goodwill and select from one of two accounting policies:

Where the Directors are of the opinion that intangible assets of the Group have an indefinite economic life given the acquired business’ historic ability to sustain long term profitability, their position within their market sector and the Group’s commitment to continue to invest in the long-term development of that business then, in accordance with FRS10 and FRS11, the carrying value of these intangible assets is reviewed annually for impairment on the basis stipulated in FRS11 and adjusted to the recoverable amount should this be required. This policy departs from the requirement of companies’ legislation to amortise goodwill over a finite period in order to give a true and fair view, for the reasons outlined above. The impact of the departure from the Companies Act was to not charge amortisation of goodwill of £525,088 (2006: nil).

Where the Directors are of the opinion that intangible assets of the Group do not have an indefinite economic life then the goodwill on each acquisition is considered by the Directors and amortised on a straight line basis over its useful economic life (which is generally estimated to be ten years).

(d) Depreciation

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

The following are the main annual rates used:

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

(e) Development Costs

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

(f) Investments

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

(g) Pensions

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

(h) Turnover

Broadcast

Turnover (which excludes VAT) represents amounts receivable for work carried out in producing media content and is recognised across the period of production on the basis of the value of costs incurred related to the production activity. Gross profit on media production activity is recognised based upon the stage of completion of the production and in accordance with the underlying contract. Overspends on productions are recognised as they arise and underspends are recognised on completion of the production.

Included in production turnover is accrued income in relation to Key Performance Indicators (KPIs) being achieved with respect to the Teachers TV operation. The KPIs range from 0% to 10% and will be based on the actual spend to 31st March 2007. As the full assessment will not be known until November 2007, the Directors have recognised a best estimate accrual.

Turnover also includes sums receivable from the exploitation of programmes in which the Group 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.

Gross profit from the exploitation of programme rights is recognised when receivable.

Communications and Digital

Turnover (which excludes VAT) represents amounts receivable in respect of fees, advertising media charges and advertising, media & event production costs and is recognised on the following basis:

Media content and events - recognised at the point at which the media content or event is delivered.

Publications - recognised at the point at which the publications are despatched to customers.

Payments received in advance are shown as deferred income on the balance sheet until the publication, media content or event is despatched or delivered.

(i) Production costs

Where the company has part-financed a completed and delivered production, that cost is recognised as a fixed asset, described as "Production costs". The net book value of the production is reduced at the year end by the income received in the year and the amount held on the balance sheet will be the lesser of the amount of anticipated future ancillary revenues and the amortised cost of investment.

Ten Alps plc notes to the accounts

(j) Work-in-progress

Broadcast

Work-in-progress comprises costs on productions that are incomplete at the year-end less any amounts recognised as cost of sales.

Communications

Work-in-progress comprises cumulative costs incurred in relation to unpublished titles or events, less provision for contingencies and anticipated future losses and is valued on the basis of direct costs plus attributable overheads based on normal level of activity. No element of profit is included in the valuation of work in progress.

Digital

Work-in-progress comprises cumulative costs incurred in relation to undelivered content, less provision for contingencies and anticipated future losses and is valued on the basis of direct costs plus attributable overheads based on normal level of activity. No element of profit is included in the valuation of work in progress.

(k) Programmes incomplete at period end

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

(l) Deferred income

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

(m) 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 periods 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.

(n) 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 "other reserve".

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. 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 period. No adjustment is made to any expense recognised in prior periods 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.

(o) Lease and hire purchase contracts

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

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

(p) Media loans and subsidies

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

(q) Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

Ten Alps plc notes to the accounts

2. Segmental Analysis

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

Turnover can be analysed by destination as follows:	31 March 2007		31 March 2006	
	Continuing Operations £'000	Acquisitions £'000	Total £'000	Total £'000
UK	61,520	1,441	62,961	38,519
Rest of Europe	2,053	-	2,053	512
Rest of World	4,031	-	4,031	3,180
	67,604	1,441	69,045	42,211

The total figures for continuing operations in 2007 include the following amounts relating to acquisitions: cost of sales £958,000 and administrative expenses £284,000.

