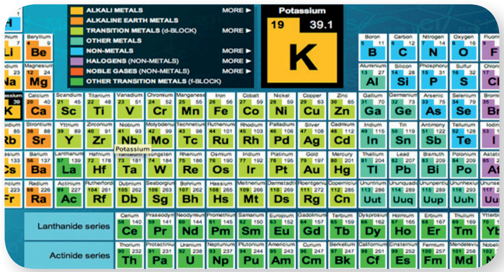
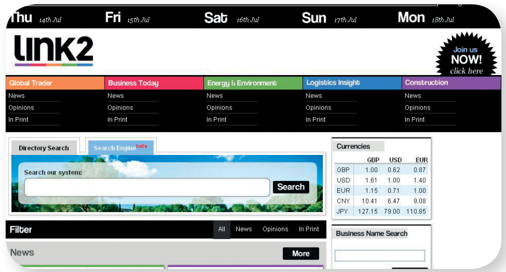
TEN ALPS PLC

ANNUAL REPORT
AND ACCOUNTS
FOR THE YEAR ENDED
31ST MARCH 2011

MULTIMEDIA





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CHAIRMAN'S STATEMENT

Market conditions were challenging and the Teachers TV contract was cancelled during the period. The opportunity was taken to reposition the business into two focussed operating units. A significant reduction in overheads, a refreshed portfolio and a refinancing of the business were all completed to deliver a strong base on which to develop the business.

Specific actions taken include:

- *Teachers TV* restarting as *SchoolsWorld TV* (www.schoolsworld.tv), with global commercial ambitions in online education
- The creation of a new TV and Education business to house this opportunity, and to include the editorially strong factual TV operations, further strong education output, and a new move into TV formats
- The creation of a restructured B2B media business, with a significantly reduced cost base and units now focussed on publishing, media services and creative output
- Within this unit, new owned titles developed in UK growth markets and expansion in Asia with Chinese launches
- A refinanced business using a combination of both equity and debt to deliver a stable platform to move forward from.

Board Change

On 08 July 2011 it was mutually agreed with Alex Connock, co-founder and CEO of the TV and Education business, that he will leave the Company to pursue other interests.

The Board is very grateful to Alex for his enormous contribution to the Company and we wish him well on his future.

Finally, as in previous years the creative achievement has been high, and often award winning. Our staff deserve credit for that success. We now have a stable platform from which to develop shareholder value in specific areas of the media where we can deliver high-value output.

PETER BERTRAM
CHAIRMAN
08 JULY 2011

BUSINESS REVIEW

Stabilise, Refocus and Reenergise

The Group has refinanced, restructured and refocused during 2011. Stability in strategy and investment plans over the next year should enable it to focus on its key performance indicators, improve its performance for 2012 and address the interests of the various stakeholders of the Group.

Ten Alps will focus on organic development over the next year. The Group plans to increase output, retain and win clients whilst enhancing the editorial content and quality of our product range.

B2B

This division has fundamentally restructured during the period. With the benefits of a substantially reduced overhead base, reduced complexity and a refreshed product portfolio, the unit will develop its financial performance from a streamlined operation with a clearer focus on the B2B publishing, media services and creative markets. The delivery of advertising sales run rates, against a substantially reduced overhead, remains key in the publishing units. The development of the Media sales business is underway driven its new management team. The creative units have a strong market proposition and are targeting delivery of the positive new business pipeline.

TV & Education

The aim in this division is to continue to focus on our undoubted core strength in high value editorial output, with greater emphasis on developing series and long term returnable projects, owned online material developed to enhance the creative offering and a move into more formatted areas of TV. The plan is to grow our TV & Education business organically over the next 2-3 years with strategic additions of talent to enhance those aims.

One key product within the division is SchoolsWorld TV, the reenergised Teachers TV product, now with a commercial business model and the ambition to become a globally 'scalable' online asset, largely on a subscription-driven business model. There is specific funding in place to pursue this venture, which is being run through the division's long-standing and successful education and online specialist unit Dbda.

B2B

2011 was a challenging year for the B2B media assets of Ten Alps. With the impact of reduced advertising revenues notably from the public sector and from the construction and SME markets affecting a number of its units and with longer term structural challenges to contend with in the UK advertising markets, the business undertook fundamental restructuring, repositioning and development of its assets to deliver a better focussed set of business units operating on a significantly reduced cost base.

The unit delivered an EBITDA loss of £4.1m (2010: profit of £4.0m) on revenues of £31.0m (2010: £42.4m). The underlying performance of the division was impacted by the reduction in advertising revenues and the diversion of resources to the process of change. In the period it largely operated on its historical cost base against reduced advertising revenues while the series of restructuring initiatives were completed by management. The restructuring and impact of closed operations cost the division £0.6m in the year (2010: £0.2m). As a result of the restructuring actions taken in the year, we expect to see an annualised reduction in overheads of £1.5m per annum. The division is better placed to deliver an improved result for 2012.

Two major initiatives were undertaken within the division which impacted the financial results.

Firstly, the Group's publishing operations focussed on developing a product range in robust markets and reducing exposure to underperforming sectors. The division looks to protect its returns by reconstructing the sales propositions in these advertising funded units.

Significantly the business decoupled the integrated online and print advertising packages. These were historically bundled to give an advertiser both an online entry and print advert for a combined cost. We believe this weakened the opportunity for the publishing units to maintain yield and margins in the long term and as a result distinct print offers and online propositions were developed and launched by the Group during the period.

As noted above, this coincided with a fundamental review of the division's publication range which resulted in the closure of a number of loss making titles, the ending of a number of low margin commercial relationships and the launch of new targeted titles in growth sectors. The sectors identified by the Group as having growth potential included energy, the environment, logistics, farming and international trade and infrastructure.

The Group's activities in the international trade and infrastructure sector is expected both to support and benefit from the growth of the Group's Asian operations and a move into the Chinese market with offices opening in Beijing and Shanghai. As a result, the business unit ended the period with a more focussed title range in higher growth sectors and with better margin opportunities in the long term.

The impact of realigning the division's publishing and media portfolio away from an integrated online/print sell, in order to deliver better longer term returns in these units, has resulted in a one off reduction in profit of £3.2m during the period under review.

Secondly, the division reduced its operating units from nine to six and undertook the following restructuring initiatives in order to deliver a more focussed lower cost operation:

- Merged Sovereign publications with Atalink Publishing. Operations now unified under the Atalink business.
- Closed publishing operations in north east England and reduced exposure to the SME advertising market as a result.
- Merged Ten Alps Creative and Ten Alps Vision. Agency operations are now unified under the Creative business.
- Restructured its operations in North West England, London and further centralised support functions to reduce staff costs and streamline management.

Having built the B2B media division of Ten Alps through a series of acquisitions, the year ended 31 March 2011 saw the rationalisation of the B2B portfolio into three distinct target areas – Publishing, Media Services and Creative Services.

The B2B media portfolio now has a set of discrete operating assets supported by a central service function. These assets will be developed to deliver shareholder value with the launch of new owned titles in the UK growth markets and expansion of the portfolio in Asia with Chinese launches.

TV and Education

Ten Alps TV and Education comprises four factual TV businesses and our Education and Corporate Social Responsibility specialist Dbda. The year to 31 March 2011 was unavoidably defined by the sudden Government cancellation in October 2010, two years before the end of the contract, of the *Teachers TV* project, as part of its overall spending review.

