TEN ALPS PLC

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2012

CHAIRMAN'S STATEMENT

We have successfully restructured our finances during the year, enabling us to strengthen our foundations for future growth opportunities. At the same time we have continued to reduce our overheads, refresh our portfolio and expand our services in sectors and markets which we believe will grow in the future. However, the focus of this year has been to stabilise our operations and reduce further the fixed cost base in order to benefit in the future from our continued product development.

Highlights for the year include:

- Successful refinancing of the Group with assignment of debt to investors over a long term repayment schedule and equity raise of £3m (the impact of which is shown in the proforma balance sheet)
- Further reduction in cost base across all units
- Closure of non-core operations and reductions in properties through continued consolidation
- 2 *Bafta* nominations for the TV unit and second series of *Benidorm ER* commissioned
- Retention of major clients in the B2B units from *Caravan Club* to *Local Authority Buildings Control (LABC)* and *Women's Institute*
- New private sector clients for the CSR unit including *Siemens*, *Thames Water* and *Ella's Kitchen*.

Since I took on the role as Chairman in January 2011 the Group has further consolidated, restructured and refinanced itself. It has continued to focus on core markets and organic growth and with a restructured balance sheet in place I believe that we have started the new financial year from a position of strength. I have been impressed by the talent we have within the Group and the focus is to grow our business profitably with both existing and new customers.

Peter Bertram
Chairman
25 June 2012

Peter Bertram

BUSINESS REVIEW

Stabilise, Focus and Energise

The Group has continued to focus on its stated goals of stability, focussed strategies and key performance indicators. We set out to improve our performance from last year and, albeit from an extremely low base, we believe we have achieved that initial step. 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 TV, B2B Media and Corporate Social Responsibility (CSR) 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.

TV

Having made good progress in this financial year, the aim of this division is to continue to further exploit our skills at producing high quality programming that attracts both audiences and industry awards. We will prioritise the development of series ideas and forging new relationships with different programme commissioners. We will also build on our international reputation to ensure that each company is international in its outlook and capable of working with international clients. The plan is to grow our TV unit business organically over the next 2-3 years with strategic additions of talent to enhance those aims.

Key performance indicators for the year will be increased output with growth coming from series commissions, new clients in the UK and overseas and branching into genres which can benefit from our core strengths.

B2B

This division has fundamentally restructured to focus on its core operations and skills. With the closure of our Newcastle and Belfast offices during the year, followed by the closure of our Manchester office at the beginning of June 2012, along with other cost saving actions, the division will benefit from a substantially reduced overhead base, reduced complexity and a refreshed product portfolio. The delivery of advertising sales run rates and new business targets remain critical to the division.

The retention and development of existing clients is another key strategy and we aim to do this by increasing our creative approach to meet their evolving needs. To enable us to achieve these strategies 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 next financial year the division will see its UK Publishing units collaborating more closely together to optimise available synergies in terms both of costs and commercial opportunities. In addition, we will extend the strong owned asset brands into other revenue streams that will further enhance the brands and generate incremental margin.

CSR

The division had a disappointing performance and saw a reduction in revenues due to macro economic pressures, particularly in the public sector market. The change in management, including the addition of two new sales executives in November 2011 will, we believe, address the need for change in the business model and see the expansion of private sector clients.

The key performance indicators for the year are a return to profitability, increased sales to the private sector, increased margins through better management and cost control and further integration within the Group in order to enhance our ability to service clients with a broader set of skills.

OPERATING REVIEW

TV

The TV 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; 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.

During the year the Group appointed Fiona Stourton as Creative Director of TV who has led the implementation of a co-ordinated strategy in development, production and management. As a consequence, the division increasingly operates from centralised facilities with a reduced overhead base.

The division achieved revenues from continuing operations of £9.66m (2011: £7.69m) and EBITDA of £0.54m (2011: £0.12m) before allocation of plc costs. Operating profit for the division was £0.33m (2011: loss of £1.49m) after an impairment charge of £Nil (2011: £1.12m).

Creative highlights in the year included the well-reviewed *Great Ormond Street (BBC2)*, *The Hunt for Bin Laden (ITV1)*, *Perspectives: Roald Dahl (ITV1)*, *King George and Queen Mary*: *The Royals who rescued the Monarchy (BBC2)*, *Panorama: The Truth About Adoption (BBC*1) and from *Dispatches: Olympics Tickets For Sale (C4)* and *Britain's Rubbish (C4)*. In Belfast, programmes have been produced for BBC Northern Ireland including In *Your Corner* and *Lay of the Land*. Finally, there was strong radio production for BBC Radio from *Churchill's Other Lives presented by Sir David Cannadine (Radio 4)* to *Torture by Music presented by Tom Robinson (BBC World Service)* and *Black is a Country presented by Erykah Badu (Radio 4)*.

B2B

The business to business media division of Ten Alps, which delivers content in print; online, tablet and 'face to face', has benefited from the refocus and related restructuring undertaken over the last two years. The division comprises UK Publishing, a Creative unit and a publishing unit in Asia.

The UK Publishing unit, created in May 2012 and comprising of Atalink, Ten Alps North, Ten Alps Media and Grove House Publishing, will be managed by the recently appointed Chief Operating Officer, Alan Whibley, who was previously the managing director of Grove House Publishing.

With continued focus on the division's targeted sectors of energy; environment; logistics; farming; international trade; commerce and construction, producing a positive reduction in the range of titles with related concentration of effort into the delivery of higher margin owned assets, has meant that certain key performance indicators have improved namely retention of clients, improved margins and performance.

These units continue to deliver commercial (advertising sales) and publishing services to a range of quality clients. They have increasingly focused on accounts which offer higher end margins coupled with long term growth and potential to develop other revenue streams.

The Creative unit now operates from a single business unit (Ten Alps Creative). This business offers design, production, PR and media buying services across the full range of platforms including print, online, events, TV/radio and video formats.

The Creative unit looks to provide these fee based services in a fully integrated package from a tight and effective cost base. To this end the unit initiated plans in the period to house its production capacities centrally from its operation in Hampshire supported by a client services office in Edinburgh.

The publishing unit in Asia is now two years old and has successfully expanded its operations in China with a strong suite of manufacturing titles for the market across both Beijing and Shanghai. The thrust of the unit continues to be to optimise its brands across Asia and expand each of these brands into event and awards activities thereby augmenting existing print revenues.

Overall, the positive refocus of this division is due to the considerable restructuring activity undertaken over the last two years and the division's response to the challenging economic environment.

The division achieved revenues from continuing operations of £32.03m (2011: £30.31m) and an EBITDA contribution of £0.96m (2011: loss of £4.04m) before the allocation of plc costs. Overall revenue increased for the division, driven by enhanced production from the division's publishing units countered to an extent by the withdrawal from certain onerous client based titles.

However, EBITDA was primarily lifted by the benefit of substantially reduced overheads at £11.06m (2011: £13.98m), showing the benefit of the restructuring and cost initiatives undertaken in the past two years. Operating loss for the year was £1.69m (2011: £19.6m) after an impairment and amortisation charge of £1.26m (2011: £14.55m).

CSR

This division 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.

A key focus has been the development of new revenues from the private sector and to that end we brought in two new sales executives to implement that strategy. Initial indications show that this strategy is paying dividends with the addition of new corporate clients in the year.

In addition to the generation of new business, addressing the pricing and scheduling of work along with the cost base of the business is essential to its turnaround. A reorganisation is nearing completion with a view of closer integration with the other divisions of the Group to enable better utilisation of skills and abilities across the various units.