Further segmental information is not shown since, in the opinion of the Directors, its disclosure would be seriously prejudicial to the interests of the Group.

3. Operating Profit

		31 March 2007	31 March 2006 (restated)
		£'000	£'000
Operating Profit is stated after charging:			
Depreciation on owned assets		643	440
Depreciation on assets held under finance lease contracts		42	24
FRS 20 share based payment		23	341
Amortisation of goodwill		588	658
Exchange losses		56	4
Loss on sale of tangible assets		2	9
Payments under operating leases:			
land and buildings		729	447
other		17	62
Auditors Remuneration			
Parent Company		5	5
Group		20	20
Audit of subsidiaries		75	65
Non-audit services:			
Interim		8	10
Tax compliance		25	25
Other services		55	-

4. Prior year adjustment

As disclosed in the accounting policies section, a new accounting standard FRS 20 (IFRS 2) Share- based payment was adopted in the year. The financial effect of this has been analysed below.

FRS 20 has been applied retrospectively to all equity instruments granted after 7 November 2002 that were unvested as of 1 April 2006.

For the year ended 31 March 2006, the change in accounting policy has resulted in a net decrease in the profit for the year of £341,000 but does not alter distributable reserves. For the year ended 31 March 2007 the change in accounting policy has resulted in a charge to the profit and loss account of £23,000.

5. Net interest (payable)/receivable

	31 March 2007 £'000	31 March 2006 £'000
Bank interest receivable	281	97
Less interest payable		
On finance leases and hire purchase contracts	(10)	(6)
Bank interest payable	(674)	-
	(684)	(6)
	(403)	91

6. Employee costs (including directors)

	31 March 2007 £'000	31 March 2006 £'000
Wages and salaries	8,380	4,934
Social security costs	931	569
Other pension costs	213	56
	9,524	5,559
Average number of employees		
Management	39	28
Administration	71	19
Production	320	89
	430	136

Ten Alps plc notes to the accounts

7. Directors' emoluments

	Fees £'000	Basic salaries £'000	Benefits in kind £'000	Pension £'000	31 March 2007 Total £'000	31 March 2006 Total £'000
Executive Directors						
A.M. Connock*	-	162	11	12	185	169
N. Patel*	-	128	-	7	135	118
Non-Executive Directors						
A.B. Walden (Chairman)	34	-	-	-	34	10
R.F.Z. Geldof KBE	75	-	6	-	81	81
T. Hoare	-	-	-	-	-	-
P.J.G. Caldwell (resigned)	-	-	-	-	-	4
	109	290	17	19	435	382

During the year, £19,000 (2006: £17,000) was paid with respect to personal pension schemes for 2 Directors (2006: 2).

* Bonuses were awarded to A.M. Connock and N. Patel but they elected to waive them.

8. Tax charge on profit on ordinary activities

	31 March 2007 £'000	31 March 2006 £'000
Analysis of charge in year		
UK corporation tax		
Current tax	449	767
Prior year adjustment	(9)	9
	440	776
Deferred tax		
Deferred tax charge (note 18)	187	43
Tax on profit on ordinary activities	627	819
Tax charge reconciliation		
Profit on ordinary activities before taxation	2,263	1,659
Profit on ordinary activities multiplied by the standard rate of corporation tax 30% (2006: 30%)	679	498
Effects of:		
Expenses not deductible (including goodwill amortisation)	169	213
FRS 20 share based payment not deductible	7	102
Capital allowance in excess of depreciation	-	7
Utilisation of losses	(406)	(56)
Other Timing Differences	-	3
Prior year adjustment	(9)	9
	440	776

9. Parent company's profit

As permitted by section 230 Companies Act 1985, the parent company has not presented its own profit and loss account. The Company's own loss for the year after tax amounted to £141,000 (2006: loss of £233,000) has been transferred to reserves.