Revenues for the year were £20.9m (2010: £23.9m), down 12.7%. EBITDA for the year was £1.3m (2010: £2.1m), down 38.1%.

The decision was therefore taken in December 2010 to reenergise and refocus the business. The aim: rebuild shareholder value over the 2-3 year horizon, as a streamlined, marketable, high-quality content-driven business.

There were three key dimensions to this plan.

(1) Focus on TV & Education content as an editorially-led business, through a definitive split from the business publishing assets - which are now renamed and operated through separate companies. A clear and simple website reflecting the new focus is set to launch in July 2011.

(2) As a pivotal example of the output, the Teachers TV content has been relaunched as SchoolsWorldTV *(www.schoolsworld.tv)*, to be developed on a commercial model. Another educational online TV project, Newton TV *(www.newton.tv)*, focusing on science, is also being continued, as well as online local TV news site The Detail *(www.thedetail.tv)*, for which a UK-wide rollout is targeted.

(3) The core production units, which have retained their strong editorial outputs, are being organically developed. These are Below the Radar (Belfast), Blakeway (which includes Singapore and Manchester offices), Brook Lapping and Films of Record.

Our award winning Corporate Social Responsibility Consultancy Dbda (www.dbda.co.uk), who provide multimedia solutions to Corporates, Government bodies and Charities, will extend their educational reach with their services and products with international sales potential, such as the Children's Traffic Club (www.TrafficClub.org.uk) and RoSPA (Royal Society for Prevention of Accidents) material (www.rospashop.com).

Editorial highlights

The superb editorial reputation of the businesses within this division was maintained through a difficult period, and that editorial focus will be basis of its refocus.

In factual TV a number of major programmes were produced of which some of the more important are highlighted here. From Films of Record: *Kids in Care for Panorama, Great Ormond Street, The Trouble with Pirates*. From Blakeway: *Cutting Edge: Breaking a Female Paedophile Ring; Dispatches: Tabloids' Dirty Secrets, Fish Unwrapped; the Truth About going Under the Knife, Britain's Secret Fat Cats, Pakistan's Flood Doctor. From Brook Lapping: Secret History of Eurovision.* From Below the Radar: Robinson, Adams, The Trials of Phoebe Prince. In radio: political talk series We're All in this Together for BBC Radio 5 Live, and a wide range of documentaries for BBC Radios 2 and 4. Clips from some key programmes can be seen at the Group's YouTube site www.tenalps.com/youtube .

In addition to the creation of SchoolsWorld TV to migrate the Teachers TV content (May 2011), education and corporate social responsibility programmes were also produced throughout the year by Dbda. For Syngenta: an interactive Periodic Table with video elements; Nationwide Education: Financial Skills (Programmes from 4 – 16 +, First Time Buyers, Money & Finance Skills' BTEC qualification), updates on Sustainable Skills, Home Safety, Pass it On Campaign; National Grid: MyCommunity volunteering database, Education website; Dublin City Council Busy Streets.

In pure online production, webshops were created for RoSPA (Royal Society for the Prevention of Accidents), an interactive programme for Marks & Spencer.

FINANCIAL REVIEW

This has been an extremely tough year for Ten Alps and the financial results reflect the economic climate faced by most media companies in the UK with the added complication of managing the termination of the Teachers' TV contract.

Revenue was down by 21.5% to £51.9m (2010: £66.1m) and gross profit decreased by 26.6% to £16.0m (2010: £21.8m).

Gross margin decreased from 33% to 31% in the year, with administrative expenses increasing as a percentage and now representing 39.3% of revenues (2010: 26.5%). This is a consequence of static fixed costs in the Group. The aim over the last year has been to move from a fixed cost base to a more flexible one.

EBITDA or headline profit, a key performance measure used by the board, fell to a loss £3.7m (2010: profit of £5.4m). Operating profit was down to a loss of £21.5m (2010: profit of £3.59m) after an impairment charge of £14.4m (2010: £Nil) and an amortisation charge of £1.6m (2010: £0.86m).

As the Group made losses for the year ended 31 March 2010 there was a tax credit of £0.8m (2010 charge: £0.7m).

Earnings per share

Basic and diluted loss per share in the year was 26.18p (2010 profit: 3.63p) and was calculated on the losses after taxation of £22.04m (2010 profit: £2.34m) divided by the weighted average number of shares in issue during the period being 84,193,032 (2010: 64,366,155). The number of shares has increased due to the equity issue in January 2011 and the impact is reflected in the weighted average number.

Effectively all share options are currently 'under water' and therefore deemed non- dilutive.

Balance Sheet

The Group reviewed goodwill again after the initial assessment in the interims which resulted in an impairment of £10.8m. Following that review the Group has impaired goodwill further by £3.6m leaving an asset of £11.4m (2010: £25.1m).

The Group had a cash balance of £4.5m as at March 2011 (2010: £6.7m). The balance is £2.2m lower than last year, reflecting the movement in working capital, expenditure on websites and the payments of deferred consideration on the Atalink and Dbda acquisitions.

Inventories and trade receivables have decreased by £1.6m to £16.8m (2010: £18.4m) reflecting the impact of lower revenues during the year.

Trade payables and other creditors have increased by £0.8m to £18.4m (2010: £17.6m). 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 £0.32m (2010: £0.86m) on the balance sheet of which £0.1m (2010: £Nil) is due after more than one year. The amounts relate to earn out payments due on the acquisitions of Below the Radar and Grove House publishing.

As at the year end, the Group had outstanding bank loans of £6.95m (2010: £11.95m) of which £Nil (2010: £9.45m) is due after more than one year. The loan has been classified as due within one year as we were still in negotiations with the bank at the Balance Sheet date with regard to covenants. As agreement has now been reached on 8 July 2011, the loans will be reclassified in the interims of 2011. In addition to the bank loans the Group has issued a loan note of £1.5m (2010: £Nil) which is repayable by 31 March 2016 along with accrued interest after the bank loans have been repaid.

Shareholders' Equity

Called up share capital increased to £2.651m (2010: £1.295m) and the share premium increased to £14.63m (2010: £10.18m).

Retained losses as at 31 March 2011 were £8.1m (2010 retained profits: £11.0m) and total shareholders' equity at that date was £10.26m (2010: £25.39m).

Issue of new shares

On 1 April 2010, the Company issued 5,484,305 ordinary shares at a price of 22.3p per share to institutional and ordinary investors.

On 17 January 2011, the Company issued 58,750,000 ordinary shares at a price of 8p per share to institutional and ordinary investors.

Minority Interests

Minority interests in the income statement reflect the Teachers' TV consortium member's share in the year (25%) and our partner in Singapore's interest via Ten Alps Communications Asia pte Ltd (35%). The balance as at 31 March 2011 was £173,000 (2010: £160,000) for Teachers TV and £199,000 (2010: £184,000) for Ten Alps Communications Asia pte Ltd.

NITIL PATEL
CHIEF FINANCIAL OFFICER
08 JULY 2011

BOARD OF DIRECTORS

plc board

Peter Bertram

Chairman, Ten Alps

Peter, aged 56, is currently Chairman of Phoenix IT Group plc and Timeweave plc (formerly Alphameric plc) and a non-executive Director of Microgen plc.
He is a fellow of the Institute of Chartered Accountants in England and Wales.