Revenues were down by 33.3% to £1.75m (2011: £2.62m) with an EBITDA loss of £0.36m (2011: loss of £0.15m) before allocation of plc costs. Due to these results the Group has taken an impairment of £0.98m (2011: £Nil) for the year. The operating loss was £1.7m (2011: £0.48m) after an amortisation charge of £0.35m (2011: £0.32m). We are working hard to improve on this disappointing performance in the new financial year.

We will continue to develop own intellectual properties from the *Traffic Club* product (www.TrafficClub.co.uk), which is currently being digitised for roll out in September 2012, to creating creative highlights for corporates ranging from *BT's National CV initiative* (www.thenationalcv.org.uk) to *Siemens – My Inspired World* (www.myinspiredworld.co.uk) launching in September 2012 to Nationwide's employee volunteering and education guides (www.nationwideeducation.co.uk). We have also developed an education portal for *Olly the Little White Van* aired on CiTV introducing the concept of *'Britain's Little Helpers'* (www.ollyslittlehelpersclub.com).

PLC Costs and Board Changes

During the year, the Group saw the departure of two executives from the Board. On 7 July 2011, Alex Connock, CEO of Ten Alps Plc left the Group and on 9 March 2012, Adrian Dunleavy, CEO of B2B departed the Group. The Board is very grateful for their contribution to the Group and we wish them well for their future.

As mentioned above, we have undertaken considerable restructuring across the Group including the plc and central overheads. With the departure of two executives we shall see significant overhead reductions from 2013 onwards. Plc costs for the year at EBITDA level were £1.1m (2011: £1.4m) and at operating loss level they were £1.16m (2011: £1.59m) reflecting restructuring and depreciation charges in the year.

FINANCIAL REVIEW

This has been a pivotal year for the Group. The refinance should enable the Group to focus on its key strategies and performance indicators for the year and thereby embed further the foundations laid last year.

As the refinancing at the end of March required shareholder approval, which was received on the 25th April 2012, the statement of financial position of the Group as at 31 March 2012 does not show the impact of the share issuance. We have shown the impact of the refinancing by way of a proforma balance sheet, as per note 24.

Revenue from continuing operations was up by 7.1% to £43.52m (2011: £40.62m) and gross profit increased by 27.2% to £14.63m (2011: £11.50m).

Gross margin increased from 28.3% to 33.6% in the year, with operating expenses decreasing as a percentage and now representing 33.5 % of revenues (2011: 41.8%). This is a consequence of significant restructuring done by the Group over the last two years. The aim over the period has been to move from a fixed base cost to a more flexible one. The charge for restructuring was £1.24m (2011: £1.14m).

EBITDA or headline profit, a key performance indicator used by the board, was break even at £0.04m (2011: loss of £5.47m). Operating loss from continuing operations was down to £4.22m (2011: loss of £23.15m) after an impairment charge of £0.98m (2011: £14.42m) and amortisation charge of £1.62m (2011: £1.6m). The Group also recognised a gain on the extinguishing of bank debt of £1.02m (2011: £Nil) and is shown as finance income.

As the Group made losses for the year ended 31 March 2012 there was a tax credit of £0.55m (2011 credit: £1.14m).

Discontinued operations relate to the units of Newcastle, Belfast and Teachers' TV which were all closed during the year. The results for the year include a loss on discontinued operations of £0.63m (2011: profit of £1.31m).

Earnings per share

Basic and diluted loss per share from continuing operations in the year was 2.54p (2011 loss: 27.74p) and was calculated on the losses for the year attributable to Ten Alps shareholders of £3.37m (2011 loss: £23.36m) divided by the weighted average number of shares in issue during the year being 132,541,012 (2011: 84,193,032). The number of shares will increase due to the equity issue in 25 April 2012.

Effectively all share options at 31 March 2012 were 'under water' and therefore deemed non-dilutive.

Statement of Financial Position

As mentioned above, the Group is presenting an additional proforma balance sheet this year due to the fact that shareholder approval for the refinancing was granted after the year end. Please see note 24.

The Group reviewed goodwill in the year which resulted in an impairment of £0.98m in the CSR unit. Following that review, the Group is carrying a goodwill asset of £10.40m (2011: £11.38m).

Inventories and trade receivables have decreased by £3.33m to £13.43m (2011: £16.76m) reflecting the impact of reduced inventories and a receivables review which result in the provision of specific amounts of £0.68m (2011: £0.17m). These were mainly in the geographical location of the Middle East where sales to that region have been curtailed significantly.

The Group had a cash balance of £2.86m as at 31 March 2012 (2011: £4.49m). The balance is £1.62m lower than last year, reflecting the movement in working capital, restructuring costs and professional and finance expenses incurred in the year.

Trade payables and other creditors have decreased by £3.65m to £14.74m (2011: £18.39m). Deferred income has decreased due to clients paying later which has had an impact on the cash balance at the year end.

The Group has provided for deferred consideration of £0.2m (2011: £0.32m) on the balance sheet of which £0.1m (2011: £0.1m) is due after more than one year. The amounts for 2012 relate to earn out payments due on the acquisition of Grove House Publishing.

At the year end, the Group had outstanding debt facility of £4.28m (2011: £6.95m), of which the remaining balance had been assigned to new investors. As at 31 March 2012, the Group had outstanding loan notes of £4.26m (2011: £1.52m) of which £1.84m (2011: £1.52m) is due after more than one year. On a proforma basis the Group had outstanding loan notes of £1.84m (2011: £1.52m) of which £1.84m (2011: £1.52m) is due after more than one year.

On a proforma basis the Group had net current assets of £2.1m (2011: liabilities £4.1m) and net assets of £9.15m (2011: £10.26m).

Shareholders' Equity

Called up share capital was £2.65m (2011: £2.65m) and the share premium was £14.63m (2011: £14.63m). On a proforma basis the called up share capital increased to £5.05m (2011:£2.65m) with share premium increasing to £15.23m (2011: £14.63m).

Retained losses as at 31 March 2012 were £12.04m (2011 losses: £8.09m) and total shareholders' equity at that date was £5.95m (2011: £9.89m). On a proforma basis the total shareholders' equity was £8.95m.

Issue of new shares

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.

Minority Interests

Minority interests in the primary statements reflect our partner interest via Ten Alps Communications Asia Pte Ltd (35%). The balance as at 31 March 2012 was £0.20m (2011: £0.37m).

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 Psion plc and 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 is the Chief Executive Officer of Canaccord Genuity Limited, and an executive of Canaccord Financial Inc. He also has substantial experience in the financing of media companies.

Bob Geldof

Co-founder & Non Executive Director

Born in Dublin in 1954, 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 2012.

Principal Activity

Ten Alps is a multimedia company which produces and delivers high quality TV and online content and commercially manages print contracts.

Results

The results for the year ended 31 March 2012 are set out on page 19.

The Group made an operating loss in the year of £(4.22m) from continuing operations (2011: £23.15m) and the retained loss for the year after interest, taxation, discontinued operations and minority interests of £(4.0m) (2011: loss of £21.8m).

Dividends

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

Review of Business

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

Performance Analysis

Although the results for the year on most measures are disappointing there have been improvements in cost control, implementation of the restructuring strategies and debt structure which hopefully bodes well for the future.

In late March and April 2012, the Group restructured its debt by raising gross proceeds of £3m via the issuance of 120m shares at 2.5p and using the proceeds from the loan notes and share issuance to repay Bank debt and retain the balance to meet expenses and general working capital requirements of the Group. Furthermore, the remaining Bank debt of £4.43m was assigned by the Bank to new lenders.

