



Financial statements for the year ended 31 March 2013

## Chairman's statement

The Ten Alps Board believes this has been a year of transformation for the Group. The Group has moved decisively away from the legacy of its past and has implemented a substantial restructuring and set of disposals during the year. At the same time we have simplified our management structure, continued to reduce our overheads, refreshed our portfolio and expanded our services in sectors and markets which we believe will grow in the future.

The key focus going forward continues to be the return to overall profitability and a particular emphasis on quality and delivery within the Group's divisions.

Chairman's statement	2
Business review	4
Operating review	6
Financial review	10
Board of directors	12
Report of directors	14
Statement of directors' responsibilities	19
Independent auditor's report - consolidated accounts	20
Consolidated income statement	21
Consolidated statement of comprehensive income	21
Consolidated statement of financial position	22
Consolidated statement of cash flows	22
Consolidated statement of changes in equity	23
Notes to the consolidated financial statements	24
Independent auditor's report - company	42
Company balance sheet	43
Notes to the company financial statements	43

## HIGHLIGHTS FOR THE YEAR INCLUDE:

### Underlying Performance

- Group revenues of £27.64m (2012: £34.18m)
- Underlying adjusted EBITDA\* of £(0.65)m (2012: £1.0m)  
Stated after provisions against stock, work in progress, contracts and debtors of £1.44m (2012: £0.62m)
- Reorganisation and restructuring costs of £0.46m (2012: £1.24m)
- Impairment and amortisation of £4.2m (2012: £2.2m)
- Cash at £3.13m (2012: £2.87m)
- Net Debt of £6.87m (2012: £6.12m)
- TV order book of £5.6m and CSR of £1.4m as at 31 May 2013
- Publishing forward order book of £5.9m for the next 12 months as at 31 May 2013

*\*To assist in the understanding of the underlying performance of the Group, statutory profit has been adjusted to exclude non-recurring items*

### Statutory Performance

- Operating Losses of £7.64m (2012: £3.94m)
- Loss before tax £8.0m (2012: £3.64m)
- Diluted loss per share 3.41p (2012: 3.03p)
- Non-recurring items of £5.08m (2012: £1.82m)
- Total Assets £19.05m (2012: £29.58m)

### Business Overview

- Successful £1m fundraise for the Group via the issue of new capital and loan notes in March 2013
- Simplified management structure and reporting lines
- Disposal of Ten Alps Asia Holdings PTE Limited and Ten Alps Communications Asia PTE Limited in July 2012
- Disposal of underperforming asset, Below the Radar, in February 2013
- Disposal of non-core Agency assets in May 2013
- Closure of Manchester (Publishing) and Derby (TV) Offices
- Moving Corporate Social Responsibility ("CSR") unit to the Group's central London Office
- Further reduction in cost base across all units
- 2 Bafta nominations for the Broadcasting division (*Great Ormond Street* and *Lucian Freud*) and third and fourth series of *Benidorm* ER commissioned
- Retention and building relationships of major clients in the Publishing units from *The Ministry of Defence*, *The Women's Institute*, *The Caravan Club*, *Association of Optometrists*, *Local Authority Building Control*, *Camping & Caravan Club* and *Unite the Union*
- New private sector clients for the CSR unit including *Astra Zeneca* and *Sanofi Pasteur*

We have a good order book in all our divisions which bodes well for the new financial year. Although it has been a challenging journey since I took on the role as Chairman in January 2011, as stated above, the Group has completed many of its planned strategies of focus and stability this year.

With continued attention on core markets and organic growth together with a restructured balance sheet, we start the new financial year in a stronger position.

We have many talented individuals across our divisions, who continue to create and deliver quality and professional products in tough economic conditions, something this Board is proud of.



**Peter Bertram**  
Chairman  
20 June 2012

# Business review

## Transformed, Energised and Stable

The Group has had a transformative year. It has streamlined itself into two core divisions of Broadcasting and Integrated Services. Its core senior management has been reorganised to a simpler, more effective structure with clear reporting lines. In order to deliver the Groups stated goals of stability, focussed strategies and key performance indicators ("KPIs") it has heavily restructured during the year, the Group has disposed of three entities, ceased operations in three locations, relocated a large unit and reorganised the senior management and finance function.

We set out to improve our performance from last year and, due to the actions listed above and the tough economic climate, we have incurred substantial losses, a significant proportion of which are non-recurring. These are detailed further below.

However, we believe it was the right strategy to adopt in order for us to deliver our stated goals for the future. We are setting similar goals for this year with clear emphasis on creative content and products, cash generation, core market growth and enhanced overall performance thereby enabling us to address the interests of the various stakeholders of the Group.

As stated previously, the Directors believe that Ten Alps' assets in Broadcasting and Integrated Services are strong and have the potential for future expansion. Although market conditions remain challenging we believe that by delivering solid organic development on a further reduced cost base, the Group can generate improved financial returns and take advantage of wider opportunities in the future.

## Broadcasting

### TV and Radio

The aim of this division is to further exploit our skills at producing high quality programming that attracts both audiences and industry awards. We continue to prioritise the development of series ideas and forging new relationships with different programme commissioners. We will also build upon our international reputation to ensure that each company is international in its outlook and capable of working with international clients.

The strategy is to grow our TV unit business organically over the next 2-3 years with strategic additions of talent to enhance those aims. KPIs for the year going forward will be similar to last years, being increased output with growth coming from series commissions, new clients in the UK and overseas as well as branching into genres which can benefit from our core strengths.

Having made good progress in the beginning of this financial year, the division's senior management focussed on the disposal of its non-performing Belfast asset, Below the Radar in the latter half.

## Integrated Services

### Publishing

This unit has been fundamentally restructured to focus on its core operations and skills as it breaks away from its past legacy. With the closure of our Manchester office during the year, the disposal of non-UK assets in Singapore and the non-core Agency asset, along with other cost saving actions, the unit will benefit from a substantially reduced overhead base, simplified structure and a refreshed product portfolio. The delivery of advertising sales run -rates and new business targets remain critical to the unit.

The retention and development of existing clients is another key strategy. To enable us to achieve this we aim to retain and recruit the highest calibre of employees by offering them the opportunity to work on innovative projects and expanding their skills in key niche sectors.

During the current financial year the unit will see its UK publishing assets collaborating more closely together to optimise available synergies in terms of both costs and commercial opportunities. In addition we will seek to extend the strong owned asset brands into other revenue streams such as events and awards that will further enhance these brands and generate incremental revenue margin.

KPIs for the year will be to return to profitability, enhanced delivery of products, retention of existing clients and generating new business by extending into new revenues streams.

### CSR

A key aim of this unit is to broaden its client base and increase the private sector revenue as a percentage overall. It has relocated to the Group's central London office and will cease operations in Harrow in the Autumn of 2013. It has reduced its head count from 35 to 22.

We believe the unit is seeing the benefits of the implementation of the planned strategies after challenging conditions in 2012. It has achieved some KPIs in that it has returned to profitability (before provisions for an onerous contract), increased the private sector client base, launched an IP owning digital product and further integrated within the Group.

The KPIs for the new financial year are a rise in underlying profitability, increased revenues from new clients, higher margins through better management and cost control and further collaboration within the Group in order to enhance our ability to service clients with a broader set of skills.

# Operating review

## Overview

Underlying performance for the Group is shown below. The Group has been focussing on the publishing unit in order to address the losses and believes it has completed the necessary restructure and reorganisation to stem losses going forward.

Underlying Adjusted EBIDTA	Adjusted EBITDA	Non- recurring	Share based payments	Exceptionals	Underlying 2013 EBITDA	2012 *
Plc	£(0.93)m	-	£0.16m		£(0.77)m	£(1.10)m
Broadcasting	£0.51m	£0.08m		£0.05m	£0.64m	£0.59m
Integrated Marketing						
Publishing	£(2.34)m	£1.15m		£0.38m	£(0.81)m	£1.87m
CSR	£0.05m	£0.21m		£0.03m	£0.29m	£(0.36)m
<b>Total</b>	<b>£(2.71)m</b>	<b>£1.44m</b>	<b>£0.16m</b>	<b>£0.46m</b>	<b>£(0.65)m</b>	<b>£1.0m</b>

\* Adjusted to reflect add back of restructuring costs in 2012

Included in non-recurring costs are bad debts of £0.08m in broadcasting, a rare occurrence. In publishing, the non-recurring amount is made up of £0.58m in bad debts, £0.47m in work in progress adjustments and £0.1m of obsolete fixed assets being written off. CSR unit comprises of stock adjustment of £0.07m and £0.14m in onerous contract provision. The exceptionals relate to reorganisation and restructuring costs in the year of £0.46m (2012: £1.24m (all publishing)).

## Non-recurring Items

Total non-recurring items during the year were £5.08m (2012: £1.82m). A full analysis of non-recurring items is summarised in the table below.

Non-recurring Items	2013	2012
Impairment of goodwill	£(3.18)m	£(0.98)m
Write off of obsolete fixed assets	£(0.1)m	£Nil
Work in progress adjustments	£(0.47)m	£Nil
Bad debt provision	£(0.66)m	£(0.62)m
Stock write off	£(0.07)m	£Nil
Gain on extinguishment of debt	£Nil	£1.02m
<b>Sub-total non-recurring items with no cash impact</b>	<b>£(4.48)m</b>	<b>£(0.58)m</b>
Cost of reorganisation and restructure	£(0.46)m	£(1.24)m
Contract Provisions	£(0.14)m	£Nil
<b>Sub-total of cash charges</b>	<b>£(0.6)m</b>	<b>£(1.24)m</b>
<b>Total non-recurring Items</b>	<b>£(5.08)m</b>	<b>£(1.82)m</b>

During the year the Group revisited the work in progress calculations for the publishing unit and as a consequence adjusted the amount carried forward by £0.47m. In addition, it wrote off obsolete fixed assets on the register by £0.1m and further increased bad debt provision by £0.6m. In CSR, the unit reduced its stock value by £0.07m and provided for an onerous contract of £0.14m.

## Broadcasting

The broadcasting division of Ten Alps focuses on the production of high quality factual programming for major broadcasters. The output of the division includes award winning documentaries featuring current affairs and investigative content. The business enjoys a premium reputation and employs a number of highly respected television producers operating under industry leading brands. It operates from a centralised unit in London with an office in Manchester under four major brands.

The current order book as at 31 May 2013 was c£5.6m representing 68% of 2013 reported revenues. This validates the division's decision to invest in its development in order to achieve the stated KPIs and the results are now coming through. Development costs for the year increased by 16.6% to £0.21m (2012: £0.18m) and were expensed to the income statement.

Blakeway North has recently been commissioned for Benidorm ER Series 3 and 4 comprising of 20 episodes. Blakeway is finalising its first theatrical commission, a stated KPI for the division and it has been commissioned by the current affairs division of Chinese broadcaster CCTV, in collaboration with Suzhou based Houghton Street Media, to produce a 7 x30 minute series 'What you didn't know about the West' which aired in January 2013. It has also been contracted to an output deal with Channel 4 to produce a minimum of 8 *Dispatches* in the financial year going forward.

Films of Record continue to develop access driven observational documentaries and it was nominated for a *Bafta* in the Factual Series Category for *Great Ormond Street Series*. It will look to expand this output with the addition of its new executive producer, Neil Grant, who joins in June 2013.

Brook Lapping has completed its flagship series *The Iraq War* to acclaimed reviews and will look to expand its genre with strategic appointments in the coming months.

We believe that the disposal of Below the Radar was the right action for the division as it means it can now concentrate on the areas over which it has full control. EBITDA for the broadcasting division was lower than last year by £0.08k at £0.51m (2012: £0.58m) as a result of bad debt costs but the division held EBIT at £0.4m (2012: £0.39m).

