Ten Alps plc

Audited Preliminary Results

Ten Alps ("Ten Alps", or the "Group"), the multimedia producer of TV programming together with publishing and communications content, today announces its final results for financial year ended 30 June 2015 and provides an update on the Group's current trading.

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

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

Highlights

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

Post year-end activity & Outlook

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

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

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

Chief Executive Mark Wood commented:

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

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

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

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

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

For further information please contact:

Ten Alps plc Mark Wood, CEO Nitil Patel, CFO c/o Emer Donohoe www.tenalps.com	**+44 (0) 20 7878 2311**
N+1 Singer (NOMAD to Ten Alps plc) Shaun Dobson / Lauren Kettle	**+44 (0) 20 7496 3000**
FTI Consulting (Financial PR) Charles Palmer / Rob Mindell	**+44 (0) 20 3727 1000**

Chairman's Statement

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

The Board is pleased to report the successful completion of a major restructuring and refinancing. As outlined above we have been able to convert approximately £7m of debt into equity and preference shares, raise £4.5m in new funds and complete the acquisition of Reef Television Limited ("Reef TV"), which has helped scale and improve the commerciality of our television operation.

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

On July 2014 we appointed Mark Wood as a non-executive Director and in December 2014 he became Chief Executive Officer. He brings a wealth of experience in television, publishing and digital content. We are delighted to welcome Luke Johnson and Jonathan Goodwin who joined as new non-executive Board members in July 2015, both of whom participated in the recent fund raise. They each have stellar reputations in the UK business community and bring not only a wealth of experience but a commitment to helping map a strategy for faster growth for the Ten Alps business. Furthermore, we are grateful to Bob Geldof, Tim Hoare and Brian Walden, who all stepped down from the Board during the year, for their continued support of Ten Alps and we wish them well for the future.

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

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

PERFORMANCE

Chief Executive Officer's Report

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

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

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

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

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

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

The integration of previously disparate business units at a single London location has created a new dynamism and is facilitating a mix of TV and digital expertise which we believe few media businesses can match.

Television – delivering engaging, intelligent and entertaining content

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

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

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

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

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

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

Communication – creating content that counts

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

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

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

Highlights of the year:

Television

Ten Alps produces television programming under the Blakeway, Brook Lapping and Films of Record and now Reef TV brands:

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

Publishing

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

Communication

- *Transport for London*
  Following a 12 month competitive tender process, we renewed an existing contract to create and manage a comprehensive, London-centric, digital road safety educational campaign for pre-school children. The new contract worth over £1 million per annum, which represents an increase of approximately 30 per cent. of the value of the previous contract, commenced on 1 April 2015 for a minimum of 3.5 years, with a potential to extend it for a further 3 years at the end of the initial term.
- *BTG*
  Created short form video for this international pharmaceutical company covering internal communications about corporate values

- *Nationwide Building Society*
  Developed the 'Big Money Movie Pitch' competition for students aged 11 to 14 across UK, bringing financial capability to life by creating a film. The winning entry was made into a short film by industry professionals and premiered at Vue Westfield London

- *Stabilo*
  We have developed the EASYstart Writing Box for leading pen manufacturer Stablio to support the fundamental understanding of how to write letters in a way that inspires curiosity and is based on the scientific development of fine motor skills

- *Cartoon Network*
  We have developed a suite of resources to support the launch of Cartoon Network's imagination studios awards, a competition for 6 to 11 year olds where they create a character, storyboard or animation inspired by the theme of 'friendship'

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

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

TV programme production is under four brands: Blakeway, Brook Lapping and Films of Record produce current affairs programming and documentaries for broadcasters worldwide. In the UK, Ten Alps companies regularly produce Panorama and Dispatches broadcasts for BBC and Chanel 4. Reef TV is especially strong in daytime TV, producing a number of long-running popular factual series, most of which are recommissioned year after year. The acquisition of Reef TV has helped to create an indie television business with suitable scale.