Timothy Hoare

Non Executive Director

An investment banker, Timothy Hoare is the Chief Executive Officer of Canaccord Genuity Limited, and a board director of Canaccord Adams Plc. 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. He has a specialist interest in the company making programmes catering to a profession, like Teacher's TV.

Adrian Dunleavy

Chief Executive, B2B

Ten Alps Former Chief Executive of National Tyre Services Ltd, Nationwide Accident Repair Services Plc and McMillan-Scott Plc. Master of Engineering from the University of Strathclyde. Management positions with Shell and Continental AG. Acquired Camerons, Mongoose, Atalink, Twenty First Century Media and Sovereign for Ten Alps. Adrian has driven the growth of the Communications division since joining the group in 2006.

Nitil Patel

Cheif Financial Officer

Nitil has been a key member of the team from the very start of Ten Alps. He worked with Sayers Butterworth before joining TV production business Planet 24, where he worked as an accountant on productions such as the Big Breakfast. Alongside his role as CFO for Ten Alps Plc, he also manages Ten Alps' content production businesses including Brook Lapping, Blakeway, Films of Record, Below the Radar and DBDA.

REPORT OF THE DIRECTORS

Report of the Directors

The Directors present their annual report, together with the financial statements, for the year ended 31 March 2011.

Principal Activity

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

Results

The results for the year ended 31 March 2011 are set out on page 19.

The Group made an operating loss in the year of £(21.5m) (2010: profit of £3.6m) and the retained loss for the year after interest, taxation and minority interests of £(22.04m) (2010: profit of £2.34m).

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

The results for the year were disappointing on all measures and reflected the continued pressure the Group was facing on sales and margins. In January 2011 the Company completed a gross fund raise of £6.2m by way of a share issuance and loan note. The net proceeds were used to reduce debt and overdraft, discharge a deferred consideration, restructure the business units and provide general working capital.

Significant Contract

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

Growth in Revenue (%)

Assessed by year on year revenue growth and expressed as a percentage. Revenue was down from last year reflecting continued pressure on advertising sales, impact of discontinued activities and reduced government spend. The impact of this downturn was visible as revenues fell by 21.6% to £51.87m (2010: £66.13m)

Gross Margin (%)

Gross margin is the ratio of gross profit to sales expressed as a percentage. Gross margin has decreased on last year to 30.83% (2010: 32.95%) and reflects the continued impact of adverse economic conditions.

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

This is a key measure we use to assess the results of the Group in any one year as growth in the EBITDA figure ensures that the Group can increase margins as well as Revenue. The Group recorded a loss in the year of £(3.66m) (2010: profit of £5.36m) which reflects the revenue reduction in the year, increased provisions and fixed costs relative to revenue.

Growth in Adjusted Operating Profit margin (EBITA) (%)

This is the ratio of operating profit before amortisation of intangible and exceptional items expressed as a percentage. Together with the Gross Margin KPI this target aims to maintain profitable products/programmes, keep overheads under control and increase cashflows. The Group experienced a reduction in EBITA with a loss of £(4.36m) (2010: £4.66m).

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 two main divisions of TV and Education and B2B.

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 Ten Alps
- Adjusting the Group's debt financing options to the current financial environment given the 'credit crunch'

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 has expanded into new regions, namely Singapore, it will encounter logistical and management challenges ranging from employees, business culture, local laws and language.

We have attempted to mitigate these risks by operating joint ventures 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 **

*Appointed as Chairman on 14 January 2011
**Non-Executive
***Resigned 08 July 2011

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

		Ordinary Shares of 2p each	
	Nature of interest	1 April 2010	31 March 2011
A.M. Connock	Beneficial	3,243,706	3,618,706
A.J. Dunleavy	Beneficial	84,900	709,900
N. Patel	Beneficial	18,000	330,500
P Bertram*	Beneficial	312,500	-
A.B. Walden	Beneficial	68,750	68,750
R.F.Z. Geldof KBE	Beneficial	3,855,978	4,324,728
T Hoare	Beneficial	1,036,000	4,161,000

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

	As at 31 March 2010	As at 31 March 2011	Exercise Price	Dates normally exercisable
A.M. Connock	100,000	100,000	67.5p	2006 to 2116
	200,000	200,000	55p	2011 to 2018
	200,000	200,000	25p	2011 to 2018
	92,000	92,000	27p	2012 to 2019
R.F.Z. Geldof KBE	100,000	100,000	67.5p	2006 to 2116
	150,000	150,000	55p	2011 to 2118
	200,000	200,000	25p	2011 to 2118
		92,000	27p	2012 to 2019
A.J. Dunleavy	200,000	200,000	55p	2011 to 2018
	200,000	200,000	25p	2011 to 2018
	92,000	92,000	27p	2012 to 2019
N. Patel	100,000	100,000	67.5p	2006 to 2116
	200,000	200,000	55p	2011 to 2118
	200,000	200,000	25p	2011 to 2118
	92,000	92,000	27p	2012 to 2019

Substantial Shareholdings

The Company has been informed of the following shareholdings on 31st May 2011 each representing 3% or more of the current issued share capital:

	No. of ordinary shares	%
Herald Investment Management	34,703,028	26.18
Heritage Bank	16,242,305	12.25
UBS Wealth Management (Switzerland)	10,595,445	7.99
BlackRock Investment Management (UK)	7,331,119	5.53
Capital Research Global Investors	6,039,001	4.56
UBS Wealth Management	4,984,500	3.76
Caldwell Associates AG	4,484,305	3.38
Artemis Fund Managers	4,375,000	3.30

Share Capital

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

Suppliers' Payment Policy

The Group's policy is to agree the terms of payment with each supplier and to abide by those terms. Creditor settlement time for the year ended 31 March 2011 was 42 days (2010: 64 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 two Executive Directors (one of which is also 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 Directors are acknowledged by the Board. The Chairman is required to conduct Board meetings of shareholders and to ensure that all Directors are properly briefed in order to take full and constructive part in Board discussions. The Executive Directors are 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 Chariman. 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 Directors, sets the scale and structure of their remuneration and reviews the basis for their service agreements with due regard to the interests of shareholders.

Going Concern

The Group's business activities and analysis for the year are detailed in the Business and Operating Statement on page 4 to 7. The financial results and cash position including borrowing facilities are described in the Financial Review on pages 8 and 9 with further details in the Notes to the Accounts numbers 1.2.1, 16 and 17.

Although the company has incurred significant losses during the year, the company has undertaken funding activities and cost restructurings. A new agreement has been entered into with the Bank of Scotland, see note 16. The Group decreased overall borrowings by £3.48m to £8.47m (2010: £11.95m). The borrowings now consist of a loan facility is a term loan, with due dates on the 31 December 2010 and then 31 March for every year for three years from 31 March 2012, and a loan note which is repayable on31 March 2016 along with accrued interest.

The group's forecasts and projections, which take account of reasonably possible changes in trading performance, highlight the Group's need to raise additional finance and/or dispose of assets or cut operating costs to meet repayments under the new facility in the next twelve months. The group continues to be successful in raising finance as in the past and cost cutting, although there is no assurance that it will be able to obtain adequate finance in the future. The directors however are confident one of the strategies will be achieved.