Broadcasting	2013	2012
Revenue	<b>£8.29m</b>	£8.43m
EBITDA*	<b>£0.51m</b>	£0.59m
EBIT**	<b>£0.4m</b>	£0.39m
Underlying EBITDA	<b>£0.65m</b>	£0.59m
*Development Expense	<b>£(0.21)m</b>	£(0.18)m
**Reorganisation Costs	<b>£(0.05)m</b>	£(0.11)m

Creative highlights in the year included 2 well-reviewed *Margaret Thatcher: Obituaries* (BBC1 -90mins) and (*Sky Atlantic-60 mins*), *Bafta* Nominated *Lucian Freud* (BBC 2, *Exposure: No Bribes Please! We're British* (ITV1), *Space Voyages* (Smithsonian Channels), *Queen Victoria's Children* (BBC2), *Edward VIII: The Plot to Topple a King* (C4), *Panorama: Honour Killings* (BBC1) and from *Dispatches: C4 News: Plebgate* (C4), *Murdoch, Cameron and £8billion deal* (C4) and *Getting Rich on the NHS* (C4).

Blakeway North delivered *Benidorm ER Series 2* (C5) and *Perspectives: The Brilliant Bronte Sisters* (ITV) whilst Films of Record produced *Hugh Grant: Talking to the Tabloids* (C4) and *Panorama: The Truth About Sports Products* (BBC1). Finally, there was strong radio production for BBC Radio from *Destination Freedom* (Radio 4), *The Uncanny* (Radio 4), *Inside the Aid Industry* (Radio 4) to *The Supremes* (Radio 2) and *Ziggy* (Radio 2).

## Integrated Services

### Publishing

The publishing unit of Ten Alps, which delivers content in four formats: print, online, tablet and events, has like the rest of the business, faced extreme economic conditions and has, we believe, benefitted from the refocus and related restructuring undertaken over the last two years. It has now completed its planned reorganisations and restructure and has effectively broken from its past legacy. The unit now only comprises of UK Publishing assets namely in Publishing B2B and B2C, Events, Contract publishing and Media sales.

The aims have been to expand the portfolios of owned media to include digital media, awards, conferences and exhibitions, increase the margins of contract sales and contract publishing by focusing on high value clients and create market sector focus.

Publishing (owned assets) promotes *Strength in Markets* and supplements its own brands and products with those owned by clients and managed under contract. Since the second half of the year a significant amount of non-profitable accounts have been dropped allowing the sales resource to be utilised more effectively and concentrate on high margin contracts. This is still work in progress. Digital media has been a strong area of growth which has seen many of our client's digital infantry increase and is a sector the unit plans to develop further.

Grove House Publishing is the main focus for owned media in the Human Health, Animal Health, Land and Farming and Heritage sectors. In the North the main emphasis is on Build, Energy, Freight and Business whilst Atalink will concentrate on Consumer and Defence and will include media sales following the centralisation of media sales expertise during the year.

Overall, the positive refocus of this unit is due to the considerable restructuring activity undertaken over the last two years and the unit's response to the challenging economic environment. This has inevitably had an adverse impact on the results for the year as it breaks from its past legacy.

Publishing	2013	2012
Revenue	<b>£17.19m</b>	£23.92m
EBITDA*	<b>£(2.34)m</b>	£0.63m
EBIT**	<b>£(3.84)m</b>	£(1.47)m
Underlying EBITDA	<b>£(0.87)m</b>	£1.87m
*Provisions	<b>£(1.15)m</b>	£(0.62)m
**Reorganisation Costs	<b>£(0.38)m</b>	£(1.1)m

The division achieved revenues from continuing operations of £17.19m (2012: £23.92m) and an EBITDA loss of £(2.34)m (2012: profit of £0.63m) after the provisions of £1.15m (2012: £0.62m). EBIT was a reported loss of £(3.84m) (2012: loss £(1.47)m) after depreciation charge of £0.17m (2012: £0.16m) and amortisation of £0.94m (2012: £0.85m).

There has and will be a constant drive for new business opportunities. Organic growth is being driven by a number of initiatives including IT Elite, a publication and web site for the IT sector. The unit is developing awards in conjunction with its Broadcasting Division and looking to expand its range of products in areas in which it believes it has a market advantage or expertise in such as *Vet Marketing Awards*, *Primary Care Today Forums*, *Primarycare.uk.org* and *Food Freight Awards*. Atalink's media portfolio with *Hearst UK* saw the selling of digital products on their flagship website *www.Allaboutyou.com*.

Further budgeted initiatives that are in the process of being presented to market include SQP conferences and the Cream awards which are being developed into a broader exhibition/awards/conference event. The introduction of tablet digital media is currently being rolled out to supplement the unit's substantial number of web sites.



## CSR

This unit houses DBDA, our award winning CSR consultancy firm. DBDA specialises in creating strategies, programmes, campaigns and resources for blue chip corporates, charities and government departments, targeting the sectors of education, safety and health.

These creative campaigns are delivered through a variety of platforms including print, events, video and more notably through a range of online and digital application based formats. The move from the Harrow office to the Group's Central London office in December 2012 has been beneficial, not only in raising their profile and reputation, but also for the staff of DBDA.

The stated KPIs for this unit were a return to profitability, increase revenue from private sector clients, and expansion of its own intellectual property in to revenues generating concepts. On most counts the unit has achieved the KPIs but it still has a long way to go to redress the imbalance between public and private sector revenue. The same KPIs are being set for the new financial year.

Current order book as at 31 May 2013 is c£1.4m and represents 64.8% of reported revenues for 2013. Revenues were up by 23.42% to £2.16m (2012: £1.75m) with EBITDA of £0.05m (2012: loss of £(0.36)m) after the provision for an onerous contract of £0.14m (2012: £Nil). As stated previously, head count has been significantly reduced as the unit adopts a more freelance model going forward. This is a good result for the unit from which it can build.

CSR	2013	2012
Revenue	<b>£2.16m</b>	£1.75m
EBITDA*	<b>£0.05m</b>	£(0.36)m
EBIT**	<b>£(0.24)m</b>	£(1.71)m
Underlying EBITDA	<b>£0.29m</b>	£(0.36)m
*Provisions - onerous contract	<b>£(0.14)m</b>	£Nil
**Amortisation and Impairment	<b>£(0.24)m</b>	£(1.36)m

DBDA's partnership relationship with Siemens continues to deepen. The education portal ([www.siemenseducation.co.uk](http://www.siemenseducation.co.uk)) has been widely acclaimed as a global flagship project leading to introductions in China, USA and South Africa augmenting the continued feed of government referrals. Collaboration with BMW to develop a unique 3D gameplay proposition to engage students in the manufacturing industry is underway, opening the doors to further opportunities.

Nationwide's popular *Green Home Guide* (<http://www.nationwideeducation.co.uk/sustainability-education/green-guides-suite/green-guide/index.php>) was re-launched and is now tablet and smartphone friendly, bringing the number of Home and Money Guides to nine. Nationwide Education's comprehensive employee portal (<http://www.nationwideeducation.co.uk/nwemployees/pages>) is now finished, offering comprehensive support to staff volunteers, including engaging animations.

*The Children's Traffic Club* ([www.childrenstrafficclub.com](http://www.childrenstrafficclub.com)) new digital product, together with an accompanying website and online membership facility has had huge interest since its launch in September 2012. After running the Club for over 10 years in London membership has reached an impressive 75% uptake of 3-4 year olds across the capital.

## PLC

The Group has simplified its management structure and restructured its finance function during the year. As a consequence the senior management team comprises of four (4) (2012: 7) and finance of fourteen (14) (2012: 19) across the Group.

With the departure of three senior management members we shall see significant overhead reductions from 2013 onwards. Plc costs for the year end at EBITDA level were £0.93m (2012: £1.1m) and at operating loss level they were £3.97m (2012: £1.16m) reflecting share based payments of £0.16m (2012: £Nil) and impairment charge of £3.18m (2012: £Nil).

Plc	2013	2012
Revenue	-	£0.08m
EBITDA	<b>£(0.93)m</b>	£(1.10)m
EBIT*	<b>£(3.97)m</b>	£(1.16)m
Underlying EBITDA	<b>£(0.77)m</b>	£(1.10)m
*Reorganisation Costs	<b>£(0.01)m</b>	£(0.04)m
*Impairment Charge	<b>£(3.18)m</b>	£Nil

# Financial Review

This has been a challenging but transformative year for the Group. Its Integrated Services division has broken from its past legacy with clear management structure and KPIs going forward. The Group has also completed some major disposals and reorganisations with a reduced finance team going forward.

In late March 2013 the Group raised gross proceeds of approximately £1m via the issuance of 24.125m shares at 2p to certain existing investors and loan notes of £0.59m.

Revenue from continuing operations was down 19.14% to £27.64m (2012: £34.18m) and gross profit decreased by 27.03% to £8.11m (2012: £11.12m). The main variance came in the publishing unit which saw revenues decrease by £6.73m year on year.

Gross margin decreased from 32.5 % to 29.3% in the year, with adjusted operating expenses, after deducting non-recurring items of £1.44m (2012: £0.62m), which represented 33.9% of revenues (2012: 31.4%). This is a consequence of significant restructuring undertaken by the Group over the last three years. The aim over the period has been to move from a fixed base cost to a more flexible model. The charge for reorganisation and restructuring was £0.46m (2012: £1.24m). The reduced charge reflects the Group's statement that planned reorganisations and restructure have now been implemented.

The Group has shown the underlying EBITDA to be at £(1.11)m (2012: £(0.24)m) to give a clearer comparison when non-recurring costs have been adjusted for. Adjusted EBITDA or headline profit, a key performance indicator used by the board, was a loss of £2.71m (2012: loss of £0.24m). Operating loss increased to £7.64m (2012: loss of £3.94m) after an impairment charge of £3.18m (2011: £0.98m) and net amortisation charge of £1.04m (2012: £1.22m). The Group also recognised a gain on the extinguishing of bank debt of £Nil (2012: £1.02m) and is shown as finance income.

As the Group made losses for the year ended 31 March 2013 there was no corporation tax charge in the year. However, the Group increased the deferred tax asset by £0.23m to £0.74m (2012: £0.51m).

Discontinued operations relate to the units of publishing which were all closed during the year and the disposal of Ten Alps Asia Holdings, Below the Radar and Agency Assets (which occurred after the year end). The results for the year include a loss on discontinued operations of £0.73m (2012: loss of £0.91m).

## *Non-Controlling Interests*

Minority interests in the primary statements reflect our partner interest via Ten Alps Communications Asia Pte Ltd (35%) which was disposed of in July 2012. The balance was a loss of £0.09m (2012: profit of £0.01m).

## *Earnings per share*

Basic and diluted loss per share from continuing operations in the year was 3.15p (2012: loss 2.34p) and was calculated on the losses for the year attributable to Ten Alps shareholders of £2.96m (2012: loss £0.50m) divided by the weighted average number of shares in issue during the year being 243,664,300 (2012: 132,541,012).

Effectively all share options at 31 March 2013 were 'under water' and, therefore, deemed non-dilutive.

## *Statement of Financial Position*

### *Assets*

The Group's yearly review of goodwill has resulted in an impairment charge of £3.18m in the publishing unit. The impairment is due to the carrying amount exceeding the 'recoverable amount' as new forecasts and assumptions have been applied in light of current year results and reflecting the reorganisations, restructuring and disposals completed within the unit during the year. Following the review, the Group is carrying a goodwill asset of £6.9m (2012: £10.4m). Other intangibles totalled £0.41m (2012: £1.66m).

Inventories and trade receivables have decreased by £4.02m to £6.54m (2012: £10.56m) reflecting the impact of the disposals in the year and a receivables review which resulted in the provision of specific amounts of £0.69m (2012: £0.63m).

The Group had a cash balance of £3.13m as at 31 March 2013 (2012: £2.86m). The balance is £0.3m higher than last year, reflecting the movement in working capital, restructuring costs, actual finance expenses incurred in the year and the late refinance of approximately £1m.

Total assets for the Group were £19.05m (2012: £29.58m) with the main movements being goodwill and working capital assets and losses incurred in the year.