However, as the refinance required shareholder approval, which was received on 25 April 2012, the Group has shown the impact of the refinance on the balance sheet as if the transactions took place on 31 March 2012 and also with the impact subsequent to shareholder approval date per note 24.

As at 25 April 2012, the Group had reduced debt to £6.12m (2011: £8.47m) and extended the repayment schedules to February and March 2016. Further details on the refinanced debt structure are in Note 17 and 24.

Growth in Revenue (%)

Assessed by year on year revenue growth and expressed as a percentage. Revenue from continuing operations was up from last year reflecting an element of stabilisation from the hiatus of 2010-11 and the classification of Teachers TV as discontinued as the contract ceased in April 2011. The impact of this was revenues increasing by 7.1% to £43.5m (2011: £40.6m)

Gross Margin (%)

Gross margin is the ratio of gross profit to sales expressed as a percentage. Gross margin has increased on last year to 33.6% (2011: 28.3%) and reflects the cost control being implemented 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 marginal profit in the year of £0.04m (2011: loss of £5.47m).

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.

Cashflow

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.

Significant Contract

As stated previously, the Teachers TV contract was vulnerable to government cut backs and unfortunately that was the case when the Coalition enacted the six month notice period and terminated the contract as at 29th October 2010 which officially ceased on 29th April 2011. The contract was worth c£10-11m in revenues to the Group and Education Digital 2 Limited was classified as discontinued operations.

Risks and Uncertainties

In this section we describe some of the principal risks 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 three divisions of TV, B2B and CSR.

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.

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.

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:

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

Geographic Risks

As the Group operates in a foreign jurisdiction, namely Singapore, it encounters logistical and management challenges ranging from employees, business culture, local laws and language.

We have attempted to mitigate these risks by partnering with local businessmen and women, implementing good and efficient management controls and cost effective visits to the locations.

Directors and their interests

The Directors who served during the year were as follows:

A.M. Connock*
A.J. Dunleavy**
N. Patel
P Bertram
A.B. Walden***
R.F.Z. Geldof KBE***
T Hoare ***

* Resigned 07 July 2011
** Resigned 09 March 2012
*** 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 yearend:

		Ordinary shares of 2p each	
	Nature of interest	1 April 2011	31 March 2012 before placement
R.F.Z. Geldof KBE	Beneficial	4,324,728	4,324,728
T Hoare	Beneficial	4,161,000	4,161,000
P Bertram	Beneficial	312,500	312,500
N Patel	Beneficial	330,500	330,500
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 2011	As at 31 March 2012	Dates normally Exercisable
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	100,000	2006 to 2116
	55p	200,000	200,000	2011 to 2118
	25p	200,000	200,000	2011 to 2118
	27p	92,000	92,000	2012 to 2019

Substantial Shareholdings

The Company has been informed of the following shareholdings on 6 June 2012 each representing 3% or more of the current issued share capital:

	No. of ordinary shares	%
Herald Investment Management	87,242,428	34.55
Heritage Bank	46,863,305	18.56
Artemis Investment Management	19,675,800	7.79
John Booth Esq	17,813,550	7.05
John Booth Charitable Foundation	10,000,000	3.96

Share Capital

Details of share capital are given in Note 21 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 2012 was 62 days (2011: 42 days). Creditor settlement time for the Company for the year ended 31 March 2012 was 33 days (2011: 53 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 is 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, Bob Geldof and Tim Hoare all 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 agreements 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 7 of the Annual Report and Accounts for the year ended 31 March 2012. The financial results and cash position including borrowing facilities are described in the Financial Review on pages 8 and 9 of the Annual Report and Accounts for the year ended 31 March 2012 with further details in the Notes to the Accounts numbers 1.2.1, 17 and 18.

Although the company has continued to incur losses, the funding activities and cost restructurings taken are beginning to have an impact on the results and financial position. After accounting for the conditional share placing, which was approved by shareholders on 25 April 2012, the Group decreased overall borrowings by £2.15m to £6.12m (2011: £8.47m), see note 24. Furthermore, on 30 March 2012, the Bank of Scotland assigned the remaining debt held by them to existing shareholders (the Lenders), see note 17. The Lenders have waived financial covenant testing for the remainder of the facility agreement. The borrowings now consist of a loan facility with a due date of 11 February 2016 and a loan note which is repayable on 31 March 2016 along with accrued interest.

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 highlights that the Group may need to raise additional finance and/or dispose of assets, however certain mitigating actions could be taken to manage cash resources if required. 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 which 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, 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" overleaf.

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 a mixture of retained profits and 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.

During the year ended 31 March 2010, the Board and the Audit Committee approved an extension to the engagement term of the Senior Statutory Auditor responsible for the audit opinion in relation to Ten Alps plc. The term was extended from 5 to 7 years and is a reflection of the accounting and financial reporting issues faced by the business during the year ended 31 March 2010 and the changes being made to the Audit Committee. The Audit Committee is satisfied that this extension does not in any way prejudice the objectivity and independence of the auditor.

Annual General Meeting

The Annual General Meeting is to be held on the 23rd August 2012 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 Nitil Patel as 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 £2,525,410 (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 £505,082 (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 25,228,847 ordinary shares, which represents 9.99 per cent of the issued ordinary share capital as at 31 May 2012. 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 2012 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 which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 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 Company's auditors are aware of that information.

On behalf of the board

N. Patel
25 June 2012

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 2012 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 17, 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.

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 2012 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 2012.

Mark Henshaw
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
25 June 2012

Consolidated income statement

	Notes	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Continuing Operations			
Revenue	2	**43,519**	40,622
Cost of Sales	3	**(28,894)**	(29,123)
Gross Profit		**14,625**	11,499
Operating expenses before restructuring costs, depreciation, amortisation and impairment	3	**(14,582)**	(16,964)
Adjusted EBITDA		**43**	(5,465)
Restructuring costs	6	**(1,240)**	(1,140)
Depreciation	12	**(415)**	(534)
Amortisation and impairment of intangible assets	11	**(2,610)**	(16,014)
Operating loss		**(4,222)**	(23,153)
Finance costs	7	**(717)**	(1,106)
Finance income	7	**1,027**	16
Loss before tax		**(3,912)**	(24,243)
Income tax credit	8	**551**	1,135
Loss for the year		**(3,361)**	(23,108)
Discontinued operations			
(Loss)/profit for the year from discontinued operations	9	**(635)**	1,313
Loss for the year		**(3,996)**	(21,795)
Continuing operations attributable to:			
Equity holders of the parent		**(3,372)**	(23,356)
Non-controlling interest		**11**	248
Discontinued operations attributable to:			
Equity holders of the parent		**(635)**	1,313
		(3,996)	(21,795)
Basic earnings per share			
From continuing operations	10	**(2.54)p**	(27.74)p
From discontinued operations	10	**(0.48)p**	1.56p
Total		**(3.02)p**	(26.18)p
Diluted earnings per share			
From continuing operations	10	**(2.54)p**	(27.74)p
From discontinued operations	10	**(0.48)p**	1.56p
Total		**(3.02)p**	(26.18)p

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

Consolidated statement of comprehensive income

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Loss for the period	**(3,996)**	(21,795)
Other comprehensive income		
Foreign investment translation differences	**9**	(2)
Total comprehensive income for the period	**(3,987)**	(21,797)
Attributable to:		
Equity holders	**(3,998)**	(22,045)
Non-controlling interest	**11**	248
	(3,987)	(21,797)