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

Financial Risk Management Objectives and Policies

The Group uses various financial instruments these include loans, cash and various items, such as trade debtors and trade creditors 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 tem trade debtors and trade creditors), together with the associated financial risks, are set out in Note 17.

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 fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below.

Currency Risk

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

Liquidity Risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.
The maturity of borrowings is set out in note 16 to the financial statements.

Interest Rate Risk

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

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 7th Floor, 80 Victoria Street, London SW1E 5JL. 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 Peter Bertram 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 £1,325,410 (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 £265,082 (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 13,254,099 ordinary shares, which represents 9.99 per cent of the issued ordinary share capital as at 30 June 2011. 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 Company'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 Company'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
NITIL PATEL

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 2011 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 2011 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 2011.

MARK HENSHAW
SENIOR STATUTORY AUDITOR
FOR AND ON BEHALF OF GRANT THORNTON UK LLP
STATUTORY AUDITOR, CHARTERED ACCOUNTANTS
LONDON
08 JULY 2011

Consolidated income statement

	Notes	Year ended 31 March 2011 £'000	Year ended 31 March 2010 £'000
Revenue	2	**51,873**	66,134
Cost of Sales	3	**(35,877)**	(44,341)
Gross Profit		**15,996**	21,793
Operating expenses	3	**(20,354)**	(17,131)
Earnings before interest, tax and amortisation (EBITA)		**(4,358)**	4,662
Restructuring costs	6	**(1,140)**	(211)
Amortisation and impairment of intangible assets	10	**(16,014)**	(864)
Operating (loss)/profit		**(21,512)**	3,587
Finance costs	7	**(1,106)**	(557)
Finance income	7	**23**	150
(Loss)/profit before tax		**(22,595)**	3,180
Income tax expense	8	**800**	(738)
(Loss)/profit for the year		**(21,795)**	2,442
Attributable to:			
Equity holders of the parent		**(22,043)**	2,339
Non-controlling interest		**248**	103
		(21,795)	2,442
Basic earnings per share	9	**(26.18)p**	3.63p
Diluted earnings per share	9	**(26.18)p**	3.63p

All results for the Group are derived from continuing operations in both the current and prior year. The accompanying principal accounting policies and notes from part of these consolidated financial statements.

Consolidated statement of comprehensive income

	Year ended 31 March 2011 £'000	Year ended 31 March 2010 £'000
(Loss)/Profit for the period	**(21,795)**	2,442
Foreign investment translation differences	**(2)**	-
Other recognised gains and losses	**-**	-
Total comprehensive income for the period	**(21,797)**	2,442
Attributable to:		
Equity holders	**(22,045)**	2,442
Non-controlling interest	**248**	-
	(21,797)	2,442

Consolidated statement of financial position

	Note	As at 31 March 2011 £ '000	As at 31 March 2010 £ '000
Assets			
Non-current			
Goodwill	10	**11,376**	25,118
Other intangible assets	10	**3,233**	4,285
Property, plant and equipment	11	**1,179**	1,596
Deferred tax	18	**89**	-
		15,877	30,999
Current assets			
Inventories	12	**2,954**	2,395
Trade and other receivables	13	**13,809**	15,966
Cash and cash equivalents	14	**4,485**	6,669
		21,248	25,030
Liabilities			
Current liabilities			
Trade and other payables	15	**(18,389)**	(17,558)
Current tax liabilities		**7**	(448)
Borrowings and other financial liabilities	16	**(6,957)**	(2,527)
Derivative financial instruments	17	**-**	(12)
		(25,339)	(20,545)
Net current assets		**(4,091)**	4,485
Non-current liabilities			
Borrowings and other financial liabilities	16	**(1,522)**	(9,450)
Derivative financial instruments	17	**-**	(15)
Deferred tax	18	**-**	(291)
		(1,522)	(9,756)
Net assets		**10,264**	25,728
Equity			
Called up share capital	20	**2,651**	1,294
Share premium account	20	**14,630**	10,181
Merger reserve		**696**	2,930
Exchange reserve		**5**	7
Retained earnings		**(8,089)**	10,972
Total attributable to equity shareholders of parent		**9,893**	25,384
Non-controlling interest		**371**	344
Total equity		**10,264**	25,728

The consolidated financial statements were approved by the Board on 8 July 2011 and are signed on its behalf by Peter Bertram and Nitil Patel

Consolidated statement of cash flows

	Note	Year ended 31 March 2011 £ '000	Year ended 31 March 2010 £ '000
Cash flows from operating activities			
(Loss)/Profit for the period		**(21,795)**	2,442
Adjustments for:			
Income tax expense	**8**	**(800)**	738
Depreciation	**11**	**699**	701
Amortisation and impairment of intangibles	**10**	**16,014**	864
Finance costs	**7**	**1,106**	557
Finance income	**7**	**(23)**	(150)
Share based payment charge	**5**	**103**	104
Loss on sale of property, plant and equipment		**5**	3
		(4,691)	5,259
(Increase)/Decrease in inventories		**(559)**	1,348
Decrease in trade and other receivables		**2,404**	2,076
Increase/ (Decrease) in trade and other payables		**1,082**	(7,694)
Cash used in operations		**(1,764)**	989
Finance costs paid		**(919)**	(634)
Finance income received		**23**	150
SDIP contract (payments)/receipts		**(13)**	13
Tax paid		**(225)**	(706)
Net cash flows used in operating activities		**(2,898)**	(188)
Investing activities			
Acquisition of subsidiary undertakings, net of cash and overdrafts acquired	**19**	**(213)**	(331)
Payment of contingent consideration	**19**	**(817)**	(1,843)
Purchase of property, plant and equipment	**11**	**(283)**	(593)
Proceeds of sale of property, plant and equipment		**31**	9
Development of websites	**10**	**(13)**	(865)
Net cash flows used in investing activities		**(1,295)**	(3,623)
Financing activities			
Issue of ordinary share capital	**20**	**5,734**	-
Borrowings repaid		**(5,000)**	(2,500)
Borrowings received		**1,500**	-
Capital element of finance lease payments		**(18)**	(33)
Dividends paid to minority interests		**(204)**	(96)
Net cash flows from/(used in) financing activities		**2,012**	(2,629)
Net decrease in cash and cash equivalents		**(2,181)**	(6,440)
Translation differences		**(3)**	(18)
Cash and cash equivalents at 1 April		**6,669**	13,127
Cash and cash equivalents at 31 March		**4,485**	6,669

Consolidated statement of changes in equity

	Note	Share capital	Share premium	Merger reserve	Exchange reserve	Retained earnings	Total attributable to equity shareholders	Non-controlling interest	Total equity
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2009		**1,278**	**9,999**	**2,930**	**-**	**8,529**	**22,736**	**167**	**22,903**
Profit for the Year		-	-	-	-	2,339	2,339	103	2,442
Translation differences		-	-	-	7	-	7	10	17
Total comprehensive income		**-**	**-**	**-**	**7**	**2,339**	**2,346**	**113**	**2,459**
Equity-settled share-based payments	5	-	-	-	-	104	104	-	104
Dividends paid		-	-	-	-	-	-	(96)	(96)
Non-controlling share of acquisitions		-	-	-	-	-	-	160	160
Shares issued	20	16	182	-	-	-	198	-	198
Balance at 31 March 2010		**1,294**	**10,181**	**2,930**	**7**	**10,972**	**25,384**	**344**	**25,728**
Balance at 1 April 2010		**1,294**	**10,181**	**2,930**	**7**	**10,972**	**25,384**	**344**	**25,728**
Loss for the Year		-	-	-	-	(22,043)	(22,043)	248	(21,795)
Translation differences		-	-	-	(2)	-	(2)	13	11
Total comprehensive income		**-**	**-**	**-**	**(2)**	**(22,043)**	**(22,045)**	**261**	**(21,784)**
Transactions with owner		-	-	(2,903)	-	2,903	-	-	-
Equity-settled share-based payments	5	-	-	-	-	105	105	-	105
Purchase of non-controlling interest		-	-	-	-	(26)	(26)	(30)	(56)
Dividends paid		-	-	-	-	-	-	(204)	(204)
Shares issued	20	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**

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.