### ***Equity and Liabilities***

On 25 April 2012, the Company issued 120,000,000 ordinary shares at a price of 2.5p per share to institutional and ordinary investors.

On 28 March 2013, the Company issued 24,125,000 ordinary shares at a price of 2p per share to institutional and ordinary investors.

Consequently called up share capital at the year end was £5.53m (2012: £2.65m) and the share premium was £15.23m (2012: £14.63m).

Retained losses as at 31 March 2013 were £20.29m (2012: losses: £12.04m) and total shareholders' equity at that date was £1.16m (2012: £5.95m).

At the year end, the Group had an outstanding debt facility of £6.87m (2012: £8.54m). The borrowings are split into three categories. The unsecured debt facility of £4.32m (2012: £4.28m), secured loan notes of £2.36m (2012: £1.84m) and unsecured loan notes of £0.19m (2012: £Nil). The debt facility is due in February 2016 and the loan notes in March 2016 with no mandatory repayments on either amounts until the due dates.

Current liabilities consisting of trade and other creditors have decreased by £3.76m to £11.01m (2012: £14.77m). Deferred income of £2.59m (2012: £3.94m) has decreased due to disposals in the year and clients paying later which has had an impact on the cash balance at the year end. Overall the net current liabilities reduced from £0.9m to £0.34m at the year end.

The Group has provided for deferred consideration of £0.01m (2012 £0.2m) on the balance sheet of which £Nil (2012: £0.1m) is due after more than one year. The amounts relate to earn out payments due on the acquisition of Grove House Publishing.

### ***Post Balance Sheet Event***

As mentioned above subsequent to the year end, the Agency asset in the Integrated Services division was disposed of.

**Nitil Patel**  
**Chief Financial Officer**



# Board of directors

## plc board

### Peter Bertram

Chairman, Ten Alps

Peter, aged 58, is currently Non Executive Chairman of Phoenix IT Group plc and Non Executive Director of Microgen plc. He is a fellow of the Institute of Chartered Accountants in England and Wales.

### Timothy Hoare

Non Executive Director

An investment banker, Timothy Hoare was the Chairman of Canaccord Genuity Limited till 9 July 2013. Since then he has assumed a role on Canaccord Financial's Global Advisory Board. He also has substantial experience in the financing of mining and media companies.

### Bob Geldof

Co-founder & Non Executive Director

Born in Dublin in 1951, Geldof began his career in the media as a journalist on Canada's premier underground rock journal, before writing for Melody Maker and New Musical Express. After a series of hits with the Boomtown Rats, including two UK number 1 singles, Geldof starred in the film of Pink Floyd's The Wall. He then turned his attention to the famine that was plaguing Ethiopia in 1984, and created Band Aid. The subsequent Live Aid concerts raised over £150million for famine relief. By 1992, Bob Geldof had established himself as a businessman through co-ownership of the TV producer Planet 24, which pioneered early morning television with The Big Breakfast. Planet 24 was sold to Carlton TV in 1999. Bob has been nominated for the Pulitzer Prize and the Nobel Peace Prize. He won a BAFTA for TV Creativity, the Peabody Medal for Journalism, and two Royal Television Awards.

**Brian Walden**

## Non Executive

Brian Walden is a former M.P and award winning journalist who revolutionised political television programmes with his tough interviewing style on Weekend World, which he presented for many years. He was said to be Margaret Thatcher's favourite interviewer and continues to present, occasionally on BBC Radio 4. He has widespread business experience. He was a director of Central Television and is Chairman of two companies dealing with savings and investment. A winner of Aims of Industry Special Free Enterprise Award and Shell International Award. He received a BAFTA award in 1985.

**Nitil Patel**

## Chief Financial Officer

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

# Report of the directors

The Directors present their annual report, together with the financial statements, for the year ended 31 March 2013.

## Principal Activity

Ten Alps is a multimedia company which produces and delivers high quality TV and radio together with integrated publishing and communications content.

## Results

The results for the year ended 31 March 2013 are set out on page 21.

The Group made an operating loss in the year of £7.64m from continuing operations (2012: loss of £3.94m) and the retained loss for the year after interest, taxation, discontinued operations and minority interests of £8.5m (2012: loss of £4.0m).

## 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 as described in the Operating and Financial Review (OFR). The most significant Key Performance Indicators ("KPI's") used by the Group and the basis of calculation are set out below:

## Performance Analysis

Although the results for the year on all measures are disappointing there have been some achievements from continued improvement in cost control, implementation of the restructuring strategies and disposal of non-core assets.

The Group has further reviewed the business units of the Integrated Services division which has resulted in additional provisions and impairments being expensed in the year. We believe the results of this review to be the final major adjustments the division will incur as it breaks from

its previous legacy. The provisions were £1.4m (2012: £0.62m), reorganisation and restructuring costs of £0.46m (2012: £1.24m) and impairment and amortisation of £4.2m (2012: £2.2m).

The Broadcasting division disposed of its non-performing Northern Ireland unit in the year and as a result wrote off net intercompany balances of £0.28m. The division as a whole performed relatively well in light of the economic environment with an adjusted EBITDA of £0.51 (2012: £0.59m).

The Corporate Social Responsibility (CSR) unit has also performed better following on from its restructure and location move to central London. The results before a provision for an onerous contract of £0.14m were an adjusted EBITDA of £0.05m (2012: loss of £0.36m).

In late March 2013 the Group raised gross proceeds of c£1m via the issuance of 24.125m shares at 2p and loan notes of £0.59m. Details of the loan notes are disclosed in Note 17.

## Growth in Revenue (%)

Revenue has decreased by £6.54m to £27.64m in the year. This has been mainly in the publishing unit where revenue decreased by £6.73m in the year as the unit reduced the number of publications and exited from non-profitable contracts.

## Gross margin (%)

Gross margin is the ratio of gross profit to sales expressed as a percentage. Gross margin has decreased on last year to 29.33% (2012: 32.50%) and reflects the change of the product mix and reclassification of costs from administrative to cost of sales in the year across the Group.

## 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 adjusted EBITDA figure ensures that the Group can increase margins as well as revenue. The Group recorded a loss in the year of £2.71m (2012: loss of £0.24m) as described in the OFR.

## Capital Management

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

## Cash flow

A greater focus on cash generation and conversion will be implemented in the coming years. The Group will look for positive cash generation as it aims to return to profits and reduced restructuring costs going forward.

## Risks and Uncertainties

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

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

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

## Economic Environment

The Group operates solely in the United Kingdom but with an international sales outlook. As such it is impacted by the current and foreseeable significant economic challenges the UK and World economy faces. We have attempted to manage this by the considerable restructuring implemented over the last few years enabling us to reduce head count, move to more variable costs and debt restructure. Further we have increased our controls over working capital and expenditure.

## Publishing Advertising Revenue

A significant proportion of our revenues derive from this sector. 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. We are also investing in both print and online data services which do not experience the cycle of advertising spend.

## Competitive Environment

The Group competes in a low barrier, high competition industry. Consequently loss of clients can have a material impact on the results of the Group. We seek to mitigate this by establishing good relations with clients, enhance our reputation and delivery and increase code of conduct and quality of creative output.

## Acquisitions

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

- Finding, given the wider competition for attractive trade acquisitions, suitable acquisition targets at the right multiples relative to the cost of equity for the Group
- Integrating the acquired companies into the Group
- Adjusting the Group's debt financing options to the current financial environment

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:

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

## Key Management Staff

We operate in an industry sector that is attractive for potential employees but 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 to deliver and grow our business. As we cannot predict the future calibre and availability of these people, we place significant emphasis on succession planning by developing and retaining management talent.



We do this by:

- Offering 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:

P Bertram  
N. Patel  
A.B. Walden\*  
R.F.Z. Geldof KBE\*  
T. D. Hoare \*  
\* *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 2012	31 March 2013
R.F.Z. Geldof KBE	Beneficial	4,324,728	15,124,728
T Hoare	Beneficial	4,161,000	9,161,000
P Bertram	Beneficial	312,500	2,812,500
N Patel	Beneficial	330,500	1,430,500
A.B. Walden	Beneficial	68,750	68,750

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

	Exercise Price	As at 31 March 2012	As at 31 March 2013	Dates normally Exercisable
P Bertram	2.5p	-	2,250,000	2012 to 2022
R.F.Z. Geldof KBE	67.5p	100,000	100,000	2006 to 2116
	55p	150,000	150,000	2011 to 2118
	25p	200,000	200,000	2011 to 2118
	27p	92,000	92,000	2012 to 2019
N. Patel	67.5p	100,000	-	Cancelled
	55p	200,000	-	Cancelled
	25p	200,000	-	Cancelled
	27p	92,000	-	Cancelled
	2.5p	-	2,250,000	2012 to 2022

## Substantial Shareholdings

The Company has been informed of the following shareholdings on 31 May 2013 each representing 3% or more of the current issued share capital:

	No. of ordinary shares	%
Herald Investment Management	95,567,428	34.50
Banque Heritage	39,641,610	14.33
Artemis Investment Management	19,675,800	7.11
John Booth Esq	20,463,550	7.40
UBS Wealth Management	10,206,695	3.69
John Booth Charitable Foundation	10,000,000	3.61

## Share Capital

Details of share capital are given in Note 22 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 Group for the year ended 31 March 2013 was 57 days (2012: 62 days). Creditor settlement time for the Company for the year ended 31 March 2013 was 59 days (2012: 33 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 Chairman, three Non-Executive Directors and one Executive Director (the Chief Financial Officer). 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 Executive Director are acknowledged by the Board. The Chairman is required to conduct Board meetings of shareholders and to ensure that all Directors are properly briefed in order to take full and constructive part in Board discussions. The Executive Director is required to develop and lead business strategies and processes to enable the Group's business to meet the requirements of its shareholders.

The Board has established an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities. The Audit Committee consists of Brian Walden and Tim Hoare both Non-Executive Directors and Peter Bertram, the Chairman. 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 Peter Bertram, Brian Walden, Bob Geldof and Tim Hoare. The Remuneration Committee reviews the performance of the Executive Director, sets the scale and structure of their remuneration and reviews the basis for their service agreement with due regard to the interests of shareholders.

### Going Concern

The Group's business activities and analysis for the year are detailed in the Business and Operating Statement on page 4 to 9 of the Annual Report and Accounts for the year ended 31 March 2013. The financial results and cash position including borrowing facilities are described in the Financial Review on pages 10 to 11 of the Annual Report and Accounts for the year ended 31 March 2013 with further details in the Notes to the Accounts numbers 1.2.1, 17 and 18. Although the company has incurred significant losses in the year, a majority of these losses are costs for provisions, restructuring, write offs and impairment. The Group will benefit from the recent funding activity and cost restructurings that have taken place and the Directors believe they are beginning to have an impact on the results and financial position.

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

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

### Financial risk management objectives and policies

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

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

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

#### Market risk

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

#### Currency risk

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

#### Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The maturity of borrowings is set out in note 17 to the financial statements.

#### Interest rate risk

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

#### Auditors

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



## Annual General Meeting

The Annual General Meeting is to be held on the 29th August 2013 at RPC, Tower Bridge House, St Katharine's Way, London E1W 1AA at 9.30am. 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 Tim Hoare as non-Executive Director, there are three other matters which will be considered at the Annual General Meeting.

The first is to give the Directors general power to allot shares up to an aggregate nominal amount of £2,766,661 (equal to approximately 50% of the issued ordinary share capital as at the date of this report).

The second is to give the Directors authority to issue shares having an aggregate nominal value of £553,332 (being 10% of the issued ordinary share capital as at the date of this report) for cash without first offering them to the existing shareholders on a pro-rata basis.