Consolidated statement of financial position

	Note	As at 31 March 2012 £ '000	As at 31 March 2011 £ '000
Assets			
Non-current			
Goodwill	11	**10,396**	11,376
Other intangible assets	11	**1,657**	3,233
Property, plant and equipment	12	**717**	1,179
Deferred tax	19	**511**	89
		13,281	15,877
Current assets			
Inventories	13	**1,743**	2,954
Trade and other receivables	14	**11,688**	13,809
Cash and cash equivalents	15	**2,864**	4,485
		16,295	21,248
Liabilities			
Current liabilities			
Trade and other payables	16	**(14,744)**	(18,389)
Current tax liabilities		**(28)**	7
Borrowings and other financial liabilities	17	**(2,424)**	(6,957)
		(17,196)	(25,339)
Net current liabilities		**(901)**	(4,091)
Non-current liabilities			
Borrowings and other financial liabilities	17	**(6,117)**	(1,522)
Other payables	16	**(114)**	-
		(6,231)	(1,522)
Net assets		**6,149**	10,264
Equity			
Called up share capital	21	**2,651**	2,651
Share premium account	21	**14,630**	14,630
Merger reserve		**696**	696
Exchange reserve		**14**	5
Retained earnings		**(12,041)**	(8,089)
Total attributable to equity shareholders of parent		**5,950**	9,893
Non-controlling interest		**199**	371
Total equity		**6,149**	10,264

The consolidated financial statements were approved by the Board on 25 June 2012 and are signed on its behalf by N. Patel.

Consolidated statement of cash flows

	Note	Year ended 31 March 2012 £ '000	Year ended 31 March 2011 £ '000
Cash flows from operating activities			
(Loss) for the period		**(3,996)**	(21,795)
Adjustments for:			
Income tax credit	**8**	**(551)**	(800)
Depreciation	**12**	**452**	699
Amortisation and impairment of intangibles	**11**	**2,610**	16,014
Finance costs	**7**	**717**	1,106
Finance income	**7**	**(1,029)**	(23)
Share based payment charge	**5**	**55**	103
Loss on revaluation of deferred consideration	**20**	**17**	-
Loss on sale of property, plant and equipment		**148**	5
		(1,577)	(4,691)
Decrease/(Increase) in inventories		**1,211**	(559)
Decrease in trade and other receivables		**2,092**	2,404
(Decrease)/Increase in trade and other payables		**(3,436)**	1,082
Cash used in operations		**(1,710)**	(1,764)
Finance costs paid		**(724)**	(919)
Finance income received		**12**	23
SDIP contract (payments)		**-**	(13)
Tax refunded/(paid)		**163**	(225)
Net cash flows used in operating activities		**(2,259)**	(2,898)
Investing activities			
Acquisition of subsidiary undertakings, net of cash and overdrafts acquired		**-**	(213)
Payment of contingent consideration	**20**	**(112)**	(817)
Purchase of property, plant and equipment	**12**	**(163)**	(283)
Proceeds of sale of property, plant and equipment		**35**	31
Purchase of intangible assets	**11**	**(55)**	-
Development of websites	**11**	**-**	(13)
Net cash flows used in investing activities		**(295)**	(1,295)
Financing activities			
Issue of ordinary share capital	**21**	**-**	5,734
Borrowings repaid		**(1,500)**	(5,000)
Borrowings received		**2,620**	1,500
Capital element of finance lease payments		**(5)**	(18)
Dividends paid to minority interests		**(185)**	(204)
Net cash flows from financing activities		**930**	2,012
Net decrease in cash and cash equivalents		**(1,624)**	(2,181)
Translation differences		**3**	(3)
Cash and cash equivalents at 1 April	**15**	**4,485**	6,669
Cash and cash equivalents at 31 March	**15**	**2,864**	4,485

Consolidated statement of changes in equity

	Note £'000	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
Balance at 1 April 2010		**1,294**	**10,181**	**2,930**	**7**	**10,972**	**25,384**	**344**	**25,728**
Loss for the year		-	-	(2,903)	-	(19,140)	(22,043)	248	(21,795)
Other comprehensive income									
Translation differences		-	-	-	(2)	-	(2)	13	11
Total comprehensive income		**-**	**-**	**(2,903)**	**(2)**	**(19,140)**	**(22,045)**	**261**	**(21,784)**
Equity-settled share-based payments	5	-	-	-	-	105	105	-	105
Purchase of non-controlling interest		-	-	-	-	(26)	(26)	(30)	(56)
Dividends paid		-	-	-	-	-	-	(204)	(204)
Shares issued	21	1,357	4,449	669	-	-	6,475	-	6,475
Balance at 31 March 2011		**2,651**	**14,630**	**696**	**5**	**(8,089)**	**9,893**	**371**	**10,264**
Balance at 1 April 2011		**2,651**	**14,630**	**696**	**5**	**(8,089)**	**9,893**	**371**	**10,264**
Loss for the year		-	-	-	-	(4,007)	(4,007)	11	(3,996)
Other comprehensive income									
Translation differences		-	-	-	9	-	9	2	11
Total comprehensive income		**-**	**-**	**-**	**9**	**(4,007)**	**(3,998)**	**13**	**(3,985)**
Equity-settled share-based payments	5	-	-	-	-	55	55	-	55
Dividends paid		-	-	-	-	-	-	(185)	(185)
Shares issued	21	-	-	-	-	-	-	-	-
Balance at 31 March 2012		**2,651**	**14,630**	**696**	**14**	**(12,041)**	**5,950**	**199**	**6,149**

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 provides and manages content on TV, radio, online TV and print.

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 Great Michael House, Links House Suite 4/2, Links Place, Edinburgh, EH6 7EZ. Its shares are listed on the Alternative Investment Market of the London Stock Exchange (LSE:TAL).

These consolidated financial statements have been approved for issue by the Board of Directors on 25 June 2012.

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 Principles ("UK GAAP") until 31 March 2007.

1.2.1) Going Concern

Although the company has incurred significant losses during the year, the company has taken significant funding activities and cost restructurings. The facilities previously held by Bank of Scotland have been assigned to existing shareholders who have waived financial covenant testing, see note 17. 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 highlights that the Group may 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 2011

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 2012 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 that are expected to be relevant to the Group's financial statements 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 2013
IFRS 11*	Joint Arrangements	1 January 2013
IFRS 12*	Disclosure of Interests in Other Entities	1 January 2013
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 2013
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 2013.

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 2013.

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 2012. 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:

Television (Formerly TV and Education)

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 underspends are recognised on completion of the productions.

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

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

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

B2B

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.

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.

Production costs included in intangible assets are amortised against ancillary income received associated with the production (see policy relating to production costs).

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.

B2B
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 profits.

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 incomes 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.

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) 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.

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 19.

Revenue recognition on B2B goods or services consisting of more than one element

Where the goods or services of the B2B division consist of one or more elements described in p.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 of 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.

1.19) Segmental reporting

In identifying its operating segments, management generally follows the Group's service lines, which represent the main products and services provided by the Group. *The B2B segment (formerly Communications)* includes publishing, websites, event management, video production and specialised communications services. The activities undertaken by the *Television segment (formerly part of Television and Education)* include the production of Television and Radio content; the management of the Teachers TV channel; and the creation and management of websites and online TV channels. The CSR division *(formerly part of Television and Education)* specialises in CSR services.

During the year, the Group split its Television and Education divisions into two separate divisions; the TV division and the CSR division. The segmental results, see note 2, for the previous year's segmental results and information have been restated as if the two divisions had been separate from the beginning of that year.

Each of these operating segments is managed separately as each of these service lines 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, minor operating segments, for which the quantitative thresholds have not been met, are currently combined below under 'unallocated'.