These consolidated financial statements have been approved for issue by the Board of Directors on 8 July 2011.

1.2) Basis of Preparation

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

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

IAS 1 Presentation of Financial Statements (Revised 2007) requires presentation of a comparative Statement of Financial Position as at the beginning of the first comparative period, in some circumstances. Management considers that this is not necessary in these financial statements as the 31 March 2010 Statement of Financial Position is the same as that previously published.

1.2.1) Going Concern

Although the company has incurred significant losses during the year, the company has undertaken funding activities and cost restructurings. A new agreement has been entered into with the Bank of Scotland, see note 16. The group's forecasts and projections, which take account of reasonably possible changes in trading performance, highlight the Group's need to raise additional finance and/or dispose of assets or cut operating costs to meet repayments under the new facility in the next twelve months. 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.

1.2.2) Standards and amendments to existing standards effective 1 April 2010

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:

- IAS27 (revised) Consolidated Financial Statements
- Amendment to IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items
- IFRIC 17 Distributions of Non-cash Assets to Owners
- Revised IFRS 1 First-time Adoption of international Financial Reporting Standards
- IFRIC 18 Transfer of Assets from Customers
- Improvements to IFRSs (2009)
- Group Cash-settled Share-based Payment Transactions (Amendments to IFRS 2)

Additional Exemptions for First-time Adopters (Amendments to IFRS 1)

1.2.3) New standards and interpretations currently in issue but not effective for accounting periods commencing on 1 April 2010 are:

- IFRS 9 Financial Instruments (effective 1 January 2013)
- IAS 24 (Revised 2009) Related Party Disclosures (effective 1 January 2011)
- Amendment to IAS 32 Classification of Rights Issues* (effective 1 February 2010)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments* (effective 1 July 2010)
- Prepayments of a Minimum Funding Requirement - Amendments to IFRIC 14* (effective 1 January 2011)

- Improvements to IFRS issued May 2010 (some changes effective 1 July 2010, others effective 1 January 2011)
- Disclosures - Transfers of Financial Assets - Amendments to IFRS 7* (effective 1 July 2011)
- Deferred Tax: Recovery of Underlying Assets - Amendments to IAS 12 Income Taxes* (effective 1 January 2012)

*Not expected to be relevant to the Group

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 2011. 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 purchase method. The purchase 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 & Education (Formerly Content)

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 recognized 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 recognized 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 (Formerly Communications)

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.

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% on cost
Computer equipment	20% 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 purchase 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 & Education
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.

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 asset's 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 and Hedging Activities

The Group monitors interest rates and has entered into an interest rate collar to manage its exposures to fluctuating interest rates. 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.

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 10.

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 10.

Depreciation of Property, Plant and Equipment

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out above. See note 11.

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 activities undertaken by the Television & Education segment (formerly Content) include the production of Television and Radio content; the management of the Teachers TV channel; the creation and management of websites and online TV channels; and specialised CSR services. The B2B segment (formerly Communications) includes publishing, websites, event management, video production and specialised communications services.

During the year, one of the Group's operating companies, DBDA Limited was reassigned to the Television & Education division from the B2B division. The segmental results, see note 2, for the previous year's segmental results and information have been restated as if DBDA had been part of the Television & Education division 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 two 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 & Education		Unallocated		Total	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
Continuing Operations	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Revenue	30,961	42,188	20,912	23,946	-	-	51,873	66,134
Segment result	(4,598)	3,662	1,358	1,811	(1,118)	(811)	(4,358)	4,662
Restructuring & reorganisation							(1,140)	(211)
Amortisation and impairment of intangible assets							(16,014)	(864)
Operating profit							(21,512)	3,587
Finance costs							(1,106)	(557)
Finance income							23	150
Income tax expense							800	(738)
Profit for the year from continuing operations							(21,795)	2,442
Segment Assets	24,847	41,435	12,164	12,811	114	1,783	37,125	56,029
Segment Liabilities	(12,369)	(8,534)	(5,799)	(8,187)	(8,693)	(13,580)	(26,861)	(30,301)
Other Segment Items:								
Expenditure on intangible assets	1,089	1,606	112	360	-	-	1,201	1,966
Expenditure on property, plant and equipment	286	379	29	208	2	6	317	593
Restructuring costs	636	211	357	-	147	-	1,140	211
Release of payroll tax and penalty liability provisions	-	(853)	-	-	-	-	-	(853)
Amortisation	1,257	555	339	309	-	-	1,596	864
Depreciation	411	356	245	311	43	34	699	701
Impairment loss	13,295	-	1,123	-	-	-	14,418	-

Geographical segment is considered to be the Group's secondary segment, however, 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. As a result this secondary segmental analysis is limited to the group revenue.

The Group's principal operations are in the United Kingdom. Its revenue from external customers in the United Kingdom is £46.62m (2010: £59.68m), and the total revenue from external customers in other countries is £5.25m (2010: £6.45m).

3) TOTAL OPERATING COSTS

	2011	2010
	£'000	£'000
Cost of sales	**31,487**	37,606
Staff costs (see note 4)	**15,572**	17,140
Administrative costs		
Leases on premises	**890**	873
Other administrative expenses	**7,562**	5,372
Foreign exchange gains	**21**	(9)
Depreciation	**699**	701
Total operating costs	**56,231**	61,683

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

	2011	2010
	£'000	£'000
Statutory audit services		
Annual audit of the company and the consolidated accounts	**25**	23
Non-audit services		
Audit of subsidiary companies	**104**	90
Interim	**1**	5
Tax advisory services	**24**	23
Other services	**82**	24
	211	142

4) STAFF COSTS

	2011 £'000	2010 £'000
Wages & salaries	**14,100**	16,270
Social security & other costs	**1,225**	627
Share-based payments	**105**	104
Pension costs	**142**	139
Total	**15,572**	17,140

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

	2011	2010
B2B	**356**	473
TV & Education	**118**	95
Other	**5**	5
Total	**479**	573

Directors' emoluments

	Salaries and Fees £'000	Bonus £'000	Benefits in kind*** £'000	Pension**** £'000	31 March 2011 Total £'000	31 March 2010 Total £'000
Executive Directors						
A.M. Connock **	229	-	35	12	**276**	255
A.J. Dunleavy	295	-	2	39	**336**	321
N. Patel	176	-	1	24	**201**	189
Non-Executive Directors						
P. Bertram *(Chairman)	16	-	-	-	**16**	0
A.B. Walden	25	-	-	-	**25**	25
R.F.Z. Geldof KBE	75	-	-	-	**75**	75
T. Hoare	-	-	-	-	**-**	-
	816	0	38	75	**929**	865

* P. Bertram was appointed as chairman of the board on 18 January 2011. A.B. Walden, the previous Chairman, remains as a non-executive director on the board.