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

The proposed authority will be limited by the terms of the special resolution to the purchase of up to 27,638,935 ordinary shares, which represents 9.99 per cent of the issued ordinary share capital as at 31 May 2013. 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 2013 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 International Financial Reporting Standards (IFRS). 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 adequate accounting records that are sufficient to show and explain the Company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

## Disclosure of information to auditor

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

On behalf of the board

**N. Patel**

20 June 2013

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

We have audited the Group financial statements of Ten Alps plc for the year ended 31 March 2013 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

## Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 19, the Directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

## Opinion on financial statements

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 March 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Opinion on other matter prescribed by the Companies Act 2006

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

## Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Other matter

We have reported separately on the parent company financial statements of Ten Alps plc for the year ended 31 March 2013.

**Nicholas Page**  
**Senior Statutory Auditor**  
 for and on behalf of Grant Thornton UK LLP  
 Statutory Auditor, Chartered Accountants  
 London  
 20 JUNE 2013

## Consolidated income statement

		Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
	Notes		
<b>Continuing Operations</b>			
<b>Revenue</b>	2	<b>27,641</b>	34,183
Cost of Sales	3	<b>(19,535)</b>	(23,075)
<b>Gross Profit</b>		<b>8,106</b>	11,108
Operating expenses before restructuring costs, depreciation, amortisation and impairment	3	(10,818)	(11,343)
<b>Adjusted EBITDA</b>		<b>(2,712)</b>	(235)
Restructuring costs	6	<b>(461)</b>	(1,240)
Depreciation	12	<b>(254)</b>	(264)
Amortisation and impairment of intangible assets	11	<b>(4,217)</b>	(2,201)
<b>Operating loss</b>		<b>(7,644)</b>	(3,940)
Finance costs	7	<b>(359)</b>	(718)
Finance income	7	<b>1</b>	1,023
<b>Loss before tax</b>		<b>(8,002)</b>	(3,635)
Income tax (expense)/credit	8	<b>230</b>	551
<b>Loss for the year</b>		<b>(7,772)</b>	(3,084)
<b>Discontinued operations</b>			
Loss for the year from discontinued operations	9	<b>(727)</b>	(912)
<b>Loss for the year</b>		<b>(8,499)</b>	(3,996)
Continuing operations attributable to:			
Equity holders of the parent		<b>(7,772)</b>	(3,084)
Discontinued operations attributable to:			
Equity holders of the parent		<b>(640)</b>	(923)
Non-controlling interest		<b>(87)</b>	11
		<b>(8,499)</b>	(3,996)
<b>Basic earnings per share</b>			
From continuing operations	10	<b>(3.15)p</b>	(2.34)p
From discontinued operations	10	<b>(0.26)p</b>	(0.69)p
Total		<b>(3.41)p</b>	(3.03)p
<b>Diluted earnings per share</b>			
From continuing operations	10	<b>(3.15)p</b>	(2.34)p
From discontinued operations	10	<b>(0.26)p</b>	(0.69)p
Total		<b>(3.41)p</b>	(3.03)p

## Consolidated statement of comprehensive income

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
Loss for the period	<b>(8,499)</b>	(3,996)
Other comprehensive income		
Foreign investment translation differences	<b>(14)</b>	9
<b>Total comprehensive income for the period</b>	<b>(8,513)</b>	(3,987)
Attributable to:		
Equity holders	<b>(8,426)</b>	(3,998)
Non-controlling interest	<b>(87)</b>	11
	<b>(8,513)</b>	(3,987)

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

## Consolidated statement of financial position

	Note	As at 31 March 2013 £ '000	As at 31 March 2012 £ '000
<b>Assets</b>			
<b>Non-current</b>			
Goodwill and intangibles	11	7,305	12,053
Property, plant and equipment	12	331	717
Deferred tax	19	742	511
		<b>8,378</b>	<b>13,281</b>
<b>Current assets</b>			
Inventories	13	1,710	1,743
Trade receivables	14	4,828	8,816
Other receivables	14	1,001	2,872
Cash and cash equivalents	15	3,130	2,864
		<b>10,669</b>	<b>16,295</b>
<b>Total assets</b>		<b>19,047</b>	<b>29,576</b>
<b>Equity and liabilities</b>			
<b>Shareholders' equity</b>			
Called up share capital	22	5,534	2,651
Share premium account	22	15,228	14,630
Merger reserve		696	696
Exchange reserve		-	14
Retained earnings		(20,294)	(12,041)
<b>Total shareholders' equity</b>		<b>1,164</b>	<b>5,950</b>
<b>Non-controlling interest</b>		<b>-</b>	<b>199</b>
<b>Total equity</b>		<b>1,164</b>	<b>6,149</b>
<b>Liabilities</b>			
<b>Non-current</b>			
Borrowings	17	6,872	6,117
Other non-current liabilities	16	-	114
		<b>6,872</b>	<b>6,231</b>
<b>Current liabilities</b>			
Trade payables	16	4,959	6,572
Other payables	16	6,052	8,172
Current tax liabilities		-	28
Borrowings - current	17	-	2,424
		<b>11,011</b>	<b>17,196</b>
<b>Total equity and liabilities</b>		<b>19,047</b>	<b>29,576</b>

The consolidated financial statements were approved by the Board on 20 June 2013 and are signed on its behalf by N. Patel

## Consolidated statement of cash flows

	Note	Year ended 31 March 2013 £ '000	Year ended 31 March 2012 £ '000
<b>Cash flows from operating activities</b>			
Loss for the period		(8,499)	(3,996)
<b>Adjustments for:</b>			
Income tax expense/(credit)	8	(230)	(551)
Depreciation	12	317	452
Amortisation and impairment of intangibles	11	4,271	2,610
Finance costs	7	359	717
Finance income	7	(1)	(1,029)
Share based payment charge	5	159	55
Loss on disposal of subsidiaries	9	255	-
Loss on revaluation of deferred consideration	21	-	17
Loss on sale of property, plant and equipment		104	148
		<b>(3,265)</b>	<b>(1,577)</b>
(Increase)/decrease in inventories		(240)	1,211
Decrease in trade and other receivables		4,305	2,092
Decrease in trade and other payables		(2,118)	(3,436)
Cash used in operations		<b>(1,318)</b>	<b>(1,710)</b>
Finance costs paid		(196)	(724)
Finance income received		3	12
Tax refunded/(paid)		-	163
<b>Net cash flows used in operating activities</b>		<b>(1,511)</b>	<b>(2,259)</b>
<b>Investing activities</b>			
Disposal of subsidiary undertakings, net of cash and overdrafts acquired		368	-
Payment of contingent consideration	21	(126)	(112)
Purchase of property, plant and equipment	12	(118)	(163)
Proceeds of sale of property, plant and equipment		15	35
Purchase of intangible assets	11	-	(55)
<b>Net cash flows used in investing activities</b>		<b>139</b>	<b>(295)</b>
<b>Financing activities</b>			
Issue of ordinary share capital	22	1,061	-
Borrowings repaid		-	(1,500)
Borrowings received		592	2,620
Capital element of finance lease payments		(4)	(5)
Dividends paid to minority interests		-	(185)
<b>Net cash flows from financing activities</b>		<b>1,649</b>	<b>930</b>
Net increase/(decrease) in cash and cash equivalents		<b>277</b>	<b>(1,624)</b>
Translation differences		(11)	3
Cash and cash equivalents at 1 April	15	2,864	4,485
<b>Cash and cash equivalents at 31 March</b>	<b>15</b>	<b>3,130</b>	<b>2,864</b>

## Consolidated statement of changes in equity

Note	Share capital £000	Share Premium £000	Merger reserve £000	Exchange reserve £000	Retained earnings £000	Total attributable to equity shareholders £000	Non-controlling interest £000	Total equity £000
<b>Balance at 1 April 2011</b>	<b>2,651</b>	<b>14,630</b>	<b>696</b>	<b>5</b>	<b>(8,089)</b>	<b>9,893</b>	<b>371</b>	<b>10,264</b>
Loss for the year	-	-	-	-	(4,007)	(4,007)	11	(3,996)
<b>Other comprehensive income</b>								
Translation differences	-	-	-	9	-	9	2	11
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>(4,007)</b>	<b>(3,998)</b>	<b>13</b>	<b>(3,985)</b>
Equity-settled share-based payments	5	-	-	-	55	55	-	55
Dividends paid	-	-	-	-	-	-	(185)	(185)
<b>Balance at 31 March 2012</b>	<b>2,651</b>	<b>14,630</b>	<b>696</b>	<b>14</b>	<b>(12,041)</b>	<b>5,950</b>	<b>199</b>	<b>6,149</b>
<b>Balance at 1 April 2012</b>	<b>2,651</b>	<b>14,630</b>	<b>696</b>	<b>14</b>	<b>(12,041)</b>	<b>5,950</b>	<b>199</b>	<b>6,149</b>
Loss for the year	-	-	-	-	(8,412)	(8,412)	(87)	(8,499)
Other comprehensive income								
Translation differences	-	-	-	(14)	-	(14)	-	(14)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14)</b>	<b>(8,412)</b>	<b>(8,426)</b>	<b>(87)</b>	<b>(8,513)</b>
Equity-settled share-based payments	5	-	-	-	159	159	-	159
Disposal of non-controlling interest	-	-	-	-	-	-	(112)	(112)
Shares issued	22	2,883	598	-	-	3,481	-	3,481
<b>Balance at 31 March 2013</b>	<b>5,534</b>	<b>15,228</b>	<b>696</b>	<b>-</b>	<b>(20,294)</b>	<b>1,164</b>	<b>-</b>	<b>1,164</b>

# Notes to the consolidated financial statements

## 1) ACCOUNTING POLICIES

### 1.1) General Information

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

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

These consolidated financial statements have been approved for issue by the Board of Directors on 20 June 2013.

### 1.2) Basis of Preparation

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

Following the transition to IFRS, the Group's accounting policies as set out below, have been applied consistently throughout the Group to all the periods presented, unless otherwise stated. The Group's consolidated financial statements were prepared in accordance with United Kingdom Generally Accepted Accounting ("UK GAAP") principles until 31 March 2007.

#### 1.2.1) Going Concern

Although the Group has incurred significant losses during the year, it has completed and implemented significant funding activities, disposals and cost restructurings to mitigate this. The Group has long term debt due in February and March 2016 on which the financial covenants have been waived by the debt holders.

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

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

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

#### 1.2.2) Standards and amendments to existing standards effective 1 April 2012

The following new standards, amendments and interpretations are effective for the first time in these financial statements but none have had a material effect on the Group:

Standard/interpretation	Content
IAS 24 (Revised 2009)	Related Party Disclosures
Amendment to IAS 32	Classification of Rights Issues
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IFRS 7	Disclosures - Transfers of Financial Assets

#### 1.2.3) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group in the 31 March 2013 financial statements:

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



Standard/interpretation	Content	Applicable for financial years beginning on/after
IFRS 9	Financial instruments: Classification and measurement	1 January 2015
IFRS 10	Consolidated Financial Statements	1 January 2014
IFRS 11*	Joint Arrangements	1 January 2014
IFRS 12*	Disclosure of Interests in Other Entities	1 January 2014
IFRS 13*	Fair Value Measurement	1 January 2013
IAS 19 (Revised June 2011)*	Employee Benefits	1 January 2013
IAS 28 (Revised)*	Investments in Associates and Joint Ventures	1 January 2014
Amendments to IFRS 7*	Disclosures - Transfers of Financial Assets and Offsetting Financial Assets and Financial Liabilities	1 July 2011
Amendments to IAS 12*	Deferred Tax: Recovery of Underlying Assets	1 January 2012
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to IAS 32*	Offsetting Financial Assets and Financial Liabilities	1 January 2014

\*Not expected to be relevant to the Group.

#### *IFRS 9, 'Financial instruments: Classification and measurement'*

In November 2009, the Board issued the first part of IFRS 9 relating to the classification and measurement of financial assets. IFRS 9 will ultimately replace IAS 39. The standard requires an entity to classify its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, and subsequently measures the financial assets as either at amortised cost or fair value. The new standard is mandatory for annual periods beginning on or after 1 January 2015.