10. Earnings per ordinary share

	Earnings £'000	Weighted average no. of shares	Basic per share amount pence	Adjusted per share amount pence
2007				
Attributable to ordinary shareholders:				
Retained profit	1,427			
Amortisation of goodwill	588			
Adjusted earnings	2,015			
Basic EPS		51,943,330	2.75	3.88
Dilutive effect of securities:				
Options		1,088,555		
Diluted EPS		53,031,885	2.69	3.80
2006 (restated)				
Attributable to ordinary shareholders:				
Retained profit	475			
Amortisation of goodwill	658			
Adjusted earnings	1,133			
Basic EPS		44,554,163	1.07	2.54
Dilutive effect of securities:				
Options		1,082,198		
Diluted EPS		45,636,361	1.04	2.48

Ten Alps plc notes to the accounts

11. Intangible fixed assets

	Goodwill £'000
Group	
At 1 April 2006	18,006
Additions (Note 14)	3,297
Change in estimate of deferred consideration	(1,850)
At 31 March 2007	19,453
Accumulated amortisation	
At 1 April 2006	2,288
Charge for the year	588
At 31 March 2007	2,876
Net book value	
At 31 March 2007	16,577
At 31 March 2006	15,718

As explained in note 1(c), where the Directors are of the opinion that intangible assets of the Group have an indefinite economic life, the carrying value of these intangible assets is reviewed annually for impairment on the basis stipulated in FRS11. The Group has prepared ten year forecasts for use as the basis for its impairment reviews. Revenue growth is forecast to steadily increase based on past evidence and future expectations. Revenue growth beyond 1 April 2012 does not exceed nominal GDP. Accordingly the Directors believe that it is appropriate to use projections in excess of five years. The discount rates for the business segments reviewed were based on the Group's pre-tax weighted average cost of capital of 6.9%. The impairment reviews indicated that no impairment charge was necessary.

Positive goodwill with a carrying value of £13,699,781 has been assumed to have an indefinite useful economic life.

12. Tangible fixed assets

Group	Short leasehold land and buildings £'000	Motor vehicles £'000	Office and computer equipment £'000	Websites £'000	Total £'000
Cost					
At 1 April 2006	207	223	2,669	-	3,099
Additions	40	53	549	104	746
Acquisitions of subsidiary undertakings	-	45	60	-	105
Disposals	(79)	(148)	(178)	-	(405)
At 31 March 2007	168	173	3,100	104	3,545
Depreciation					
At 1 April 2006	125	88	1,275	-	1,488
Charge for the year	29	52	604	-	685
Disposals	(79)	(128)	(175)	-	(382)
At 31 March 2007	75	12	1,704	-	1,791
Net book value					
At 31 March 2007	93	161	1,396	104	1,754
At 31 March 2006	82	135	1,394	-	1,611

Included in the above figures for the Group is equipment held under finance lease contracts with a net book value of £122,000 (2006:£68,000)

Company	Office and computer equipment £'000
Cost	
At 1 April 2006	-
Additions	130
Disposals	-
At 31 March 2007	130
Depreciation	
At 1 April 2006	-
Charge for the year	7
Disposals	-
At 31 March 2007	7
Net book value	
At 31 March 2007	123
At 31 March 2006	-

Ten Alps plc notes to the accounts

13. Investments and subsidiaries

	£'000
Company	
Total cost of acquisitions at 1 April 2006	18,244
Additions in year (Note 14)	1,990
Change in estimate of deferred consideration	(1,850)
Investment in subsidiaries at 31 March 2007	18,384
Investment in subsidiaries at 31 March 2006	18,244

The principal subsidiaries of the Group during the year were:

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

* Subsidiary of Brook Lapping Holdings Limited
^ Subsidiary of Brook Lapping Productions Limited
+ Subsidiary of Ten Alps TV Limited
~ Subsidiary of Ten Alps Publishing

14. Acquisitions

Atalink Limited

On 30 March 2007 the Company acquired the whole of the issued share capital of Atalink Limited for cash consideration (including expenses) of £1,862,000.