** A.M. Connock resigned on 8 July 2011.

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

****During the year, £75,000 (2010: £72,000) was paid with respect to personal pension schemes for 3 directors (2010: 3).

The Group considers that the directors are the Key Management personnel. The amount for share based payments charge (see Note 5) which relates to the directors was £74,000 (2010: £74,000).

5) SHARE BASED PAYMENTS

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

	2011 £000	2010 £000
Approved share option scheme	**-**	-
Unapproved share option scheme	**105**	104
Senior Director Incentive plan	**(2)**	2
	103	106

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

	2011 Number	WAEP £	2010 Number	WAEP £
Outstanding at the beginning of the year	**1,081,300**	**0.36**	1,187,550	0.35
Exercised during the year	**-**	**-**	-	-
Cancelled during the year	**-**	**-**	(106,250)	0.23
Lapsed during the year	**(596,300)**	**0.22**	-	-
Outstanding at the end of the year	**485,000**	**0.37**	1,081,300	0.36
Exercisable at the end of the year	**485,000**	**0.37**	1,181,300	0.36

Unapproved Share Option Scheme

	2011 Number	WAEP £	2010 Number	WAEP £
Outstanding at the beginning of the year	**3,013,650**	**0.36**	2,520,650	0.38
Granted during the year	**-**	**-**	493,000	0.27
Exercised during the year	**-**	**-**	-	-
Cancelled during the year	**(30,000)**	**0.27**	-	-
Lapsed during the year	**(180,650)**	**0.23**	-	-
Outstanding at the end of the year	**2,803,000**	**0.37**	3,013,650	0.36
Exercisable at the end of the year	**465,000**	**0.37**	645,650	0.33

The options outstanding as at 31 March 2010 have the following weighted average exercise prices and expire in the following financial years:

Expiry	Exercise Price £	2011 No	2010 No
31 March 2010	**0.22**	**-**	776,950
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**	**463,000**	493,000
		3,288,000	4,094,950

No options were exercised and 596,300 options were cancelled during the year.

The fair values of the options granted under the scheme were valued using the Black Scholes model using the following:

	2011		2010	
Scheme	**EMI**	**Unapproved**	EMI	Unapproved
Number granted	**-**	**-**	-	493,000
Weighted average share price at grant	**-**	**-**	-	0.25
Weighted average share exercise price	**-**	**-**	-	0.27
Weighted average expected volatility	**-**	**-**	-	38%
Average expected life (years)	**-**	**-**	-	5
Weighted average risk free rate	**-**	**-**	-	3%
Expected dividend yield	**-**	**-**	-	0%

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

Senior Director Incentive Plan

During the year the Senior Director Incentive Plan was cancelled.

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.

	2011 £'000	2010 £'000
Restructuring Costs		
Vacant property costs & dilapidations	**147**	50
Redundancy	**357**	161
Professional fees	**636**	-
Restructuring Costs	**1,140**	211

7) FINANCE COSTS AND INCOME

	2011 £'000	2010 £'000
Finance Costs		
Interest payable on bank borrowings	**(333)**	(379)
Issue costs of bank loans	**(748)**	(156)
Interest payable on loan note	**(20)**	-
Interest payable on finance leases	**(5)**	(5)
Settlement of hedging instruments	**(12)**	(141)
Movement in fair value of hedging instruments	**12**	124
Finance Costs	**(1,106)**	(557)
Finance Income		
Bank interest receivable	**23**	150
Net Finance Costs	**(1,083)**	(407)

8) INCOME TAX EXPENSE

Taxation Charge

	2011 £'000	2010 £'000
Current tax expense:		
Current year before exceptional items	**(171)**	634
Adjustment for prior years	**(96)**	(6)
	(267)	628
Deferred tax		
Origination and reversal of temporary differences (see note 17)	**(533)**	110
Total income tax expense	**(800)**	738

Reconciliation of taxation expense:

	2011 £'000	2010 £'000
Profit before tax	**(22,630)**	3,180
Taxation expense at UK corporation tax rate of 28% (2010: 28%)	**(6,336)**	890
Non-taxable income/non-deductible expenses	**3,929**	-
Losses carried forward and temporary differences not recognised	**1,703**	(146)
Under provision in prior periods	**(96)**	(6)
Total income tax expense	**(800)**	738

9) EARNINGS PER SHARE

	2011	2010
Weighted average number of shares used in basic earnings per share calculation	**84,193,032**	64,366,515
Dilutive effect of share options	0	91,592
Weighted average number of shares used in diluted earnings per share calculation	**84,193,032**	64,458,107
	£'000	£'000
(Loss)/Profit for period attributable to shareholders	**(22,043)**	2,339
Amortisation and impairment of intangible assets adjusted for deferred tax impact	15,736	1,471
Restructuring	1,140	211
Share-based payments	105	104
Adjusted (loss)/profit for period attributable to equity holders of the parent	**(5,062)**	4,125
Basic Loss/Earnings per Share	**(26.18)p**	3.63 p
Diluted Loss/Earnings per Share	**(26.18)p**	3.63 p
Adjusted Basic Loss/Earnings per Share	**(6.01)p**	6.41 p
Adjusted Diluted Loss/Earnings per Share	**(6.01)p**	6.40 p

10) INTANGIBLE ASSETS

	Goodwill	**Customer Relationships**	**Magazine titles**	**Customer Contracts**	**Websites**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost						
At 1 April 2009	24,790	3,818	605	116	489	29,818
Acquisition of subsidiaries	95	-	566	-	-	661
Internal development	-	-	-	-	865	865
Revised contingent consideration and additional expenses relating to previous years acquisitions	440	-	-	-	-	440
Exchange movements	8	-	37	-	-	45
At 31 March 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 (see note 17)	72	-	-	-	-	72
Exchange movements	1	-	21	-	-	22
At 31 March 2011	**26,009**	**3,818**	**1,742**	**116**	**1,367**	**33,052**
Amortisation						
At 1 April 2009	(215)	(1,056)	(119)	(99)	(73)	(1,562)
Charge for the year	-	(574)	(100)	(17)	(172)	(863)
Impairment charge	-	-	-	-	-	-
At 31 March 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)**
Net Book Value						
At 31 March 2011	**11,376**	**1,424**	**959**	**-**	**850**	**14,609**
At 31 March 2010	25,118	2,188	989	-	1,109	29,404

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:

	2011	2010
	£'000	£'000
B2B	**7,655**	20,386
TV&E	**3,721**	4,732
Total	**11,376**	25,118

Goodwill is not amortised but, 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 based on financial forecasts approved by management covering a five-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. A pre-tax discount rate of 10.4% has been used. The main assumption on which the forecast cashflows were based include revenue growth, margin growth, migration to online and expansion of services in video and other visual products. All key assumptions used by management within the cashflow forecasts are based on past experience, sector experience and the analysis on the expansion of digital markets.