#### *IFRS 10 Consolidated Financial Statements*

IFRS 10 replaces the portion of IAS 27 'Consolidated and Separate Financial Statements' that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 'Consolidation – Special Purpose Entities'. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard becomes effective for annual periods beginning on or after 1 January 2014.

#### *Amendments to IAS 1 Presentation of Financial Statements (IAS 1 Amendments)*

The IAS 1 Amendments require an entity to Group items presented in other comprehensive income into those that, in accordance with other IFRSs: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. It is applicable for annual periods beginning on or after 1 July 2012. The Group's management expects this will change the current presentation of items in other comprehensive income; however, it will not affect the measurement or recognition of such items.

### 1.3) Basis of Consolidation

The Group financial statements consolidate the financial statements of the company and of its subsidiary undertakings drawn up to 31 March 2013. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated Statement of Financial Position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

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

### 1.4) Revenue

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

#### *Broadcasting*

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

In this method, revenues and gains on customer-specific contracts are recognised on the basis of the stage of completion of the respective project concerned. The percentage of completion is calculated as the ratio of the contract costs incurred up until the end of the year to the total estimated project cost (cost-to-cost method). Irrespective of the extent to which a project



has been completed, losses resulting from customer-specific contracts are immediately recognised in full in the period in which the loss is identified. Gross profit on production activity is recognised over the period of the production and in accordance with the profitability of the underlying contract. Overspends on productions are recognised as they arise and under spends are recognised on completion of the productions.

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

- i) an agreement has been executed by both parties;
- ii) the programme is available for delivery; and
- iii) the arrangements are fixed and determinable.

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

#### *Integrated Services*

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

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

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

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

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

#### *Corporate Social Responsibility (CSR)*

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

### **1.5) Production Costs**

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

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

Where the estimated production costs are greater than the licence fee from the broadcaster, production will only take place if estimates of future income from all sources exceed the excess production costs. Under these circumstances, the excess production cost is included in 'Intangible Assets'. 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 Statement of Financial Position will be the lesser of the amount of anticipated future ancillary revenues and the amortised cost of investment as this is an indicator of impairment assessed under a unit of production method.

### **1.6) Property, plant and equipment**

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

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

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

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

### **1.7) Intangible assets**

#### *Goodwill*

Subject to the transitional relief in IFRS1, all business combinations are accounted for by applying the acquisition method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

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

*Other Intangibles assets*

The fair value of other intangible assets acquired as a result of business combinations are capitalised and amortised on a straight line basis through the income statement. The rates applicable, which represent Directors' best estimate of the useful economic life, are:

Customer Relations	5 - 8 years
Magazine Titles	3 years
Customer Contracts	Length of contract

Where websites are identified as income generating, they are capitalised and amortised on a straight line basis through the income statement over 5 years. Capitalised website costs include external direct costs of material and services and the payroll and payroll-related costs for employees who are directly associated with the project.

**1.8) Leased assets**

In accordance with IAS 17, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any, to be borne by the lessee.

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

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

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

**1.9) Inventories***TV*

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

*Publishing*

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

*CSR*

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

**1.10) Programmes in progress at 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 sales recognised exceed sales invoiced the amounts are classified as accrued income. Where it is anticipated that a production will make a loss, the anticipated loss is provided for in full.

**1.11) Impairment of assets**

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

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

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

**1.12) Cash and cash equivalents**

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

**1.13) Equity**

Equity comprises the following:

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

**1.14) Current and Deferred taxation**

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

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

Deferred tax is not recognised in respect of:

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

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in

the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

**1.15) Financial Instruments**

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

**Financial Assets***Trade and other receivables*

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

**Financial Liabilities***Financial liabilities and equity*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

*Bank Borrowings*

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

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

*Loan Notes*

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

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

*Trade and other payables*

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

**1.16) Derivative Financial Instruments**

These instruments are initially recognised at fair value on the trade date and are subsequently re-measured at their fair value on the reporting date. The resulting gain or loss is recognised in the income statement in finance costs.

Underlying the definition of fair value is the presumption that the Group is a going concern without any intention of materially curtailing the scale of its operations.

In determining the fair value of a derivative, the appropriate quoted market price for an asset held is the bid price, and for a liability issued is the offer price.

**1.17) Employee Benefits***Share-based Payments*

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

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

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

If vesting periods 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.

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

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

*Retirement benefits*

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

**1.18) Provisions**

Provisions are recognised when: the group has a present legal or constructive obligation as result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Any increase in the provision due to the passage of time is recognised as interest expense.

**1.19) Profit or loss from discontinued operations**

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

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



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

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

## 1.20) Significant judgements and estimates

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

### *Discontinued operations*

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

### *Impairment of goodwill*

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

### *Intangible assets*

The Group recognises intangible assets acquired as part of business combinations at fair value at the date of acquisition. The determination of these fair values is based upon management's

judgement and includes assumptions on the timing and amount of future incremental cash flows generated by the assets and selection of an appropriate cost of capital. Furthermore, management must estimate the expected useful lives of intangible assets and charge amortisation on these assets accordingly. See note 11.

### *Modification of debt terms*

Where there is a modification of terms of an existing financial liability, and these modifications are considered to be substantially different, the financial liability shall be treated as if it were extinguished and a new financial liability will be recognised. The determination of whether or not modifications are substantial is based upon management's judgement and assessment of the terms. See note 17.

### *Contingent consideration*

Where contingent consideration in a business combination is payable in cash and discounting would have a material effect the liability is discounted to its present value. Where the contingent consideration is contingent and dependent upon future trading performance, an estimate of the present value of the likely consideration payable is made. See note 21.

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

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

## 1.21) Segmental reporting

In identifying its operating segments, management follows the Group's service lines, which represent the main products and services provided by the Group. The Publishing segment (formerly B2B) includes publishing, websites, event management, video production and specialised communications services. The CSR segment specialises in CSR services. Together Publishing and CSR make up the Integrated Marketing Services Division. The activities undertaken by the Television segment include the production of Television and Radio content; and the creation and management of websites and online TV channels.

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

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

## 2) SEGMENTAL INFORMATION

Management currently identifies the Group's three service lines as operating segments as 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 'unallocated' relate mainly to Group activities based in the United Kingdom.

	TV		Publishing		CSR		Unallocated		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Continuing Operations	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Revenue	8,294	8,430	17,189	23,922	2,158	1,748	-	83	27,641	34,183
EBITDA	510	594	(2,337)	633	46	(360)	(932)	(1,102)	(2,713)	(235)
Restructuring costs	(25)	(110)	(384)	(1,095)	(27)	-	(25)	(35)	(461)	(1,240)
Depreciation	(61)	(69)	(173)	(159)	(16)	(16)	(3)	(20)	(253)	(264)
Amortisation	-	(22)	(944)	(850)	(244)	(345)	146	-	(1,042)	(1,217)
Impairment loss	-	-	-	-	-	(984)	(3,175)	-	(3,175)	(984)
Operating (loss)/profit	424	393	(3,838)	(1,471)	(241)	(1,705)	(3,989)	(1,157)	(7,644)	(3,940)
Segment Assets	4,831	5,314	11,415	20,565	1,677	2,079	1,124	1,618	19,047	29,576
Segment Liabilities	(2,354)	(2,999)	(7,344)	(10,257)	(447)	(814)	(7,738)	(9,357)	(17,883)	(23,427)
<b>Other Segment Items:</b>										
Expenditure on intangible assets	-	-	-	-	-	55	-	-	-	55
Expenditure on tangible assets	5	56	106	82	7	25	-	-	118	163

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 is £24.18m (2012: £29.55m), and the total revenue from external customers in other countries is £3.46m (2012: £4.63m).

## 3) EXPENSES BY NATURE

	2013 £'000	2012 £'000
<b>Cost of sales</b>		
Direct media buying and selling costs	10,868	11,763
Production costs	2,890	3,490
Salary costs	3,525	4,176
Royalties	818	958
Distribution costs	739	1,122
Movement in WIP/stock	54	636
Other cost of sales	641	930
<b>Total costs of sales</b>	<b>19,535</b>	<b>23,075</b>
<b>Operating expenses</b>		
Salary costs	6,253	7,327
Leases on premises	431	554
Other administrative expenses	4,146	3,444
Foreign exchange (gain)/loss	(12)	18
<b>Total operating expenses</b>	<b>10,818</b>	<b>11,343</b>

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

	2013 £'000	2012 £'000
<b>Statutory audit services</b>		
Annual audit of the company and the consolidated accounts	24	22
<b>Non-audit services</b>		
Audit of subsidiary companies	50	72
Tax advisory services	16	18
Other services	22	20
<b>Total</b>	<b>112</b>	<b>132</b>

## 4) STAFF COSTS

	2013 £'000	2012 £'000
Wages & salaries	8,714	10,324
Social security & other costs	846	987
Share-based payments	159	55
Pension costs	59	138
<b>Total</b>	<b>9,778</b>	<b>11,504</b>

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

	2013	2012
Publishing	208	269
TV	52	72
CSR	30	34
Other	4	5
<b>Total</b>	<b>294</b>	<b>380</b>

Subsequent to year end, Agency assets have been disposed of (see Note 9). This disposal resulted in a decrease of 20 employees in the Publishing segment.

## Directors' emoluments

	Salaries and Fees £'000	BonusBenefits in kind* £'000	Pension** £'000	31 March 2013 Total £'000	31 March 2012 Total £'000
Executive Directors					
A.M. Connock***	-	-	-	-	62
A.J. Dunleavy****	6	-	-	6	307
N. Patel	155	-	1	187	186
Non-Executive Directors					
P. Bertram (Chairman)	60	-	-	60	75
A.B. Walden	25	-	-	25	25
R.F.Z. Geldof KBE	75	-	-	75	75
T. Hoare	-	-	-	-	-
<b>Total</b>	<b>321</b>	<b>-</b>	<b>1</b>	<b>353</b>	<b>730</b>

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

\*\*During the year, £31,000 (2012: £68,000) was paid with respect to personal pension schemes for 1 Director (2012: 3).

\*\*\*A Connock resigned from the board on 7 July 2011.

\*\*\*\*A Dunleavy resigned from the board on 9 March 2012. The emoluments for the year ended 2013 is final payment.

The Group considers that the Directors are the Key Management personnel. The amount for share based payments charge (see Note 5) which relates to the Directors was £40,000 (2012: £41,000). Total remuneration for directors is £393,000 (2012: £771,000).

## 5) SHARE BASED PAYMENTS

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

	2013 £000	2012 £000
Unapproved share option scheme	159	55
<b>Total</b>	<b>159</b>	<b>55</b>

## Share Option Schemes

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

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

## Approved share option scheme

	2013		2012	
	Number	WAEP £	Number	WAEP £
<b>Outstanding at the beginning of the year</b>	<b>485,000</b>	<b>0.53</b>	485,000	0.53
Exercised during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Lapsed during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>485,000</b>	<b>0.53</b>	485,000	0.53
<b>Exercisable at the end of the year</b>	<b>485,000</b>	<b>0.53</b>	485,000	0.53



## Unapproved share option scheme

	2013		2012
	Number	WAEP £	Number
<b>Outstanding at the beginning of the year</b>	<b>2,793,000</b>	<b>0.37</b>	2,803,000
Granted during the year	17,750,000	0.025	-
Exercised during the year	-	-	-
Cancelled during the year	(2,969,000)	0.29	(10,000)
Lapsed during the year	-	-	-
<b>Outstanding at the end of the year</b>	<b>17,574,000</b>	<b>0.048</b>	2,793,000
<b>Exercisable at the end of the year</b>	<b>17,574,000</b>	<b>0.39</b>	2,340,000

The options outstanding as at 31 March 2013 have the following weighted average exercise prices and expire in the following financial years:

Expiry	Exercise Price	2013	2012
	£	No	No
31 March 2014	0.29	100,000	100,000
31 March 2015	0.33	425,000	425,000
31 March 2016	0.63	425,000	425,000
31 March 2019	0.40	1,875,000	1,875,000
31 March 2020	0.27	453,000	453,000
31 March 2023	0.03	14,781,000	-
<b>Total</b>		<b>18,059,000</b>	3,278,000

No options were exercised during the year and 2,969,000 options were cancelled during the year. All options cancelled were fully vested at the time of cancellation. No additional charges were expensed in the year.