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

The details of the acquisition are as follows:

	Book Value	Fair Value Adjustments	Provisional Fair Value Total
	£'000	£'000	£'000
Intangible fixed assets	3,524	(3,524)	-
Tangible fixed assets	32	-	32
Work in progress	401	-	401
Debtors	1,533	(90)	1,443
Bank and Cash	710	-	710
Creditors	(2,912)	-	(2,912)
Net (liabilities)/assets acquired	3,288	(3,614)	(326)
Goodwill capitalised			2,263
Consideration given			1,937
Satisfied by			
Cash			1,862
Deferred contingent consideration			75

The fair value adjustments made to book value relate to purchased goodwill and debtors owed by former owners.

Cash consideration includes £100,000 relating to acquisition costs.

The Atalink acquisition is subject to additional consideration consisting of two amounts. The first amount will be equal the lesser of the net current assets, if any, at the completion date; and the aggregate of the cash balance plus £100,000. This amount is payable on agreement of the completion accounts. The second amount will be £465,000 less the amount of the net liabilities, if any, at completion date. This amount is payable in cash in March 2008. At 31 March 2007, £75,000 of additional consideration has been provided for.

Atalink's results and net assets up to the date of acquisition are as follows:

	6 months to 31 March 2007	9 months to 30 September 2006
	£'000	£'000
Turnover	3,035	1,797
Operating loss	384	(441)
Profit/(Loss) after tax	270	(310)
Net assets	3,390	4,816

The net cash inflow in relation to the acquisition of Atalink comprised cash balances acquired of £710,000.

Ten Alps plc notes to the accounts

14. Acquisitions (continued)

Cameron Publishing Limited

On 6 November 2006, Ten Alps Publishing (a subsidiary company of Ten Alps Plc) acquired the whole of the issued share capital of Cameron Publishing Limited for cash consideration of £1. In addition, Ten Alps Publishing repaid the £400,000 of debt owed by Cameron Publishing to the former owners.

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

The details of the acquisition are as follows:

	Book Value	Fair Value	Provisional
		Adjustments	Fair Value
	£'000	£'000	Total
Tangible fixed assets	73	-	73
Work in progress	289	-	289
Debtors	77	-	77
Bank and Cash	(185)	-	(185)
Creditors	(1,190)	-	(1,190)
Net liabilities acquired	(936)	-	(936)
Goodwill capitalised			976
Consideration given			40
Satisfied by			
Cash			40
Deferred contingent consideration			-

There were no fair value adjustments made to book value.

Cash consideration includes £40,000 relating to acquisition costs.

The Cameron Publishing acquisition is subject to a second repayment of debt up to a maximum of £400,000. This can be adjusted by deducting the amount by which net liabilities per the agreed completion accounts are greater than £730,000; and decreased by the amount, if any, by which the adjusted EBIT for the period from acquisitionto 31 March 2007 is less than £381,000. At 31 March 2007, no further debt repayment has been provided for.

The fair value adjustments in relation to Atalink Limited and Cameron Publishing Limited are provisional as the directors intend to reserve their right to re-appraise fair values up until the first financial year post acquisition.

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

	Period from 01 February 2006 to 06 November 2006	Year to 31 January 2006
	£'000	£'000
Turnover	1,727	2,276
Operating loss	(172)	(307)
Loss after tax	(239)	(387)
Net liabilities	(936)	(697)

Cameron Publishing Limited made the following contribution to, and utilisations of, group cashflow:

	Total
	£'000
Net cash outflow from operating activities	(214)
Returns on Investment and Servicing of Finance	-
Taxation	-
Capital expenditure	(4)
Net overdraft acquired with subsidiaries	(185)
Financing	-
Decrease in cash	(403)

Deferred Consideration on Acquisitions from Previous Years

Blakeway Productions Limited

Additional consideration of £175,000 was paid in the year in connection with the acquisition of Blakeway Productions Limited in 2005 as the company achieved profits of £150,000 in the 12 months ending 31 March 2006. £175,000 was provided for in 2006.