11) PROPERTY, PLANT AND EQUIPMENT

	Short leasehold land and buildings £'000	**Motor vehicles £'000**	**Office and computer equipment £'000**	**Total £'000**
Cost				
At 1 April 2009	204	147	3,403	3,754
Additions	104	-	489	593
Acquisition of subsidiaries	-	-	-	-
Disposals & retirements	(66)	(55)	(264)	(385)
At 31 March 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**
Depreciation				
At 1 April 2009	(122)	(29)	(1,887)	(2,038)
Charge for the year	(38)	(42)	(621)	(701)
Disposals & retirements	66	48	259	373
At 31 March 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)**
Net Book Value				
At 31 March 2011	107	3	1,069	1,179
At 31 March 2010	**148**	**69**	**1,379**	**1,596**

Included in the book values above is £11,000 relating to assets held under finance leases (2010: £47,000).

12) INVENTORIES

	2011	2010
	£'000	£'000
Work in progress- TV&E	**315**	620
Work in progress- B2B	**2,639**	1,775
Total Inventories	**2,954**	2,395

No Inventories were written off during the year. Prior year's balances have been restated to recognise the movement of DBDA Limited from the B2B division to the TV & Education division.

13) TRADE AND OTHER RECEIVABLES

	2011 £'000	2010 £'000
Current		
Trade receivables	**10,197**	12,226
Less provision for impairment	**(255)**	(240)
Net trade receivables	**9,942**	11,986
Other receivables	**872**	607
Prepayments and accrued income	**2,995**	3,373
	13,809	15,966

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:

	2011 £'000	2010 £'000
Not more than 3 months	**3,473**	3,329
More than 3 months but less than 1 year	**1,246**	986
More than 1 year	**392**	596
	5,111	4,911

14) CASH AND CASH EQUIVALENTS

	2011 £'000	2010 £'000
Cash at bank and on hand	**4,485**	6,669
Total Cash and cash equivalents	**4,485**	6,669

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 Aa3).

15) TRADE AND OTHER PAYABLES

	2011 £'000	2010 £'000
Current		
Trade payables	**5,581**	7,726
Other payables	**330**	135
Other taxes and social security	**978**	1,090
Accruals and deferred income	**11,183**	7,749
Contingent consideration payable	**317**	857
	18,389	17,557

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

16) BORROWINGS AND OTHER FINANCIAL LIABILITIES

	2011 £'000	2010 £'000
Current		
Bank loans - secured	**6,950**	2,500
Finance leases - secured	**7**	27
	6,957	2,527
Non-current		
Bank loans - secured	**-**	9,450
Loan notes - secured	**1,520**	-
Finance leases - secured	**2**	-
	1,522	9,450
Total	**8,479**	11,977

Maturity of Financial Liabilities

The maturity of borrowings is as follows:

	2011 £'000	2010 £'000
Repayable within one year and on demand:		
Bank loans	**6,950**	2,500
Finance leases	**7**	27
Trade payables	**5,581**	7,726
Derivative instruments	**-**	12
	12,538	10,265
Repayable between one and two years:		
Bank loans	**-**	2,500
Finance leases	**2**	-
Derivative instruments	**-**	15
	2	2,515
Repayable between two and five years:		
Bank loans	**-**	6,950
Loan notes	**1,520**	-
Finance leases	**-**	-
	1,520	6,950
Total	**14,060**	19,730

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. The interest on the facility is based on LIBOR plus a margin. The facility contains covenants based on Debt to EBITDA ratios, EBITDA interest coverage and CFADS to debt servicing ratios. An amendment to the facility agreement was agreed on 7 July 2011. Accordingly the covenants have now been reset as per the agreement signed on and the following debt repayment schedule has been agreed:

Repayment date	Repayment amount £'000
31/12/2011	£750
31/03/2012	£1,000
31/03/2013	£1,000
31/03/2014	£4,200
Total	**£6,950**

The Bank Loans are secured by a floating charge over the assets of all the Group companies with the exception of Education Digital 2 Limited. The Bank Loans are also secured by cross guarantees by all the group companies.

Loan Notes

Loan Notes relate to a debenture with Herald GP II Limited, a related party through shareholding, used along with a related share placing to reduce the Bank Loans and provide working capital to the company.

The Loan Notes are secured by a floating charge over the assets of all the Group companies with the exception of Education Digital 2 Limited.

17) 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 result in the imposition of operational controls by the Group's lenders. In addition, 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 2011, no hedging instruments were in place, but the Group is actively monitoring this position.
Exchange rate fluctuations	The Group has two operations 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 euro€ but is not considered by management to be significant.

Interest Sensitivity Analysis

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

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

	0.25% decrease in interest rates £'000	**2% increase in interest rates £'000**
At 31 March 2010		
Impact on income statement and equity: gain/(loss)	30	(239)
At 31 March 2011		
Impact on income statement and equity: gain/(loss)	21	(169)

Derivative Financial Instruments

	2011		2010	
	Assets £'000	**Liabilities £'000**	Assets £'000	Liabilities £'000
Current				
Interest Rate Collar	-	-	-	12
	-	-	-	12
Non-current				
Senior Director Incentive Plan	-	-	-	15
	-	-	-	15
Total	-	-	-	27

The interest rate collar, which consisted of a 6.5% interest rate cap for LIBOR and a 5.7% interest rate floor for LIBOR, was entered into in relation to the Bank of Scotland facility. At 31 March 2011 £nil (2010: £3,000,000) of the facility was subject to the interest rate collar which expired on 30 April 2010.

18) DEFERRED TAX

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 28% for UK differences. The movements in deferred tax assets and liabilities during the period are shown below.

	Accelerated capital allowances £'000	**Losses carried forward £'000**	**Intangible assets £'000**	**Share based payments £'000**	**Other temporary differences £'000**	**Total £'000**
At 1 April 2009	154	303	(680)	24	127	(72)
Recognised in the income statement	(2)	(205)	122	(21)	(4)	(110)
Acquired on acquisition	-	-	(102)	-	-	(102)
Exchange differences	-	-	(7)	-	-	(7)
At 31 March 2010	152	98	(667)	3	123	(291)
Recognised in the income statement	(19)	284	278	(3)	(7)	533
Acquired on acquisition	-	-	(147)	-	-	(147)
Exchange differences	-	-	(4)	-	-	(4)
At 31 March 2011	**133**	**382**	**(540)**	**-**	**116**	**91**

Deferred tax assets estimated at £1,833,000 (2010: £56,000) 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.

19) BUSINESS COMBINATIONS

Grove House Publishing Limited

On 10 May 2010, Ten Alps Communications Limited purchased the whole of the share capital of Grove House Publishing Limited (Grove) for initial consideration of £741,500, satisfied by the issue of 3,617,021 ordinary shares. Further consideration of £400,000 was paid in cash on 21 October 2011. The acquisition fills a key sector gap in the Group's trade media portfolio. Grove owns titles including Farm Business, The Agronomist, Pig and Poultry Marketing and Over the Counter, plus related events and database products. The directors believe that the acquisition of Grove offers strong growth prospects for the Group as a standalone entity, through online migration of its products by Ten Alps, and through benefits from integration into the Group's central services.