	B2B		**TV**		**CSR**		**Unallocated**		**Total**	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
Continuing Operations	**£ '000**	£ '000	**£ '000**	£ '000	**£ '000**	£ '000	**£ '000**	£ '000	**£ '000**	£ '000
Revenue	**32,029**	30,314	**9,659**	7,689	**1,748**	2,619	**83**	-	**43,519**	40,622
EBITDA	**963**	(4,040)	**542**	124	**(360)**	(150)	**(1,102)**	(1,399)	**43**	(5,465)
Restructuring costs	**(1,094)**	(636)	**(110)**	(357)	**-**	-	**(36)**	(147)	**(1,240)**	(1,140)
Depreciation	**(300)**	(367)	**(79)**	(108)	**(16)**	(16)	**(20)**	(43)	**(415)**	(534)
Amortisation	**(1,259)**	(1,257)	**(22)**	(22)	**(345)**	(317)	**-**	-	**(1,626)**	(1,596)
Impairment loss	**-**	(13,295)	**-**	(1,123)	**(984)**	-	**-**	-	**(984)**	(14,418)
Operating (loss)/profit	**(1,690)**	(19,595)	**331**	(1,486)	**(1,705)**	(483)	**(1,158)**	(1,589)	**(4,222)**	(23,153)
Segment Assets	**20,565**	24,586	**5,314**	6,333	**2,079**	3,580	**1,618**	2,626	**29,576**	37,125
Segment Liabilities	**(10,257)**	(12,063)	**(2,999)**	(3,553)	**(814)**	(913)	**(9,357)**	(10,332)	**(23,427)**	(26,861)
Other Segment Items:										
Expenditure on intangible assets	**-**	1,089	**-**	112	**55**	-	**-**	-	**55**	1,201
Expenditure on tangible assets	**82**	288	**56**	17	**25**	12	**-**	-	**163**	317

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 £36.13m (2011: £35.70m), and the total revenue from external customers in other countries is £7.49m (2011: £4.92m).

3) EXPENSES BY NATURE

	2012 £'000	2011 £'000
Cost of sales		
Direct media buying and selling costs	**11,761**	14,076
Production costs	**8,971**	8,043
Salary costs	**4,564**	4,312
Royalties	**958**	1,040
Distribution costs	**1,122**	1,160
Movement in WIP/stock	**847**	(233)
Other cost of sales	**671**	725
Total costs of sales	**28,894**	29,123
Operating expenses		
Salary costs	**9,529**	10,937
Leases on premises	**745**	855
Other administrative expenses	**4,284**	5,152
Foreign exchange loss	**24**	20
Total operating expenses	**14,582**	16,964

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

	2012 £'000	2011 £'000
Statutory audit services		
Annual audit of the company and the consolidated accounts	**22**	25
Non-audit services		
Audit of subsidiary companies	**72**	104
Interim	-	1
Tax advisory services	**18**	24
Other services	**20**	82
Total	**132**	211

4) STAFF COSTS

	2012 £'000	2011 £'000
Wages & salaries	**12,666**	13,806
Social security & other costs	**1,235**	1,196
Share-based payments	**55**	105
Pension costs	**138**	142
Total	**14,094**	15,249

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

	2012	2011
B2B	**269**	356
TV	**72**	77
CSR	**34**	41
Other	**5**	5
Total	**380**	479

Directors' emoluments

					31 March 2012	31 March 2011
	Salaries and Fees £'000	Bonus £'000	Benefits in kind* £'000	Pension** £'000	**Total £'000**	Total £'000
Executive Directors						
A.M. Connock***	51	-	8	3	**62**	276
A.J. Dunleavy****	270	-	2	35	**307**	336
N. Patel	155	-	1	30	**186**	201
Non-Executive Directors						
P. Bertram (Chairman)	75	-	-	-	**75**	16
A.B. Walden	25	-	-	-	**25**	25
R.F.Z. Geldof KBE	75	-	-	-	**75**	75
T. Hoare	-	-	-	-	**-**	-
Total	651	-	11	68	**730**	929

*The benefits in kind shown in the table relate principally to a fully expensed company car and/or medical health cover for the Executive Directors and their immediate family.
**During the year, £68,000 (2011: £75,000) was paid with respect to personal pension schemes for 3 Directors (2011: 3).
***A Connock resigned from the board on 7 July 2011. The emoluments for the year ended 2012 are up until the date he resigned.
****A Dunleavy resigned from the board on 9 March 2012. The emoluments for the year ended 2012 are up until the date he resigned.
The Group considers that the Directors are Key Management personnel. The amount for share based payments charge (see Note 5) which relates to the Directors was £41,000 (2011: £74,000). Total remuneration for directors is £771,000 (2011: £1,003,000).

5) SHARE BASED PAYMENTS

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

	2012	2011
	£'000	£'000
Approved share option scheme	-	-
Unapproved share option scheme	55	105
Senior Director Incentive plan	-	(2)
Total	**55**	103

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

	2012		2011	
	Number	WAEP £	Number	WAEP £
Outstanding at the beginning of the year	485,000	0.53	1,081,300	0.36
Exercised during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Lapsed during the year	-	-	(596,300)	0.22
Outstanding at the end of the year	485,000	0.53	485,000	0.53
Exercisable at the end of the year	485,000	0.53	485,000	0.53

Unapproved share option scheme

	2012		2011	
	Number	WAEP £	Number	WAEP £
Outstanding at the beginning of the year	2,803,000	0.37	3,013,650	0.36
Exercised during the year	-	-	-	-
Cancelled during the year	(10,000)	0.27	(30,000)	0.27
Lapsed during the year	-	-	(180,650)	0.23
Outstanding at the end of the year	2,793,000	0.37	2,803,000	0.37
Exercisable at the end of the year	2,340,000	0.39	465,000	0.37

The options outstanding as at 31 March 2012 have the following weighted average exercise prices and expire in the following financial years:

Expiry	Exercise Price £	2012 No	2011 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	463,000
Total		**3,278,000**	3,288,000

No options were exercised and 10,000 options were cancelled during the year.

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.

	2012	2011
	£'000	£'000
Restructuring Costs		
Property termination costs	303	147
Redundancy	734	357
Professional fees	75	636
Other	128	-
Restructuring Costs	**1,240**	1,140

7) FINANCE COSTS AND INCOME

	2012 £'000	2011 £'000
Finance Costs		
Interest payable on bank borrowings	**(326)**	(333)
Amortisation of origination costs on bank borrowings	**(173)**	(736)
Monitoring costs on bank borrowings	**(100)**	(12)
Interest payable on loan note	**(115)**	(20)
Interest payable on finance leases	**(3)**	(5)
Settlement of hedging instruments	**-**	(12)
Movement in fair value of hedging instruments	**-**	12
Finance Costs	**(717)**	(1,106)
Finance Income		
Bank interest receivable	**10**	16
Gain on extinguishment of debt	**1,017**	-
Net Finance Costs	**310**	(1,090)

8) INCOME TAX EXPENSE

Taxation Charge

	2012 £'000	2011 £'000
Current tax expense:		
current year before exceptional items	**39**	(506)
adjustment for prior years	**(167)**	(96)
	(128)	(602)
Deferred tax		
Origination and reversal of temporary differences (see note 19)	**(498)**	(533)
Impact in change of corporate tax rate	**75**	-
Total income tax expense	**(551)**	(1,135)

Reconciliation of taxation expense:

	2012 £'000	2011 £'000
Profit before tax	**(3,912)**	(24,243)
Taxation expense at UK corporation tax rate of 26% (2011: 28%)	**(1,017)**	(6,788)
Non-taxable income/non-deductible expenses	**256**	4,037
Losses carried forward and temporary differences not recognised	**377**	1,712
Overprovision in prior periods	**(167)**	(96)
Total income tax expense	**(551)**	(1,135)