McMillan-Scott Limited

Additional consideration of £900,000 was paid in the year in connection with the acquisition of McMillan-Scott Limited in 2006 based on McMillan-Scott's net debt position as at 30 June 2006. £1,200,000 had been provided for in 2006. Further additional consideration between £1 and £1,750,000 is payable dependent on McMillan-Scott achieving certain profit targets for the 9 months to 31 December 2006. The amount payable is currently in dispute and at 31 March 2007 £200,000 has been provided for. At 31 March 2007, £1,750,000 was held in a separate bank account pending resolution of the dispute. A final amount of £120,000 is payable in April 2008 subject to the CEO remaining with the company and has been provided for at 31 March 2007. Additional fees of £53,000 in respect of the acquisition were incurred in the year and an additional tax liability of £5,000 was identified within McMillan-Scott Ltd which related to the pre-acquisition period.

Hart Davies TV Limited

The Hart Davies acquisition is subject to additional consideration amounting to a total of between £1 and £412,500. The additional consideration is dependent on the company achieving agreed pre-tax profit targets of between £75,000 and £300,000 for the year ended 31 March 2008. No provision has been made at 31 March 2007 as in the Directors opinion, based on the information available, none will be payable.

Ten Alps plc notes to the accounts

15. Debtors

	31 March 2007		31 March 2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade debtors	8,591	-	5,451	-
Amounts owed by subsidiary undertakings	-	1,829	-	2,112
Other debtors	261	35	4,773	4,660
Deferred taxation	472	31	659	30
Prepayments and accrued income	2,342	241	2,095	214
	11,666	2,136	12,978	7,016

16. Creditors: amounts falling due within one year

	31 March 2007		31 March 2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Bank loans & media loans	1,028	1,000	1,277	1,200
Trade creditors	7,641	184	6,837	314
Amounts due to subsidiary undertakings	-	1,964	-	805
Corporation tax	414	-	583	-
Other taxes and social security undertakings	1,884	-	1,610	8
Obligations under finance lease contracts	59	-	101	-
Other creditors	540	9	2,030	190
Deferred contingent consideration	395	395	3,245	3,245
Accruals and deferred income	11,632	364	9,322	671
	23,593	3,916	25,005	6,433

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

	31 March 2007		31 March 2006	
	Group £'000	Company £'000	Group £'000	Company £'000
Bank Loans	9,150	9,150	9,350	9,350
Obligations under finance leases due between two and five years	52	-	39	-
Media Loans between 2 and 5 years (Note 19)	270	-	280	-
Accruals and deferred income	235	-	409	-
	9,707	9,150	10,078	9,350

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

17. Creditors: amounts falling due after more than one year continued

The bank loans are repayable as follows:

	31 March 2007		31 March 2006	
	Group £'000	Company £'000	Group £'000	Company £'000
In one year or less, or on demand	1,000	1,000	1,200	1,200
Between one and two years	2,375	2,375	2,000	2,000
Between two and five years	6,775	6,775	7,350	7,350
	10,150	10,150	10,550	10,550

Further information on the bank loans is given in Note 19.

18. Deferred Taxation

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

	31 March 2007 £'000	31 March 2006 £'000
Accelerated capital allowances	228	191
Losses carried forward	184	60
Other timing differences	60	408
	472	659

Provision has been made for the deferred tax asset in the current year on trading losses where the directors believe it to be probable that these losses will be offset by taxable profits in future periods.

There is an unrecognised deferred tax asset of approximately £273,000 (2006: £262,000) relating to tax losses not yet utilised.

19. Financial Instruments

The Group's financial instruments at 31 March 2007 comprise of short term trade debtors and trade creditors, finance lease agreements for the purchase of certain fixed assets and long term bank and media loans.

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

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

	31 March 2007 £'000	31 March 2006 £'000
Financial assets		
Cash denominated in Sterling	13,000	13,457
Cash denominated in Euros	751	752
Cash denominated in US dollars	617	306
	14,368	14,515
Financial liabilities		
Bank loans	10,150	10,550
Media loans	298	357
Finance leases	111	140
	10,559	11,047

Ten Alps plc notes to the accounts

19. Financial Instruments continued

Currency risk

The media loans are denominated in Euros, other than these, and the Euro and US dollar cash balances held at 31 March 2007, there is minimal exposure to currency risk.

Interest rate risk

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

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

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

Liquidity risk

Short-term flexibility is achieved by an overdraft facility at the year end which was £0.5m. This was undrawn at 31 March 2007.