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

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

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

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

Chief Financial Officer's Report

Financial Review

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

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

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

Adjusted EBITDA equated to a loss of £0.59m (2014: £1.13m). Operating loss decreased to £0.82m (2014: £1.99m) after an amortisation charge of £0.04m (2014: £0.35m). The loss was mainly attributable to one of the four units within publishing, which has since been scaled back and refocused. All other parts of the businesses were operating profitably before allocation of central overheads of publishing and plc costs.

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

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

Earnings per share

Basic and diluted loss per share from continuing operations in the year was (0.48)p (2014: (1.01)p) and was calculated on the losses for the year attributable to Ten Alps shareholders of £1.32m (2014: loss £2.8m) divided by the weighted average number of shares in issue during the year being 276,666,012 (2014: 276,666,012).

Statement of Financial Position

Assets

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

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

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

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

Equity and Liabilities

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

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

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

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

Cash flows

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

Post Balance Sheet Events (PBSE)

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

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

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

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

Please see below for an unaudited proforma of the balance sheet of the Group as at 30 June 2015 reflecting the PBSE transaction having completed at year end.

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

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

- *Awaiting Court Approval*

Peter Bertram **Mark Wood** **Nitil Patel**

Consolidated income statement

	Note	Year to 30 June 2015 £'000	15 months to 30 June 2014 £'000
Continuing operations			
Revenue		**20,467**	29,454
Cost of sales		**(13,679)**	(20,030)
Gross Profit		**6,788**	9,424
Operating expenses		**(7,373)**	(10,549)
Adjusted EBITDA		**(585)**	(1,125)
Reorganisation and restructuring costs		**(120)**	(330)
Depreciation		**(71)**	(179)
Amortisation and impairment of intangible assets		**(43)**	(352)
Operating loss		**(819)**	(1,986)
Finance costs		**(505)**	(570)
Loss before tax		**(1,324)**	(2,556)
Taxation		**-**	(247)
Loss for the year		**(1,324)**	(2,803)
Discontinued operations			
Profit for the year from discontinued operations	3	**-**	243
Loss for the year		**(1,324)**	(2,560)
Continuing operations attributable to:			
Equity holders		**(1,324)**	(2,803)
Discontinued operations attributable to:			
Equity holders		**-**	243
Retained loss for the year/period		**(1,324)**	(2,560)
Basic earnings per share			
From continuing operations	4	**(0.48)p**	(1.01)p
From discontinued operations		**Nilp**	0.09p
Total		**(0.48)p**	(0.92)p
Diluted earnings per share	4		
From continuing operations		**(0.48)p**	(1.01)p
From discontinued operations		**Nilp**	0.09p
Total		**(0.48)p**	(0.92)p

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

Consolidated statement of comprehensive income

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

Consolidated statement of financial position

	Note	**As at 30 June 2015 £ '000**	As at 30 June 2014 £ '000
Assets			
Non-current			
Goodwill and intangibles	5	**6,898**	6,953
Property, plant and equipment		**155**	186
Deferred tax		**493**	493
		7,546	7,632
Current assets			
Inventories		**780**	989
Trade receivables		**2,282**	2,552
Other receivables		**1,941**	1,596
Cash and cash equivalents		**1,914**	2,578
		6,917	7,715
Total assets		**14,463**	15,347
Equity and liabilities			
Shareholders' equity			
Called up share capital	7	**5,534**	5,534
Share premium account		**15,228**	15,228
Merger reserve		**696**	696
Retained earnings		**(24,178)**	(22,854)
Total shareholders' equity		**(2,720)**	(1,396)
Total equity		**(2,720)**	(1,396)
Liabilities			
Non-current			
Borrowings		**-**	8,447
		-	8,447
Current liabilities			
Trade payables		**2,733**	3,013
Other payables		**5,440**	5,283
Borrowings – current		**9,010**	-
		17,183	8,296
Total equity and liabilities		**14,463**	15,347