9) DISCONTINUED OPERATIONS

During the year ended 31 March 2012, four cash generating units, Education Digital 2 Limited, Ten Alps Asia Limited and the B2B 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 B2B divisions overall Group restructuring. Analysis of the result of the discontinued operations is as follows:

	2012 £'000	2011 £'000
Revenue	**302**	11,251
Cost of sales	**(53)**	(6,754)
Gross Profit	**249**	4,497
Operating expenses	**(350)**	(2,691)
Reorganisation and restructuring costs	**(499)**	-
Depreciation	**(37)**	(165)
Operating (loss)/profit	**(637)**	1,641
Finance income	**2**	7
(Loss)/Profit before tax	**(635)**	1,648
Taxation	**-**	(335)
(Loss)/profit for the year from discontinued operations	**(635)**	1,313

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

	2012 £'000	2011 £'000
Operating cash flows	**(710)**	(1,093)
Investing cash flows	**(15)**	(27)
Financing cash flows	**-**	-
Total cash flows	**(725)**	(1,120)

10) EARNINGS PER SHARE

	2012	2011
Weighted average number of shares used in basic earnings per share calculation	**132,541,012**	84,193,032
Dilutive effect of share options	-	-
Weighted average number of shares used in diluted earnings per share calculation	**132,541,012**	84,193,032
	£'000	£'000
(Loss)/Profit for period for continuing operations attributable to shareholders	**(3,372)**	(23,356)
Amortisation and impairment of intangible assets adjusted for deferred tax impact	**2,315**	15,736
Restructuring	**1,240**	1,140
Gain on extinguishment of bank debt	**(1,017)**	-
Share-based payments	**55**	105
Adjusted (loss) for period attributable to equity holders of the parent	**(779)**	(6,375)
(Loss)/profit for year from discontinued operations attributable to shareholders	**(635)**	1,313
Continuing operations:		
Basic Loss per Share	(2.54)p	(27.74)p
Diluted Loss per Share	(2.54)p	(27.74)p
Adjusted Basic Loss per Share	(0.59)p	(7.57)p
Adjusted Diluted Loss per Share	(0.59)p	(7.57)p
Discontinued operations:		
Basic Loss/Earnings per Share	(0.48)p	1.56 p
Diluted Loss/Earnings per Share	(0.48)p	1.56 p

11) INTANGIBLE ASSETS

	Goodwill £'000	Customer Relationships £'000	Magazine titles £'000	Customer Contracts £'000	Websites £'000	Total £'000
Cost						
At 1 April 2010	25,333	3,818	1,208	116	1,354	31,829
Acquisition of subsidiaries	603	-	513	-	-	1,116
Internal development	-	-	-	-	13	13
Revised contingent consideration and additional expenses relating to previous years acquisitions	72	-	-	-	-	72
Exchange movements	1	-	21	-	-	22
At 31 March 2011	26,009	3,818	1,742	116	1,367	33,052
Additions	-	-	-	55	-	55
Internal development	-	-	-	-	-	-
Revised contingent consideration and additional expenses relating to previous years acquisitions (see note 17)	-	-	-	-	-	-
Disposals & retirements	-	-	-	-	(57)	(57)
Exchange movements	4	-	11	-	-	15
At 31 March 2012	**26,013**	**3,818**	**1,753**	**171**	**1,310**	**33,065**
Amortisation						
At 1 April 2010	(215)	(1,630)	(219)	(116)	(245)	(2,425)
Charge for the year	-	(764)	(560)	-	(272)	(1,596)
Impairment charge	(14,418)	-	-	-	-	(14,418)
Exchange movements	-	-	(4)	-	-	(4)
At 31 March 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)	-	-	(5)
At 31 March 2012	**(15,617)**	**(3,158)**	**(1,335)**	**(144)**	**(758)**	**(21,012)**
Net Book Value						
At 31 March 2012	**10,396**	**660**	**418**	**27**	**552**	**12,053**
At 31 March 2011	11,376	1,424	959	-	850	14,609

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:

	2012	2011
	£'000	£'000
B2B	**7,659**	7,655
TV	**1,852**	1,852
CSR	**885**	1,869
Total	**10,396**	11,376

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 forecasted in income and costs.

The Group prepares discounted cash flow forecasts by operating segment based on financial forecasts approved by management covering a seven-year period, which takes account of both past performance and expectations for future market developments. Thereafter growth is assumed to be Nil. 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.

TV
A pre-tax discount rate of 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.

B2B
A pre-tax discount rate of 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 9.4% 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.

12) PROPERTY, PLANT AND EQUIPMENT

	Short leasehold land and buildings £'000	**Motor vehicles £'000**	**Office and computer equipment £'000**	**Total £'000**
Cost				
At 1 April 2010	242	92	3,628	3,962
Additions	6	-	277	283
Acquisition of subsidiaries	-	-	34	34
Disposals & retirements	(21)	(78)	(239)	(338)
At 31 March 2011	227	14	3,700	3,941
Additions	-	6	157	163
Acquisition of subsidiaries	-	-	-	-
Disposals & retirements	(43)	(20)	(1,841)	(1,904)
At 31 March 2012	**184**	**-**	**2,016**	**2,200**
Depreciation				
At 1 April 2010	(94)	(23)	(2,249)	(2,366)
Charge for the year	(47)	(30)	(622)	(699)
Disposals & retirements	21	42	240	303
At 31 March 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)**
Net Book Value				
At 31 March 2012	**63**	**-**	**654**	**717**
At 31 March 2011	107	3	1,069	1,179

Included in the book values above is £9,000 relating to assets held under finance leases (2011: £11,000).

13) INVENTORIES

	2012 £'000	2011 £'000
Work in progress - B2B	**1,445**	2,497
Work in progress – TV	**78**	176
Work in progress – CSR	**1**	70
Stock – CSR	**219**	211
Total Inventories	**1,743**	2,954

No Inventories were written off during the year. Prior year's balances have been restated to recognise the movement of DBDA Limited from the TV&E division to the CSR division.

14) TRADE AND OTHER RECEIVABLES

	2012 £'000	2011 £'000
Current		
Trade receivables	**9,450**	10,197
Less provision for impairment	**(637)**	(255)
Net trade receivables	**8,816**	9,942
Other receivables	**296**	872
Prepayments and accrued income	**2,576**	2,995
Total	**11,688**	13,809

During the year the Directors reviewed the trade receivables and concluded that the Directors consider that the carrying amount of trade and other receivables approximates to their fair value. The maximum exposure to credit risk at the reporting date is the carrying value of each class of asset above. The Group's receivables are unsecured. The Group is not subject to any significant concentrations of credit risk.

Trade receivables that were past due but not impaired are as follows:

	2012 £'000	2011 £'000
Not more than 3 months	**6,274**	3,473
More than 3 months but less than 1 year	**556**	1,246
More than 1 year	**-**	392
Total	**6,830**	5,111

15) CASH AND CASH EQUIVALENTS

	2012 £'000	2011 £'000
Cash at bank and on hand	**2,864**	4,485
Total Cash and cash equivalents	**2,864**	4,485

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

	2012 £'000	2011 £'000
Current		
Trade payables	**6,572**	5,581
Other payables	**366**	330
Other taxes and social security	**808**	978
Accruals and deferred income	**6,890**	11,183
Deferred consideration payable	**108**	317
	14,744	18,389
Non-current		
Deferred consideration payable	**114**	-
	114	-
Total	**14,858**	18,389

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	
	2012	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000
Current				
Bank loans - secured	**-**	6,950	**-**	6,950
Loan notes - unsecured	**2,420**	-	**2,420**	-
Finance leases - secured	**4**	7	**4**	7
	2,424	6,957	**2,424**	6,957
Non-current				
Debt facility - unsecured	**4,282**	-	**2,500**	-
Loan notes - secured	**1,835**	1,520	**1,154**	1,520
Finance leases - secured	**-**	2	**-**	2
	6,117	1,522	**3,654**	1,522
Total	**8,541**	8,479	**6,078**	8,479

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% (2011: LIBOR+6%).