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:

	2013	
Scheme	EMI	Unapproved
Number granted	-	17,750,000
Weighted average share price at grant	-	0.025
Weighted average share exercise price	-	0.026
Weighted average expected volatility	-	45%
Average expected life (years)	-	3
Weighted average risk free rate	-	2%
Expected dividend yield	-	0%

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.

## 6) RESTRUCTURING COSTS

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

	2013	2012
	£'000	£'000
<b>Restructuring Costs</b>		
Property termination costs	13	303
Redundancy	425	734
Professional fees	20	75
Other	3	128
<b>Total</b>	<b>461</b>	1,240

## 7) FINANCE COSTS AND INCOME

	2013	2012
	£'000	£'000
<b>Finance Costs</b>		
Interest payable on bank borrowings	(207)	(326)
Amortisation of origination costs on bank borrowings	(28)	(174)
Monitoring costs on bank borrowings	-	(100)
Interest payable on loan note	(124)	(115)
Interest payable on finance leases	-	(3)
<b>Finance Costs</b>	<b>(359)</b>	(718)
<b>Finance Income</b>		
Bank interest receivable	1	6
Gain on extinguishment of debt	-	1,017
<b>Net Finance Costs</b>	<b>(358)</b>	305

## 8) INCOME TAX EXPENSE

## Taxation Charge

	2013 £'000	2012 £'000
<b>Current tax expense:</b>		
current year before exceptional items	-	39
adjustment for prior years	-	(167)
	-	(128)
<b>Deferred tax</b>		
Origination and reversal of temporary differences (see note 19)	(230)	(498)
Impact in change of corporate tax rate	-	75
<b>Total income tax expense</b>	<b>(230)</b>	<b>(551)</b>

## Reconciliation of taxation expense:

	2013 £'000	2012 £'000
<b>Profit before tax</b>	<b>(8,002)</b>	<b>(3,635)</b>
Taxation expense at UK corporation tax rate of 24% (2012: 26%)	<b>(1,920)</b>	(945)
Non-taxable income/non-deductible expenses	<b>762</b>	256
Losses carried forward and temporary differences not recognised	<b>928</b>	377
Overprovision in prior periods	-	(167)
Adjustments for discontinued operations		(72)
<b>Total income tax expense</b>	<b>(230)</b>	<b>(551)</b>

## 9) DISCONTINUED OPERATIONS

During the year ended 31 March 2013, two cash generating units were disposed of: Ten Alps Communications Asia unit (consisting of the following legal entities: Ten Alps Asia Holdings Pte Limited and Ten Alps Communications Asia Pte Limited) in the Publishing unit and Below the Radar Limited in the TV division. The Edinburgh office was closed as part of the on going Publishing units overall Group restructuring.

Subsequent to the year ended 31 March 2013, the Agencies cash generating unit in the Publishing unit was disposed of. All three units disposed of were not considered part of the core operating business of the Group.

During the year ended 31 March 2012, four cash generating units, Education Digital 2 Limited, Ten Alps Asia Limited and the Publishing units in Newcastle and Belfast, have ceased operations. Education Digital 2 Limited ceased trading due to the loss of the Teachers TV contract. Ten Alps Asia Limited was closed as it was a loss making unit. The Newcastle and Belfast business units were closed as part of the Publishing units overall Group restructuring. Analysis of the result of the discontinued operations is as follows:

	2013 £'000	2012 £'000
<b>Revenue</b>	<b>6,954</b>	9,638
Cost of sales	<b>(5,264)</b>	(5,872)
<b>Gross Profit</b>	<b>1,690</b>	3,766
Operating expenses	<b>(2,030)</b>	(3,589)
Reorganisation and restructuring costs	<b>(282)</b>	(547)
Depreciation	<b>(117)</b>	(596)
<b>Operating loss</b>	<b>(739)</b>	(966)
Finance income	<b>2</b>	6
<b>Loss before tax</b>	<b>(737)</b>	(960)
Taxation	<b>10</b>	48
<b>Loss for the year from discontinued operations</b>	<b>(727)</b>	(912)

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

	2013 £'000	2012 £'000
Operating cash flows	<b>(872)</b>	417
Investing cash flows	<b>(72)</b>	16
Financing cash flows	-	-
<b>Total cash flows</b>	<b>(944)</b>	433

## 10) EARNINGS PER SHARE

	2013	2012
<b>Weighted average number of shares used in basic earnings per share calculation</b>	<b>243,664,300</b>	132,541,012
Dilutive effect of share options	-	-
<b>Weighted average number of shares used in diluted earnings per share calculation</b>	<b>243,664,300</b>	132,541,012
	<b>£'000</b>	<b>£'000</b>
<b>Loss for period attributable to shareholders</b>	<b>(7,685)</b>	(3,095)
Amortisation and impairment of intangible assets adjusted for deferred tax impact	<b>4,103</b>	2,315
Restructuring	<b>461</b>	1,240
Gain on extinguishment of bank debt	-	(1,017)
Share-based payments	159	55
<b>Adjusted loss for period attributable to equity holders of the parent</b>	<b>(2,962)</b>	(502)
<b>Loss for year from discontinued operations attributable to shareholders</b>	<b>(640)</b>	(912)
<b>Continuing operations:</b>		
Basic Loss per Share	<b>(3.15)p</b>	(2.34)p
Diluted Loss per Share	<b>(3.15)p</b>	(2.34)p
Adjusted Basic Loss per Share	<b>(1.22)p</b>	(0.38)p
Adjusted Diluted Loss per Share	<b>(1.22)p</b>	(0.38)p
<b>Discontinued operations:</b>		
Basic Loss per Share	<b>(0.26)p</b>	(0.69)p
Diluted Loss per Share	<b>(0.26)p</b>	(0.69)p

## 11) INTANGIBLE ASSETS

	Goodwill	Customer Relationships	Magazine titles	Customer Contracts	Websites	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 April 2011	26,009	3,818	1,742	116	1,367	33,052
Internal development	-	-	-	55	-	55
Revaluation of contingent consideration	-	-	-	-	-	-
Disposals & retirements	-	-	-	-	(57)	(57)
Exchange movements	4	-	11	-	-	15
At 31 March 2012	26,013	3,818	1,753	171	1,310	33,065
Additions	-	-	-	-	-	-
Internal development	-	-	-	-	-	-
Revaluation of contingent consideration	-	-	-	-	-	-
Disposals & retirements	(351)	-	(651)	-	-	(1,002)
Exchange movements	-	-	16	-	-	16
<b>At 31 March 2013</b>	<b>25,662</b>	<b>3,818</b>	<b>1,118</b>	<b>171</b>	<b>1,310</b>	<b>32,079</b>
<b>Amortisation</b>						
At 1 April 2011	(14,633)	(2,394)	(783)	(116)	(517)	(18,443)
Charge for the year	-	(764)	(547)	(28)	(287)	(1,626)
Impairment charge	(984)	-	-	-	-	(984)
Disposals & retirements	-	-	-	-	46	46
Exchange movements	-	-	(5)	-	-	(16)
At 31 March 2012	(15,617)	(3,158)	(1,335)	(144)	(758)	(21,012)
Charge for the year	-	(570)	(251)	(27)	(248)	(1,096)
Impairment charge	(3,175)	-	-	-	-	(3,175)
Disposals & retirements	27	-	494	-	-	521
Exchange movements	-	-	(12)	-	-	(12)
<b>At 31 March 2013</b>	<b>(18,765)</b>	<b>(3,728)</b>	<b>(1,104)</b>	<b>(171)</b>	<b>(1,006)</b>	<b>(24,774)</b>
<b>Net Book Value</b>						
<b>At 31 March 2013</b>	<b>6,897</b>	<b>90</b>	<b>14</b>	<b>-</b>	<b>304</b>	<b>7,305</b>
At 31 March 2012	10,396	660	418	27	552	12,053

**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 period 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:

	2013 £'000	2012 £'000
Publishing	4,399	7,659
TV	1,611	1,852
CSR	887	885
<b>Total</b>	<b>6,897</b>	<b>10,396</b>

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 earn out 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.

The impairment charge of £3.18m (2012: £Nil) arose in the Publishing division as a result of underperformance in all publishing units. Factors contributing to the current year's underperformance include: a worsening of the publishing market as opposed to a forecasted recovery, the disposal of non-core assets and enforcing cost-cutting measures at all levels, including senior management. Forecasts and assumptions which incorporate these factors have been used in the calculation of this year's impairment review. The TV and CSR units had no impairment in the year (CSR: 2012: £0.98m) as the carrying value was in excess of goodwill amount.

In assessing the divisions the Group reviewed the management forecasts for a projection of 2 years at 2% long term growth rate. 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 31 March 2013.

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.

## TV

A pre-tax discount rate of 9.3% (2012: 9.4%) 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, sector experience.

## Publishing

A pre-tax discount rate of 9.3% (2012: 9.4%) 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, sector experience.

## CSR

A pre-tax discount rate of 9.3% (2012: 9.4%) 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, sector experience.

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

Assumption	Judgements	Sensitivity
<b>Discount Rate</b>	As indicated above the rate used is 9.3%	A change in the discount rate of 1% would increase or decrease the pre-tax impairment recognised in the year by an overall amount of £300,000.
<b>Growth Rate</b>	A rate of 2% has been used for first 2 years	If 0% growth rate was applied and all benefits from the restructuring and reorganisation were eliminated then the publishing unit would be further impaired by £2.44m and CSR unit by £140,000. TV would not be impaired.
<b>Cash flows</b>	Cash collection is consistent with previous years with no significant bad debts being incurred due to write offs taken in the year	A 15% fall in cash flow estimates would result in a further overall impairment of £694,000 in the year.

## 12) PROPERTY, PLANT AND EQUIPMENT

	Short leasehold land and buildings £'000	Motor vehicles £'000	Office and computer equipment £'000	Total £'000
<b>Cost</b>				
At 1 April 2011	227	14	3,700	3,941
Additions	-	6	157	163
Disposals & retirements	(43)	(20)	(1,841)	(1,904)
At 31 March 2012	184	-	2,016	2,200
Additions	-	8	110	118
Disposals & retirements	(72)	-	(778)	(850)
<b>At 31 March 2013</b>	<b>112</b>	<b>8</b>	<b>1,348</b>	<b>1,468</b>
<b>Depreciation</b>				
At 1 April 2011	(120)	(11)	(2,631)	(2,762)
Charge for the year	(44)	(4)	(404)	(452)
Disposals & retirements	43	15	1,673	1,731
At 31 March 2012	(121)	-	(1,362)	(1,483)
Charge for the year	(30)	(3)	(284)	(317)
Disposals & retirements	60	-	603	663
<b>At 31 March 2013</b>	<b>(91)</b>	<b>(3)</b>	<b>(1,043)</b>	<b>(1,137)</b>
<b>Net Book Value</b>				
<b>At 31 March 2013</b>	<b>21</b>	<b>5</b>	<b>305</b>	<b>331</b>
At 31 March 2012	63	-	654	717

Included in the book values above is £Nil relating to assets held under finance leases (2012: £9,000).

## 13) INVENTORIES

	2013 £'000	2012 £'000
Work in progress - Publishing	1,333	1,445
Work in progress - TV	180	78
Work in progress - CSR	-	1
Stock - CSR	197	219
<b>Total Inventories</b>	<b>1,710</b>	<b>1,743</b>

Inventories of £70,000 (2012: £Nil) were written off during the year in CSR.