Fair value risk

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

20. Share Capital

	31 March 2007 £'000	31 March 2006 £'000
Authorised:		
112,500,000 (2006: 112,500,000)		
Ordinary Shares of 2p each	2,250	2,250
Allotted and fully paid		
52,047,080 (2006: 51,733,330)		
Ordinary Shares of 2p each	1,041	1,035

On 05 April 2006, the Company allotted 63,750 ordinary shares of 2p each as a result of the exercise of options that were granted in 2001, with total consideration of £14,662 received by the company.

On 28 June 2006, the Company allotted 50,000 ordinary shares of 2p each as a result of the exercise of options that were granted in 2004, with total consideration of £12,500 received by the company.

On 20 October 2006, the Company allotted 200,000 ordinary shares of 2p each as a result of the exercise of options that were granted in 2001, with total consideration of £40,000 received by the company.

At 5 April 2007, 55,000 share options were exercised at a price of 17p.

During the year the mid-market price of the 2p ordinary shares ranged from 46.75p to 68p. At 31 March 2007 the mid-market price of the shares was 56.25p.

21. Share Based Payments

Share options granted under the Company's schemes are normally exercisable for a ten year period. The vesting period ranges from the date of grant up to three years. There are no performance criteria that need to be met before options vest.

21. Share Based Payments continued

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

Approved Share option scheme		2007		2006
	No.	WAEP £	No.	WAEP £
Outstanding at the beginning of the year	1,758,800	0.32	1,813,800	0.23
Granted during the year	-	-	445,000	0.58
Exercised during the year	(50,000)	0.25	(400,000)	0.19
Lapsed during the year	-	-	(100,000)	0.34
Outstanding at the end of the year	1,708,800	0.32	1,758,800	0.32
Exercisable at the end of the year	1,538,800	0.30	1,548,800	0.29

Unapproved Share option scheme		2007		2006
	No.	WAEP £	No.	WAEP £
Outstanding at the beginning of the year	959,400	0.29	494,400	0.21
Granted during the year	-	-	465,000	0.37
Exercised during the year	(263,750)	0.21	-	-
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	695,650	0.32	959,400	0.29
Exercisable at the end of the year	695,650	0.32	959,400	0.29

The options outstanding as at 31 March 2007 have the following weighted average exercise prices and expire in the following financial years:

Expiry	Exercise Price £	2007 No.	2006 No.
31 March 2010	0.22	1,239,450	1,553,200
31 March 2014	0.28	255,000	255,000
31 March 2015	0.38	485,000	485,000
31 March 2016	0.63	425,000	425,000
		2,404,450	2,718,200

313,750 options were exercised during the year, details of which can be found in note 20.

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:

Scheme	2007		2006	
	EMI	Unapproved	EMI	Unapproved
Number granted	-	-	445,000	465,000
Weighted average share price at grant	-	-	£0.60	£0.52
Weighted average share exercise price	-	-	£0.58	£0.37
Weighted average expected volatility	-	-	43.5%	45.1%
Average expected life (years)	-	-	5	5
Weighted average risk free rate	-	-	4.1%	4.5%
Expected dividend yield	-	-	0.0%	0.0%

Ten Alps plc notes to the accounts

21. Share Based Payments continued

The expected volatility was calculated using the historic volatility of the Company's share price over the period 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.

22. Reserves

Group	Share premium account £'000	Merger reserve £'000	Other reserve £'000	Profit and loss account £'000
Balance at 1 April 2006	7,127	2,930	2	1,006
Shares issued	61	-	-	-
Recognition of equity-settled share-based payments in the year	-	-	-	23
Retained profit for the year	-	-	-	1,427
	7,188	2,930	2	2,456

Company	Share premium account £'000	Capital reserve £'000	Other reserve £'000	Profit and loss account £'000
Balance at 1 April 2006	7,285	111	2	1,361
Shares issued	61	-	-	-
Recognition of equity-settled share-based payments in the year	-	-	-	23
Retained loss for the year	-	-	-	(141)
	7,346	111	2	1,243

Cumulative goodwill relating to acquisitions made prior to 1998, which has been eliminated against reserves, amounts to £1,028,000 (2006: £1,028,000).