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

SC075133

Consolidated statement of cash flows

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

Consolidated statement of changes in equity

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

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

Notes to the consolidated financial statements

1) ACCOUNTING POLICIES

1.1) General Information

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

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

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

1.2) Basis of Preparation

The financial information set out above does not constitute the company's statutory accounts for the year ended 30 June 2015 or period ended 30 June 2014 but is derived from those accounts. Statutory accounts for 2014 have been delivered to the registrar of companies, and those for 2015 will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

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

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

1.2.1) Going Concern

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

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

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

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

2) SEGMENTAL INFORMATION

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

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

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

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

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

3) DISCONTINUED OPERATIONS

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

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

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

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

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

4) EARNINGS PER SHARE

	2015	2014
Weighted average number of shares used in basic earnings per share calculation	**276,666,012**	276,666,012
Dilutive effect of share options	-	-
Weighted average number of shares used in diluted earnings per share calculation	**276,666,012**	276,666,012
	£'000	£'000
Loss for year attributable to shareholders	**(1,324)**	(2,803)
Amortisation and impairment of intangible assets adjusted for deferred tax impact	**18**	327
Restructuring	**120**	329
Adjusted loss for year attributable to equity holders of the parent	**(1,186)**	(2,147)
Profit for year/period from discontinued operations attributable to shareholders	**-**	243
Continuing operations:		
Basic Loss per Share	**(0.48)p**	(1.01)p
Diluted Loss per Share	**(0.48)p**	(1.01)p
Adjusted Basic Loss per Share	**(0.43)p**	(0.78)p
Adjusted Diluted Loss per Share	**(0.43)p**	(0.78)p
Discontinued operations:		
Basic Profit per Share	**Nil p**	0.09 p
Diluted Profit per Share	**-Nilp**	0.09 p

5) INTANGIBLE ASSETS

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

Goodwill

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

Customer Relationships

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

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

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

Impairment Tests for Goodwill
The carrying amount of goodwill by operating segment is:

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

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

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

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

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

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

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

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

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

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

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

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

Assumption	**Judgement**	**Sensitivity**
Discount Rate	As indicated above the rate used is 9.1%	An increase in the discount rate by 2% will result in a decrease in the overall goodwill carried at the yearend by £0.25m. A decrease in the discount rate by 1% will result in no impairment charge.
Growth Rate and Strategic plans	Strategic investment, restructuring and growth of owned assets assumed for 2016 A rate of 2.5% has been used for the 2017.	If 0% growth rate was applied after 2016 and all benefits from the strategic investment, restructuring and reorganisation were eliminated then the Publishing unit would be impaired by £2.1m. TV and Communicate would not be impaired.
Cashflows	Cash collection is consistent with previous years with no significant bad debts being incurred due to write offs taken in the previous years and provisions for this year.	A 15% fall in cashflow estimates would result in an overall impairment of £0.63m in the year.

6) BUSINESS COMBINATIONS
Acquisition after reporting period- Reef Television Limited

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

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

Goodwill capitalised	
Consideration given	5,522
Satisfied by:	
Cash	2,522
Deferred contingent consideration	3,000
	5,522

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

Earnout Details

The earnout consists of three elements:

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

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

The Loan Note Consideration is redeemable and the Deferred Consideration is payable in three tranches of up to £500,000 each, subject to the level of gross profitability of Reef Television for the financial years ended 30 June 2016, 30 June 2017 and 30 June 2018. In respect of the 2016 financial year, the maximum Loan Note Consideration and Deferred Consideration payment of £1,000,000 is subject to Reef Television achieving at least £1,800,000 in gross profits and to be adjusted downwards thereafter on a straight-line basis to a minimum level of £1,500,000, below which point none of the first tranche of Loan Note Consideration and Deferred Consideration will be paid. The same performance metrics will apply to the second and third tranches of Loan Note Consideration and Deferred Consideration due in respect of the 30 June 2017 and 2018 financial years, with the target gross profit ranges of £2,000,000 to £1,500,000 and £2,200,000 to £1,500,000, respectively.

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

7) SHARE CAPITAL

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