Maturity of Financial Liabilities

The maturity of borrowings is as follows:

	2012	2011
	£'000	£'000
Repayable within one year and on demand:		
Bank loans	**-**	6,950
Loan notes	**2,420**	-
Finance leases	**4**	7
Trade payables	**6,572**	5,581
	8,996	12,538
Repayable between one and two years:		
Finance leases	**-**	2
	-	2
Repayable between two and five years:		
Debt facility	**4,433**	-
Loan notes	**1,835**	1,520
	6,268	1,520
Total	**15,264**	14,060

Bank loans

Bank Loans relate to a facility with the Bank of Scotland used in the acquisitions of McMillan Scott, Atalink, DBDA, Mongoose Media and Sovereign Publications.

On 30 March 2012, the Group extinguished debt of £2,216,667 of the Bank Loans in consideration of a payment for £1,200,000, resulting in a gain to the income statement of £1,016,667.

On 30 March 2012, the remaining Bank Loans of £4,433,333 were assigned to Herald Investment Trust Plc, Artemis Alpha Trust Plc and The John Booth Charitable Foundation, together known as the new "Lenders." The new lenders agreed to amend the aspects of the original facility agreement going forward. The Group reclassified the Bank Loans as Debt Facilities to recognise that the facility is no longer held by a bank. The terms of the Debt Facility are described below.

Debt Facility

As described above, the Debt Facility relates to the facility held by Herald Investment Trust Plc, Artemis Alpha Trust Plc and The John Booth Charitable Foundation, together known as the "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. 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 effectively represented an 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 (see note 23). 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 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 principle 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
Liquidity	The Group's debt servicing requirements and investment strategies, along with the diverse nature of the Group's operations, means that liquidity management is recognised as an important area of focus. Liquidity issues could have a negative reputational impact, particularly with suppliers.	The Group's treasury function is principally concerned with internal funding requirements, debt servicing requirements and funding of new investment strategies. Internal funding and debt servicing requirements are monitored on a continuing basis through the Group's management reporting and forecasting. The Group also maintains a continuing dialogue with the Group's lenders as part of its information covenants. The requirements are maintained through a combination of retained earnings, asset sales or capital markets. New investments strategies are to be funded through the use of shareholder loans or capital markets.
Interest rate fluctuations	The Group's exposure to interest rate risk is shown (by way of sensitivity to changes in interest rates) in the rate risk table below.	The Group's debt currently consists of variable rate debt. The Group's policy is to enter into interest rate caps with the associated lender. As at 31 March 2012, no hedging instruments were in place, but the Group is actively monitoring this position.
Exchange rate fluctuations	The Group has an operation in Singapore and foreign exchange rate fluctuations could adversely affect our earnings and the strength of our balance sheet. 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$, Singapore$ and euroĐ 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
At 31 March 2011		
Impact on income statement and equity: gain/(loss)	21	(169)
At 31 March 2012		
Impact on income statement and equity: gain/(loss)	16	(125)

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	**Losses carried forward**	**Intangible assets**	**Share based payments**	**Other temporary differences**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 April 2010	151	97	(667)	3	123	(293)
Recognised in the income statement	(19)	284	278	(3)	(7)	532
Acquired on acquisition	-	-	(147)	-	-	(147)
Exchange differences	-	-	(4)	-	-	(3)
At 31 March 2011	**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)
At 31 March 2012	**492**	**203**	**(232)**	**-**	**48**	**511**

Deferred tax assets estimated at £2,209,000 (2011: £1,833,000) 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) BUSINESS COMBINATIONS

Contingent consideration of Subsidiaries Acquired Prior to 1 April 2011

Below the Radar Limited
During the year, consideration of £112,000 was paid in cash to the vendors of Below the Radar upon the achievement of certain profit targets. At 31 March 2012, no further consideration was payable and therefore no further provision was made (2011: £112,000).

Grove House Publishing Limited
At 31 March 2012 the Grove purchase is 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 2012, a total £222,000 of deferred consideration had been provided for. This is an increase of £17,000 from the previous provision of £205,000 in 2011 which has been taken as a charge to the income statement.

21) SHARE CAPITAL

	2012			2011		
	Shares	**Share capital £'000**	**Share premium £'000**	Shares	Share capital £'000	Share premium £'000
Authorised ordinary shares of 2p each	**No Maximum**	**N/A**		No maximum	N/A	
Allotted, called up and fully paid ordinary of 2p each:						
At start of year	**132,541,012**	**2,651**	**14,630**	64,689,686	1,294	10,181
Shares issued as consideration	-	-	-	3,617,021	72	-
Shares issued as remuneration	-	-	-	468,750	9	28
Shares issued as private placement	-	-	-	63,765,555	1,276	4,421
At end of year	**132,541,012**	**2,651**	**14,630**	132,541,012	2,651	14,630

Issue of new shares
See note 24 for events occurring after the reporting period.

22) CONTINGENCIES AND COMMITMENTS

Capital Commitments

The Group had no capital commitments as at 31 March 2011 or 31 March 2012.

Operating Leases

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

	31 March 2012		31 March 2011	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
Within one year	**629**	**49**	1,097	52
Between one and five years	**670**	**38**	1,531	51
After five years	**-**	**-**	57	-
Total	**1,299**	**87**	2,685	103

23) 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 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
The company conditionally agreed to issue 7,050,000 ordinary shares on 30 March 2012 to Hixdell Limited, a company controlled by R.F.Z. Geldof, in lieu of director's fees totalling £176,250, subject to shareholder approval. 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.

24) EVENTS OCCURRING AFTER THE REPORTING PERIOD

Share based payments

In May 2012, 17,750,000 share options were granted to Directors and employees at an exercise price of 2.5p. These options expire in May 2022. As a condition of the issue all previous options granted to the Directors or employees were cancelled. The options cancelled totalled 1,262,000 and a further 210,000 were cancelled as the holders no longer qualified as employees.

Issue of new shares

On 30 March 2012, the company conditionally issued 112,950,000 ordinary shares at a price of 2.5p per share to institutional and ordinary investors as part of a private placement for net proceeds of £2,822,125. 8,140,000 of these shares were issued to Directors and management of the company. The company also conditionally issued 7,050,000 ordinary shares on 30 March 2012 to Hixdell Limited, a company controlled by R.F.Z. Geldof, in lieu of director's fees totalling £176,250. These issuances were subject to the approval of shareholders at an extraordinary general meeting. This meeting was held on 25th April 2012 where the shareholders approved the issuances.

As the approval of the issuance was outside of the control of both the Group and the subscribers, any money received prior to the approval would have to be accounted for as a liability under IFRS. Had the issuances above not been subject to shareholder approval the entire issuance would have been treated as if it had occurred on 30 March 2012.

The specific transactions relating to the issuance are as follows:

- £2,420,250 of the proceeds were received prior to 31 March 2012 in the form of a Loan Note from existing shareholders (see Note 17). Upon the shareholder approval, these Loan Notes were immediately offset by the subscription amount of the shares. Had the issuance not been subject to shareholder approval, this would have treated as an equity financial instrument.