23. Reconciliation of movements in shareholders' funds

	31 March 2007 £'000	31 March 2006 £'000
Opening equity shareholders' funds	12,100	7,039
Retained profit for the year	1,427	475
Recognition of equity-settled share-based payments in the year	23	341
Share premium on shares issued in the year	61	4,097
Shares issued in the year	6	148
	13,617	12,100

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

	31 March 2007 £'000	31 March 2006 (restated) £'000
Reconciliation of operating profit to net cash inflow from operating activities:		
Operating profit	2,666	1,568
Depreciation	685	464
Goodwill amortisation	588	658
FRS 20 share based payment charge	23	341
Loss on sale of fixed assets	2	8
Increase in work in progress	590	(25)
Decrease/(Increase) in debtors	2,632	(1,546)
(Decrease)/Increase in creditors	(2,252)	2,172
Foreign exchange loss on media loans	5	4
Net cash inflow from operating activities	4,939	3,644
Return on investments and servicing of finance:		
Net interest received	281	97
Interest element of finance lease payments	(10)	(6)
Bank interest paid	(674)	-
Dividends paid to minority interests	(300)	(210)
Net cash (outflow) from return on investments and servicing of finance	(703)	(119)
Taxation:		
Corporation tax paid	(711)	(429)
Capital expenditure and financial investments:		
Purchase of tangible fixed assets	(746)	(387)
Disposal of tangible fixed assets	21	-
Net cash (outflow) from capital expenditure and financial investments	(725)	(387)
Acquisitions and disposals:		
Purchase of subsidiaries	(1,955)	(9,598)
Net cash/(overdraft) acquired with subsidiaries	525	(612)
Payment of deferred consideration	(1,075)	(287)
Net cash outflow from acquisitions and disposals	(2,505)	(10,497)

Ten Alps plc notes to the accounts

25. Analysis of net funds

	As at 1 April 2006 £'000	Cashflow £'000	Exchange movements £'000	Non-cash movements £'000	As at 31 March 2007 £'000
Bank balances	14,515	(147)	-	-	14,368
Debt due after one year	(9,630)	(736)	(5)	951	(9,420)
Debt due within one year	(1,277)	1,200	-	(951)	(1,028)
Finance leases due after 1 year	(39)	-	-	(13)	(52)
Finance leases due within 1 year	(101)	29	-	13	(59)
	(11,047)	493	(5)	-	(10,559)
Net Funds	3,468	346	(5)	-	3,809

Included in bank balances is the amount of £5,000 (2006: £809,000) held in trust accounts in connection with specific ongoing projects. These monies are available for these projects without restriction.

26. Obligations under operating leases

At 31 March 2007 the Group had commitments under operating leases to make payments in the next year as follows:

	31 March 2007		31 March 2006	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire				
Within one year	219	-	62	5
Between two and five years	264	39	396	39
After five years	491	-	296	-
	974	39	754	44

27. Contingent liabilities

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

The Company has guaranteed the overdraft facility of £3,000,000 in respect to a Group company. The overdraft was not utilised at the balance sheet date.

28. Capital commitments

The Company had no capital commitments at 31 March 2006 or 31 March 2007.

29. Controlling related parties

The Directors believe there are no controlling related parties.

Details of investments in principal subsidiary undertakings are included in Note 13. In accordance with FRS8, disclosure is not required of transactions and balances between Group companies where such transactions are eliminated on consolidation.

30. Related party transactions

During the year R F Z Geldof and family received £40,000 (2006: £101,000) for his services on specific television productions via Hixdell Limited, charged at normal commercial rates. At the year end £nil (2006: £33,000) was outstanding.

During the year A B Walden received £14,000 (2006: £25,000) for his services on specific radio productions charged at normal commercial rates. At the year end £nil (2006: £nil) was outstanding.

31. Post balance sheet events

On 18 June 2007 the Group acquired the business of DBDA for initial consideration of £1,000,000 in cash plus additional consideration to a maximum £2,300,000 over the next 2.5 years.