## 14) TRADE AND OTHER RECEIVABLES

	2013 £'000	2012 £'000
<b>Current</b>		
Trade receivables	5,514	9,450
Less provision for impairment	(686)	(634)
Net trade receivables	4,828	8,816
Other receivables	64	296
Prepayments	579	730
Accrued income	358	1,846
<b>Total</b>	<b>5,829</b>	<b>11,688</b>

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

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

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

	2013 £'000	2012 £'000
Not more than 3 months	1,979	6,274
More than 3 months but less than 1 year	156	556
More than 1 year	35	-
<b>Total</b>	<b>2,170</b>	<b>6,830</b>

## 15) CASH AND CASH EQUIVALENTS

	2013 £'000	2012 £'000
Cash at bank and on hand	3,130	2,864
<b>Total Cash and cash equivalents</b>	<b>3,130</b>	<b>2,864</b>

The Group's credit risk exposure in connection with the cash and cash equivalents held with financial institutions is managed by holding funds in a high credit worthy financial institution (Moody's A1).

## 16) TRADE AND OTHER PAYABLES

	2013 £'000	2012 £'000
<b>Current</b>		
Trade payables	4,959	6,572
Other payables	470	366
Other taxes and social security	834	808
Accruals	2,113	2,951
Deferred income	2,539	3,939
Deferred consideration payable	96	108
Sub total	11,011	14,744
<b>Non-current</b>		
Deferred consideration payable	-	114
Sub total	-	114
<b>Total</b>	<b>11,011</b>	<b>14,858</b>

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

## 17) BORROWINGS AND OTHER FINANCIAL LIABILITIES

	Carrying Value		Fair Value	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
<b>Current</b>				
Loan notes - unsecured	-	2,420	-	2,420
Finance leases - secured	-	4	-	4
Sub total	-	2,424	-	2,424
<b>Non-current</b>				
Debt facility - unsecured	4,321	4,282	3,000	2,500
Loan notes - secured	2,358	1,835	1,679	1,154
Loan notes - unsecured	193	-	137	-
Sub total	6,872	6,117	4,816	3,654
<b>Total</b>	<b>6,872</b>	<b>8,541</b>	<b>4,816</b>	<b>6,078</b>

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The fair value of the debt facility is based on the value paid by the Lenders on the assignment of the Bank Loan. The fair value of the secured Loan Note are based on estimated discounted cash flows using the IRR of the Lenders in regards to the Debt Facility, calculated at 21.06%(2012: 21.06%).

## Maturity of Financial Liabilities

The maturity of borrowings is as follows:

	2013 £'000	2012 £'000
<b>Repayable within one year and on demand:</b>		
Loan notes	-	2,420
Finance leases	-	4
Trade payables	4,959	6,572
Sub total	4,959	8,996
<b>Repayable between one and two years:</b>		
Finance leases	-	-
Sub total	-	-
<b>Repayable between two and five years:</b>		
Debt facility	4,433	4,433
Loan notes	2,551	1,835
Sub total	6,984	6,268
<b>Total</b>	<b>11,943</b>	<b>15,264</b>

## Debt Facility

Loans totalling £4,433,333 are held by Herald Investment Trust Plc, Artemis Alpha Trust Plc and The John Booth Charitable Foundation, together known as the new "lenders." The interest on the facility is based on monthly LIBOR plus a margin of 4%. The Debt Facility is unsecured and is repayable in full on the 11th of February 2016. There are no financial covenants in force in respect on this debt facility.

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

## Loan notes - unsecured

The unsecured Loan Notes of £0.19m (2012: £Nil) relates to an agreement with Herald Investment Trust plc, a related party through shareholding. Interest is based on monthly Libor plus a margin of 6%.The interest is accrued and is repayable along with the principle on 31 March 2016.

The Loan Notes in 2012 relate to advance payment of the amounts certain subscribers of shares had each agreed to pay in respect of the conditional share issuance by the Group on 30 March 2012. The Loan Notes were redeemed automatically out of the proceeds of the subscription on admission of the shares in April 2012. As the redemption occurred prior to 3 May 2012, no interest was chargeable on the Loan Notes.

**Loan notes - secured**

The secured Loan Notes of £2.36m (2012: £1.84m) relate to a debenture with Herald GP II Limited, a related party through shareholding, and are secured by a floating charge over the assets of all the Group companies. Interest is based on monthly Libor plus a margin of 6%. The interest is accrued and is repayable along with the principal on 31 March 2016.

**18) FINANCIAL INSTRUMENTS****Financial risk management**

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

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

Risk	Potential impact	How it is managed
<b>Liquidity</b>	<p>The Group's debt servicing requirements and investment strategies, along with the diverse nature of the Group's operations, means that liquidity management is recognised as an important area of focus.</p> <p>Liquidity issues could have a negative reputational impact, particularly with suppliers.</p>	<p>The Group's treasury function is principally concerned with internal funding requirements, debt servicing requirements and funding of new investment strategies.</p> <p>Internal funding and debt servicing requirements are monitored on a continuing basis through the Group's management reporting and forecasting. The Group also maintains a continuing dialogue with the Group's lenders as part of its information covenants. The requirements are maintained through a combination of retained earnings, asset sales or capital markets.</p> <p>New investments strategies are to be funded through the use of shareholder loans or capital markets.</p>
<b>Interest rate fluctuations</b>	The Group's exposure to interest rate risk is shown (by way of sensitivity to changes in interest rates) in the rate risk table below.	The Group's debt currently consists of variable rate debt. The Group's policy is to enter into interest rate caps with the associated lender. As at 31 March 2013, no hedging instruments were in place, but the Group is actively monitoring this position.
<b>Exchange rate fluctuations</b>	Transactional foreign currency exposures arise from both the export of services from the UK to overseas clients, and from the import of services directly sourced from overseas suppliers.	The Group is primarily exposed to foreign exchange in relation to sterling against movements in US\$ and euro but is not considered by management to be significant.

**Interest Sensitivity analysis**

The table below illustrates the estimated impact on the income statement as a result of market movements in interest rates in relation to all of the Group's financial instruments. The Group considers a 2% increase or 0.25% decrease in interest rates to be reasonably possible based on observation of current market conditions. All other variables are held constant. However, this analysis is for illustrative purposes only.

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

	0.25% decrease in interest rates £'000	2% increase in interest rates £'000
<b>At 31 March 2012</b>		
Impact on income statement and equity: gain/(loss)	16	(125)
<b>At 31 March 2013</b>		
Impact on income statement and equity: gain/(loss)	17	(137)

**19) DEFERRED TAX**

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 24% for UK differences. The movements in deferred tax assets and liabilities during the period are shown below.

	Accelerated capital allowances £'000	Losses carried forward £'000	Intangible assets £'000	Share based payments £'000	Other temporary differences £'000	Total £'000
<b>At 1 April 2011</b>	132	381	(540)	-	116	89
Recognised in the income statement	441	(144)	296	-	(59)	534
Charge due to change in tax rate	(81)	(34)	13	-	(9)	(111)
Acquired on acquisition	-	-	-	-	-	-
Exchange differences	-	-	(1)	-	-	(1)
<b>At 31 March 2012</b>	492	203	(232)	-	48	511
Recognised in the income statement	37	46	168	-	12	263
Charge due to change in tax rate	(20)	(8)	3	-	(7)	(32)
Acquired on acquisition	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-
<b>At 31 March 2013</b>	<b>509</b>	<b>241</b>	<b>(61)</b>	<b>-</b>	<b>53</b>	<b>742</b>

Deferred tax assets estimated at £2,795,000 (2012: £2,209,000) in respect of losses carried forward have not been recognised due to uncertainties as to whether or not income will arise against which such losses will be utilised.





## 20) PROVISIONS FOR OTHER LIABILITIES

A current provision in the amount of £141,000 (2012: £Nil) has been recognised in the current year in other creditors to reflect an onerous contract held with one of our clients.

## 21) BUSINESS COMBINATIONS

### Contingent consideration of Subsidiaries Acquired Prior to 1 April 2011

#### Grove House Publishing Limited

The Grove purchase was subject to two additional contingent consideration payments of up to £500,000 in total. These payments are dependent on the achievement of EBIT targets for the years ending 31 March 2012 and 31 March 2013, and will be satisfied by cash. As at 31 March 2013, a total £96,000 (2012: £222,000) of deferred consideration had been provided for as a cash payment in the amount of £126,000 had been made during the year.

## 22) SHARE CAPITAL

	Shares	2013 Share capital £'000	Share premium £'000	Shares	2012 Share capital £'000	Share premium £'000
Authorised ordinary shares of 2p each	No Maximum	N/A		No maximum	N/A	
<b>Allotted, called up and fully paid ordinary of 2p each:</b>						
At start of year	132,541,012	2,651	14,630	132,541,012	2,651	14,630
Shares issued as consideration	-	-	-	-	-	-
Shares issued as remuneration	10,800,000	256	35	-	-	-
Shares issued as private placement	133,325,000	2,627	563	-	-	-
<b>At end of year</b>	<b>276,666,012</b>	<b>5,534</b>	<b>15,228</b>	132,541,012	2,651	14,630

## 23) CONTINGENCIES AND COMMITMENTS

### Capital Commitments

The Group had no capital commitments as at 31 March 2013 or 31 March 2012.

### Operating Leases

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

	31 March 2013 Land and buildings £'000	Other £'000	31 March 2012 Land and buildings £'000	Other £'000
Within one year	534	22	629	49
Between one and five years	937	18	670	38
After five years	17	-	-	-
<b>Total</b>	<b>1,488</b>	<b>40</b>	<b>1,299</b>	<b>87</b>

### Contingent liability

On 22 May 2013, the company was notified that a former executive of the company has issued an unfair dismissal claim, an unlawful deduction of wages claim and a claim for failure to collectively consult on a redundancy. Management does not consider there is any basis for these claims and are working with external legal counsel to rigorously defend the case.

## 24) RELATED PARTY TRANSACTIONS

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

### Loan Note

On 28 March 2013 the Company issued a Loan Note of £592,500 to Herald Investment Trust (HIT), of which £192,500 is in the form of an unsecured Loan Note.

On 30 March 2012 the Company issued an unsecured Loan Note of £1.31m to Herald Investment Trust (HIT) (see note 17). HIT is related by their shareholdings in the Company.



**Non-Executive Transaction**

On 28 March 2013 the Company issued 3,750,000 ordinary shares to Hixdell Limited, a company controlled by R.F.Z. Geldof, in lieu of director's fees totalling £75,000.

On 30 March 2012 the Company issued 7,050,000 ordinary shares on 30 March 2012 to Hixdell Limited in lieu of director's fees totalling £176,250. The issuance was approved at an extraordinary general meeting held on 25th April 2012.

The Group measures the cost of equity-settled transactions by reference to the fair value of the goods or services received. Where the fair value of the goods or services cannot be reliably determined, or where the goods or services cannot be identified, the Group measures the cost of the transaction by reference to the fair value of the equity instruments granted.

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

We have audited the parent company financial statements of Ten Alps plc for the year ended 31 March 2013 which comprise the parent company balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

## Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 19, the Directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the parent company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

## Opinion on financial statements

In our opinion the parent company financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2013;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Opinion on other matter prescribed by the Companies Act 2006

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

## Matters on which we are required to report by exception

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

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

## Other matter

We have reported separately on the Group financial statements of Ten Alps plc for the year ended 31 March 2013

**Nicholas Page**  
**Senior Statutory Auditor**  
**for and on behalf of Grant Thornton UK LLP**  
**Statutory Auditor, Chartered Accountants**  
**London**  
**20 June 2013**

# Company balance sheet

AS AT 31 MARCH 2013

	Note	2013 £ '000	2012 £ '000
<b>Fixed assets</b>			
Investments in Subsidiaries	27	6,543	10,701
Tangible assets	28	-	3
		<b>6,543</b>	<b>10,704</b>
<b>Current assets</b>			
Debtors	29	8,131	8,032
Cash at bank		1,071	1,151
		<b>9,202</b>	<b>9,183</b>
<b>Creditors</b>			
Amounts falling due within one year	30	(2,150)	(4,928)
Net current assets		<b>7,052</b>	<b>4,255</b>
Total assets less current liabilities		<b>13,595</b>	<b>14,959</b>
<b>Creditors</b>			
Amounts falling due after more than one year	31	(6,872)	(6,117)
Net assets		<b>6,723</b>	<b>8,842</b>
<b>Capital and reserves</b>			
Called up share capital	22	5,534	2,651
Share premium account	32	16,054	15,455
Capital reserve	32	111	111
Other reserve	32	2	2
Profit and loss account	32	(14, 978)	(9,377)
<b>Shareholders' funds</b>		<b>6,723</b>	<b>8,842</b>

## 25) ACCOUNTING POLICIES - COMPANY

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

### (a) Accounting convention

The accounts are prepared under the historical cost convention.