- £34,500 of the proceeds were received prior to 31 March 2012 from management of the company and have been classified as other creditors. Had the issuance not been subject to shareholder approval, these proceeds would have treated as an equity financial instrument.

- £360,000 was received in April 2012 from management and private shareholders. Had the issuance not been subject to shareholder approval, these proceeds would have treated as equity financial instruments as at 31 March 2012 and the proceeds would have been treated as other debtors.

- Had the issuance of 7,050,000 ordinary shares to Hixdell Limited not been subject to shareholder approval, trade creditors and accruals would have been reduced by a total of £176,250 as at 31 March 2012.

Given the likelihood of the approval as at 31 March 2012 and the subsequent approval, the management believes it would be useful to present an unaudited Proforma Statement of Financial Position on the basis that the issuance had taken place as at 30 March 2012 (see below).

Unaudited consolidated proforma statement of financial position

	Audited As at 31 March 2012 £ '000	Proforma Adjustments £ '000	**Unaudited As at 31 March 2012 £ '000**
Assets			
Non-current			
Goodwill	**10,396**	-	**10,396**
Other intangible assets	**1,657**	-	**1,657**
Property, plant and equipment	**717**	-	**717**
Deferred tax	**511**	-	**511**
	13,281	-	**13,281**
Current assets			
Inventories	**1,743**	-	**1,743**
Trade and other receivables	**11,688**	358	**12,046**
Cash and cash equivalents	**2,864**	-	**2,864**
	16,295	358	**16,653**
Liabilities			
Current liabilities			
Trade and other payables	**(14,744)**	220	**(14,524)**
Current tax liabilities	**(28)**	-	**(28)**
Borrowings and other financial liabilities	**(2,424)**	2,420	**(4)**
	(17,196)	2,640	**(14,556)**
Net current assets	**(901)**	2,998	**2,097**
Non-current liabilities			
Borrowings and other financial liabilities	**(6,117)**	-	**(6,117)**
Derivative financial instruments	**(114)**	-	**(114)**
	(6,231)	-	**(6,231)**
Net assets	**6,149**	2,998	**9,147**
Equity			
Called up share capital	**2,651**	2,400	**5,051**
Share premium account	**14,630**	598	**15,228**
Merger reserve	**696**	-	**696**
Exchange reserve	**14**	-	**14**
Retained earnings	**(12,041)**	-	**(12,041)**
Total attributable to equity shareholders of parent	**5,950**	2,998	**8,948**
Non-controlling interest	**199**	-	**199**
Total equity	**6,149**	2,998	**9,147**

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 2012 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 17, 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.

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 2012;
- 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 2012.

Mark Henshaw
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
25 June 2012

COMPANY BALANCE SHEET AS AT 31 MARCH 2012

	Note	£ '000	2012 £ '000	£ '000	2011 £ '000
Fixed assets					
Investments in Subsidiaries	27		**10,701**		10,366
Tangible assets	28		**3**		30
			10,704		10,396
Current assets					
Debtors	29	**8,032**		8,990	
Cash at bank		**1,151**		99	
		9,183		9,089	
Creditors					
Amounts falling due within one year	30	**(4,928)**		(7,451)	
Net current assets			**4,255**		1,637
Total assets less current liabilities			**14,959**		12,034
Creditors					
Amounts falling due after more than one year	31		**(6,117)**		(1,520)
Net assets			**8,842**		10,514
Capital and reserves					
Called up share capital	21		**2,651**		2,651
Share premium account	32		**15,455**		15,455
Capital reserve	32		**111**		111
Other reserve	32		**2**		2
Profit and loss account	32		**(9,377)**		(7,705)
Shareholders' funds			**8,842**		10,514

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 2012 was £1,672,000 (2011: loss of £15,298,000).

(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 2012	31 March 2011
	£'000	£'000
Wages and salaries	**529**	713
Social security costs	**48**	75
Other pension costs	**66**	61
	643	849
Average number of employees		
Management	**4**	4
Administration	**1**	1
	5	5

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

27) INVESTMENT IN SUBSIDIARIES - COMPANY

	£'000
Total cost of acquisitions at 1 April 2011	10,366
Additions in year	2,300
Impairment	(1,965)
Change in estimate of contingent consideration	-
Investment in subsidiaries at 31 March 2012	10,701
Investment in subsidiaries at 31 March 2011	10,366

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
#Below the Radar Limited	Northern Ireland	Ordinary	100% Indirect	TV Production
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
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 Communications Limited
~ Subsidiary of Ten Alps Asia Holdings Pte Limited

28) TANGIBLE FIXED ASSETS - COMPANY

	Motor vehicles	Office and computer equipment	Total
Cost	**£'000**	**£'000**	**£'000**
At 31 March 2011	33	144	177
Additions	-	-	-
Disposals	(33)	(130)	(163)
At 31 March 2012	**-**	**14**	**14**
Accumulated Depreciation			
At 31 March 2011	(24)	(123)	(147)
Charge for the year	(2)	(18)	(20)
Disposals	26	130	156
At 31 March 2012	**(-)**	**(11)**	**(11)**
Net Book Value			
At 31 March 2012	**-**	**3**	**3**
At 31 March 2011	8	22	30

29) DEBTORS - COMPANY

	2012	2011
	£'000	£'000
Amounts owed by subsidiary undertakings	**7,774**	8,488
Other debtors	**219**	468
Deferred taxation	**24**	9
Prepayments and accrued income	**15**	25
Total	**8,032**	8,,990

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

	2012	2011
	£'000	£'000
Bank loans	-	6,950
Loan notes	**2,420**	-
Trade creditors	**221**	172
Amounts due to subsidiary undertakings	**1,744**	305
Other creditors	**217**	-
Accruals and deferred income	**326**	255
Corporation tax	**-**	(231)
Total	**4,928**	7,451

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

	2012	2011
	£'000	£'000
Debt facilities	**4,282**	-
Loan notes	**1,835**	1,520
Total	**6,117**	1,520

32) RESERVES - COMPANY

	Share premium account £'000	Capital reserve £'000	Other reserve £'000	Profit and loss account £'000
Balance at 1 April 2011	15,455	111	2	(7,705)
Recognition of equity-settled share-based payments in the year	-	-	-	55
Retained loss for the year	-	-	-	(1,727)
Balance at 31 March 2012	**15,455**	**111**	**2**	**(9,377)**

NOTICE OF ANNUAL GENERAL MEETING

Notice of Annual General Meeting

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 9.30am on the 23rd August 2012 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 2012, and the Directors' report and the Auditors' report on those financial statements, be received and adopted.
2. THAT Grant Thornton LLP be reappointed as Auditors of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company, and the directors be authorised to determine their remuneration.
3. THAT Nitil Patel is reappointed as Finance 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 £2,525,410 (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 maybe practicable to the respective amounts of Ordinary Shares held by them on a fixed record date, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to legal or practical issues under the laws of, or as a requirement of, any regulatory or stock exchange authority in any jurisdiction or territory or in relation to fractional entitlements; and/or

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

   (c) the allotment (otherwise pursuant to subparagraph (a) or (b) of this resolution) of equity securities up to an aggregate nominal value of £505,082 (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 25,228,847 (representing 9.99% of the Company’s issued Ordinary Share capital as at 25 June 2012);

   (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
25th June 2012
Registered office: Suite 4/2, Links Place, Edinburgh EH6 7EZ

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 Tuesday 21st August 2012 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 9.30am on Tuesday 21st August 2012 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 23rd August 2012 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.

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