The Group five year history

	Year ended 31 March 2007				
	2003 £'000	2004 £'000	2005 £'000	2006 £'000	2007 £'000
Turnover	13,059	16,732	34,753	42,211	69,045
Cost of sales	(8,779)	(11,955)	(27,755)	(32,749)	(50,125)
Gross profit	4,280	4,777	6,998	9,462	18,920
Administrative expenses	(4,236)	(4,701)	(6,502)	(7,894)	(16,254)
Operating profit	44	76	496	1,568	2,666
Profit on disposal of businesses					
Net interest receivable/(payable)	35	50	60	91	(403)
Profit on ordinary activities before taxation	79	126	556	1,659	2,263
Taxation	9	24	(252)	(819)	(627)
Profit on ordinary activities after taxation	88	150	304	840	1,636

Notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Ten Alps plc will be held at Trelawney House, Chestergate, Macclesfield, Cheshire SK11 6DW on 10 September 2007 at 2.00 p.m. for the following purposes:

Ordinary Business

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

1. To receive the Company's audited financial statements for the year to 31st March 2007, and the Directors' report and the Auditors' report on those financial statements.
2. To reappoint Grant Thornton LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.
3. To reappoint R F Z Geldof as Non-Executive Director.

Special Business

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

4. THAT the Articles of Association of the Company be amended by deleting in the present Article 31.2, the words "two times" and replacing them with the words "five times". This will increase the Company's borrowing limit from two times share holders' funds to five times.
5. THAT, in substitution for the Directors' existing authorities, the Directors be and are hereby generally and unconditionally:
 - (a) authorised, pursuant to section 80 of the Companies Act 1985 (the "Act") to exercise all powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) up to an aggregate nominal amount of £520,471; and
 - (b) empowered, pursuant to section 95(1) of the Act, to allot equity securities (as defined in section 94(2) of the Act) for cash up to an aggregate nominal amount of £260,235 pursuant to the authority set out in paragraph (a) above as if section 89(1) of the Act did not apply to such allotment provided always that such authority and power is granted for the period commencing on the date of the adoption of this resolution and ending on the earlier of the date which is one year from the date of adoption of this resolution and the date of the 2008 Annual General Meeting of the Company.
6. THAT the Directors of the Company be and they are hereby generally and unconditionally authorized for the purpose of section 166 of the Companies Act 1985 (the "Act") to make one or more market purchases (within the meaning of section 163(3) of the Act) of ordinary shares of 2p each in the issued share capital of the Company ("Ordinary Shares") provided that:
 - (a) the maximum aggregate number of Ordinary Shares authorised to be purchased is 7,801,857 (representing 14.99 per cent of the issued ordinary share capital of the Company);
 - (b) the minimum price which may be paid for an Ordinary share (exclusive of expenses) is nominal value from time to time;
 - (c) the maximum price which may be paid for an ordinary share (exclusive of expenses) is an amount equal to 105 per cent of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange for the five business days immediately preceding the day on which the purchase is made;

- (d) this authority is granted for the period commencing on the date of the adoption of this resolution and ending on the earlier of the date which is one year from the date of adoption of this resolution and the date of the 2008 Annual General Meeting of the Company; and
- (e) the Company may make a contract to purchase ordinary shares under this authority which will or may be executed wholly or partly after the expiry of the authority and may make a purchase of ordinary shares in pursuance of such a contract.

By order of the Board

Nitil Patel

Secretary

15 June 2007

Registered office: 100 Union Street, Aberdeen AB10 1QR

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his or her behalf. The proxy need not be a member of the Company.
2. To be effective, the instrument appointing a proxy and any authority under which it is executed (or a notarially certified copy of such authority) must be lodged with the Company's Registrars (Capita IRG plc, 34 Beckenham Road, Beckenham, Kent BR3 4TU) not less than 48 hours before the time for holding the meeting. A form of proxy is enclosed with this notice. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting.
3. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the Register of Members of the Company as at 2.00 p.m. on 7 September 2007 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their names at the time. Changes to entries on the Register of Members of the Company after 2.00 p.m. on 7 September 2007 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

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