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company's loss for the year ended 31 March 2013 was £5,600,000 (2012: loss of £1,672,000).

### (b) 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:

Motor vehicles	20% on straight line basis
Computer equipment	20% - 33% on straight line basis
Office equipment	20% on straight line basis

### (c) Investments

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

### (d) Pensions

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

### (e) Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in 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.

### (f) Share based payments

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

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value



of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

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

If vesting 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.

## 26) EMPLOYEES - COMPANY

	31 March 2013	31 March 2012
	£'000	£'000
Wages and salaries	436	529
Social security costs	36	48
Other pension costs	32	66
<b>Total</b>	<b>504</b>	<b>643</b>
<b>Average number of employees</b>		
Management	3	4
Administration	1	1
<b>Total</b>	<b>4</b>	<b>5</b>

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

## 27) INVESTMENT IN SUBSIDIARIES - COMPANY

	£'000
Total cost of acquisitions at 1 April 2012	10,701
Additions in year	
Impairment	4,158
Change in estimate of contingent consideration	-
<b>Investment in subsidiaries at 31 March 2013</b>	<b>6,543</b>
Investment in subsidiaries at 31 March 2012	10,701

The principal subsidiaries of the Group during the year were:

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

The following principal subsidiaries of the Group were disposed of during the year:

	Country of incorporation, registration and operation	Class of capital	% held	Description of activity
#Below the Radar Limited	Northern Ireland	Ordinary	100% Indirect	TV Production
Ten Alps Asia Holdings Pte Limited	Singapore	Ordinary	100% Direct	Holding company
~Ten Alps Communications Asia Pte Limited	Singapore	Ordinary	65% Indirect	B2B Publishing
# Subsidiary of Blakeway Productions Limited				
~ Subsidiary of Ten Alps Holdings Pte Limited				

## 28) TANGIBLE FIXED ASSETS - COMPANY

<b>Cost</b>	<b>Motor vehicles £000's</b>	<b>Office and computer equipment £000's</b>	<b>Total £000's</b>
At 31 March 2012	-	14	14
Additions	-	-	-
Disposals	-	(7)	(7)
<b>At 31 March 2013</b>	<b>-</b>	<b>7</b>	<b>7</b>
<b>Accumulated Depreciation</b>			
At 31 March 2012	-	(11)	(11)
Charge for the year	-	-	-
Disposals	-	4	4
<b>At 31 March 2013</b>	<b>(-)</b>	<b>(7)</b>	<b>(7)</b>
<b>Net Book Value</b>			
<b>At 31 March 2013</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 March 2012</b>	<b>-</b>	<b>3</b>	<b>3</b>

## 29) DEBTORS - COMPANY

	<b>2013 £'000</b>	<b>2012 £'000</b>
Amounts owed by subsidiary undertakings	<b>8,097</b>	7,774
Other debtors	<b>5</b>	219
Deferred taxation	<b>24</b>	24
Prepayments and accrued income	<b>5</b>	15
<b>Total</b>	<b>8,131</b>	8,032

## 30) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - COMPANY

	<b>2013 £'000</b>	<b>2012 £'000</b>
Loan notes	-	2,420
Trade creditors	<b>121</b>	221
Amounts due to subsidiary undertakings	<b>1,739</b>	1,744
Other creditors	<b>176</b>	217
Accruals and deferred income	<b>114</b>	326
Corporation tax	-	-
<b>Total</b>	<b>2,150</b>	4,928

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

	<b>2013 £'000</b>	<b>2012 £'000</b>
Debt facilities	<b>4,321</b>	4,282
Loan notes	<b>2,551</b>	1,835
<b>Total</b>	<b>6,872</b>	6,117

## 32) RESERVES - COMPANY

	<b>Share premium account £'000</b>	<b>Capital reserve £'000</b>	<b>Other reserve £'000</b>	<b>Profit and loss account £'000</b>
Balance at 1 April 2012	15,455	111	2	(9,377)
Shares issued	599	-	-	-
Recognition of equity-settled share-based payments in the year	-	-	-	159
Retained loss for the year	-	-	-	(5,760)
<b>Balance at 31 March 2013</b>	<b>16,054</b>	<b>111</b>	<b>2</b>	<b>(14,978)</b>

# Notice of Annual General Meeting

## This Notice of Meeting is important and requires your immediate attention

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

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Ten Alps plc will be held at RPC, Tower Bridge House, St Katherine's Way, London E1W 1AA at 9.30a.m. on the 29th August 2013 for the following purposes:

## Ordinary Business

To consider and, if thought fit, pass the following items, which will be proposed as ordinary resolutions:

1. THAT the Company's audited financial statements for the year to 31st March 2013, and the Directors' report and the Auditors' report on those financial statements, be received and adopted.
2. THAT Grant Thornton UK LLP be reappointed as Auditors of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company, and the directors be authorised to determine their remuneration.
3. THAT Tim Hoare is reappointed as a Non Executive Director.

## Special Business

To consider and, if thought fit, pass the following items, item 4 of which will be proposed as an ordinary resolution and items 5 and 6 of which will be proposed as special resolutions:

4. THAT the directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 to allot relevant securities (as defined in the explanatory notes to this resolution) of up to maximum nominal value of £2,766,661 (equal to approximately 50% of the issued ordinary share capital as at the date of this resolution) such authority to be in substitution for and to the exclusion of any previous authority to allot relevant securities conferred upon the directors and such authority to expire at the conclusion of the Company's next Annual General Meeting or, if earlier, 15 months from the date of this resolution, save that the Company may before such expiry make an offer or agreement which might require relevant securities to be allotted after such expiry date and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

5. THAT conditional upon and subject to the passing of Resolution 4 above the directors be generally and unconditionally authorised pursuant to section 570 of the Companies Act 2006 (the 'Act') to make allotments of equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by the previous resolution as if section 561 of the Act did not apply to any such allotment provided that such power shall be limited to:
  - (a) the allotment of equity securities in connection with or pursuant to any issue or offer by way of rights or other pre-emptive offer to the holders of ordinary shares of 2p each in the capital of the Company ('Ordinary Shares') and other persons entitled to participate therein in proportion (as nearly as practicable) where the equity securities respectively attributable to the interest of holders of the Ordinary Shares are proportionate as nearly as may be practicable to the respective amounts of Ordinary Shares held by them on a fixed record date, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to legal or practical issues under the laws of, or as a requirement of, any regulatory or stock exchange authority in any jurisdiction or territory or in relation to fractional entitlements; and/or
  - (b) the allotment of equity securities in connection with or pursuant to the terms of warrants to subscribe for equity securities or any share option scheme or plan or any long term incentive scheme or plan or any plan or option scheme in respect of Ordinary Shares for employees and directors of the Company approved by the Company in general meeting whether before or after the date of this resolution; and/or
  - (c) the allotment (otherwise pursuant to subparagraph (a) or (b) of this resolution) of equity securities up to an aggregate nominal value of £553,332 (being 10% of the issued ordinary share capital as at the date of the notice of this resolution), such authority to expire at the conclusion of the Company's next Annual General Meeting or, if earlier, 15 months from the date of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry date and the directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the power conferred by this resolution had expired.
6. THAT the Company be and is hereby generally and unconditionally authorised pursuant to section 701 of the Companies Act 2006 (the 'Act') to make one or more market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 2p each in the capital of the Company ('Ordinary Shares') provided that:
  - (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased shall be 27,638,935 (representing 9.99% of the Company's issued Ordinary Share capital as at 31 March 2013);
  - (b) the minimum price which may be paid for an Ordinary Share (exclusive of expenses) shall be 2 pence per Ordinary Share;
  - (c) the maximum price which may be paid for an Ordinary Share (exclusive of expenses) shall not be more than 105% of the average of the middle market closing price for an Ordinary Share of the Company taken from the London Stock Exchange Daily Official List for the five business days immediately proceeding the day on which the Ordinary Share is purchased;
  - (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the Company's next Annual General Meeting or, if earlier, 15 months from the date of this resolution; and

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

**By order of the Board**

**Nitil Patel**

**Secretary**

**20th June 2013**

**Registered office: Exchange Crescent 7 Exchange Crescent Edinburgh EH3 8AN**

**Notes:**

1. A shareholder entitled to attend and vote at the Annual General Meeting ('AGM' or 'Meeting') is entitled to appoint a proxy or proxies to attend, speak and vote instead of him/her. A proxy need not be a shareholder of the company. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.
2. To be valid, a Form of Proxy must be completed and any power of attorney or other authority under which it is executed (or a duly certified copy thereof) must be received by the Company's Registrar (Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU) not less than 48 hours before the time for holding the meeting. Completion and return of a Form of Proxy will not preclude a shareholder subsequently from personally attending and voting at the AGM (in substitution for their proxy vote) if the shareholder decides to do so.
3. The Form of Proxy must be executed by or on behalf of the shareholder making the appointment. A corporation may execute the Form of Proxy either under its common seal or under hand of a duly authorised officer. A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy not to vote on any particular resolution. However, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of votes 'For' and 'Against' a resolution.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand on the Register of members in respect of the relevant joint holdings.
5. Pursuant to regulation 41 of the Uncertified Securities Regulations 2001, the Company specifies that only those members registered on the Register of members of the Company as at 6pm on Monday 26th August 2013 or, if the Meeting is adjourned, on the Company's Register of members 48 hours before the time fixed for the adjourned meeting, shall be entitled to attend and/or vote at the Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the Register of members after 6pm on Monday 26th August 2013 or, if the Meeting is adjourned 48 hours before the time fixed for the adjourned Meeting, shall be disregarded in determining the rights of any person to attend or vote at the Meeting.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on Thursday 29th August 2013 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have been appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with specifications of Euroclear UK and Ireland Limited ('EUKI') and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.  
  
CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUKI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s) to procure that his CREST sponsor or voting service provider(s) take(s)) such an action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.  
  
The Company may treat as an invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertified Securities Regulations 2001.
7. The quorum for the AGM will be three persons entitled to vote upon the business to be transacted, each being a shareholder or a proxy for a shareholder or a duly authorised representative of a corporation which is a shareholder.
8. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.





## Key contacts

### Ten Alps Plc

#### Head Office

ONE New Oxford Street  
High Holborn  
London  
WC1A 1NU  
Tel: 020 7878 2311  
Fax: 020 7878 2483  
[www.tenalps.com](http://www.tenalps.com)

#### Registered Office & Company Number

7 Exchange Crescent  
Conference Square  
Edinburgh  
EH3 8AN

### Registrars

Capita Registrars  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

### Nominated Adviser

Grant Thornton UK LLP  
30 Finsbury Square  
London  
EC2P 2YU  
Tel: 020 7383 5100

### Broker

Canaccord Genuity Limited  
88 Wood Street  
London  
EC2V 7QR  
Tel: 020 7523 8000

### Banker

Barclays Bank plc  
93 baker street  
London  
W1A 4SD

### Auditor

Grant Thornton UK LLP  
Grant Thornton House  
Melton Street  
London  
NW1 2EP

### Solicitors

Reynolds Porter Chamberlain  
Tower Bridge House  
St Katharine's Way  
London  
E1W 1AA  
Tel: 020 3060 6000  
Fax: 020 3060 7000  
DX 600 London/City