The assets and liabilities arising from the acquisition are as follows:

	Book Value £'000	**Fair Value Adjustments £'000**	**Fair Value £'000**
Intangible assets	-	513	513
Property, plant and equipment	34	-	34
Inventories	-	-	-
Trade and other receivables~	426	-	426
Cash and cash equivalents	246	-	246
Trade and other payables	(288)	-	(288)
Current tax liabilities	(37)	-	(37)
Deferred tax	(3)	(144)	(147)
Net assets acquired	378	369	747
Goodwill capitalised*			600
Consideration given			1,347
Satisfied by:			
Issue of shares			742
Cash			400
Deferred contingent consideration			205
			1,347

~Gross contractual trade and other receivables total £437,000 while £11,000 are estimated to be non-receivable.

*The factors that make up the goodwill include the potential on-line migration of Grove's publications by the Group and the benefits from integration into the Group's central services.

At 31 March 2011 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 2011, a total £205,000 of deferred consideration had been provided for.

The contribution to the operating profits and revenues for Grove House Publishing are set out below:

	Post Acquisition 10 May 2010 to 31 March 2011 £'000	Full year 1 April 2010 to 31 March 2011 £'000
Revenue	1,296	1,448
Operating profit	103	140

If all the above acquisitions had been acquired on 1 April 2010, revenue of the group for 2011 would have been £47.85m and operating loss of the group for 2011 would have been £18.89m. These results have been calculated using the results of the acquired subsidiaries up to the date of acquisition and prorated to start on 1 April 2010. Any difference between the group's accounting policies and those applied by the acquired subsidiaries prior to the acquisition are deemed to be immaterial.

Ten Alps Communications Asia Pte Limited

During the year, Ten Alps Asia Holdings Pte Limited, acquired an additional 5% of the share capital of Ten Alps Communications Pte Limited for consideration of S$115,000, taking its total stake in the company to 65%. The difference between the carrying value of the non-controlling interest and the consideration paid was a loss of £26,000 and has been recognised in equity.

Contingent consideration of Subsidiaries Acquired Prior to 1 April 2010

DBDA
During the year, consideration of £766,667 was paid in cash to the vendors of DBDA upon the achievement of certain profit targets. At 31 March 2011, no further consideration was payable and therefore no further provision was made (2010: £766,667).

Mongoose Media
During the year, consideration of £50,199 was paid in cash to the vendors of Mongoose Media Limited upon the achievement of new client profit targets. At 31 March 2011, no further consideration was payable and therefore no further provision was made (2010: £90,000).

20) SHARE CAPITAL

	2011 Shares	2011 Share capital £'000	2011 Share premium £'000	2010 Shares	2010 Share capital £'000	2010 Share premium £'000
Authorised ordinary shares of 2p each	**112,500,500**	**2,250**		112,500,500	2,250	
Allotted, called up and fully paid ordinary of 2p each:						
At start of year	**64,689,686**	**1,294**	**10,181**	63,914,076	1,278	9,999
Shares issued as consideration	**3,617,021**	**72**	**-**	-	-	-
Shares issued as contingent consideration	**-**	**-**	**-**	775,610	16	182
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**	64,689,686	1,294	10,181

Issue of New Shares

The company issued 5,484,305 ordinary shares on 1 April 2010 at a price of 22.3p per share to institutional and ordinary investors as part of a private placement for net proceeds of £1,223,000.

The company issued 3,617,021 ordinary shares on 10 May 2010 in connection with the acquisition of Grove House Publishing Limited (see note 18).

The company issued 58,281,250 ordinary shares on 14 January 2011 at a price of 8p per share to institutional and ordinary investors as part of a private placement for net proceeds of £4,472,465. 1,937,500 of these shares were issued to directors and senior management of the company.

The company issued 468,750 ordinary shares on 14 January 2011 to Hixdell Limited, a company controlled by R.F.Z. Geldof, in lieu of director's fees totalling £37,500.

21) CONTINGENCIES AND COMMITMENTS

Capital Commitments

The Group had no capital commitments as at 31 March 2010 or 31 March 2011.

Operating Leases

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

	31 March 2011 Land and buildings £'000	31 March 2011 Other £'000	31 March 2010 Land and buildings £'000	31 March 2010 Other £'000
Within one year	**1,097**	**52**	1,061	78
Between one and five years	**1,531**	**51**	2,273	130
After five years	**57**	**-**	265	1
	2,685	**103**	3,599	209

22) 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.

Acquisition of Grove House Publishing Limited

Herald Ventures owned 53% of Grove House and was managed by Herald Investment Management Limited. Herald Investment Management Limited also manages Herald Investment Trust plc which at the time of the acquisition owned 7,485,343 shares in the Company. The acquisition of Grove House is therefore deemed a related party transaction under the AIM Rules.

Loan Note

On 14 January 2011 the Company issued a Loan Note of £1.5m to Herald GP II Limited, a related party transaction via the shareholding of Herald Investment Trust.

The Loan Note is secured by a floating charge over the assets of all the Group companies with the exception of Education Digital 2 Limited and ranks behind Bank of Scotland plc security.

Non-Executive Transaction

The company issued 468,750 ordinary shares on 14 January 2011 to Hixdell Limited, a company controlled by R.F.Z. Geldof, in lieu of director's fees totalling £37,500.

COMPANY BALANCE SHEET

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 2011 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 2011;
- 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 2011

MARK HENSHAW
SENIOR STATUTORY AUDITOR
FOR AND ON BEHALF OF GRANT THORNTON UK LLP
STATUTORY AUDITOR, CHARTERED ACCOUNTANTS
LONDON
08 JULY 2011

	Note	£ '000	2011 £ '000	£ '000	2010 £ '000
Fixed assets					
Investments in Subsidiaries	25		**10,366**		24,233
Tangible assets	26		**30**		71
			10,396		24,304
Current assets					
Debtors	27	**8,990**		6,226	
Cash at bank		**99**		1,536	
		9,089		7,762	
Creditors					
Amounts falling due within one year	28	**(7,451)**		(3,859)	
Net current assets			**1,638**		3,903
Total assets less current liabilities			**12,034**		28,207
Creditors					
Amounts falling due after more than one year	29		**(1,520)**		(9,450)
Net assets			**10,514**		18,757
Capital and reserves					
Called up share capital	19		**2,651**		1,294
Share premium account	30		**15,455**		10,338
Capital reserve	30		**111**		111
Other reserve	30		**2**		2
Profit and loss account	30		**(7,705)**		7,012
Shareholders' funds			**10,514**		18,757

23) ACCOUNTING POLICIES - COMPANY

The financial statements are prepared in accordance with United Kingdom generally accepted accounting standards. The principal accounting policies of the Group 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 2011 was £15,298,000 (2010: £(170,000)).

(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% on straight line basis
Office equipment	10% 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.

24) EMPLOYEES - COMPANY

	31 March 2011	31 March 2010
	£'000	£'000
Wages and salaries	**713**	544
Social security costs	**75**	71
Other pension costs	**61**	54
	849	669
Average number of employees		
Management	**4**	4
Administration	**1**	1
	5	5

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

25) INVESTMENT IN SUBSIDIARIES - COMPANY

	£'000
Total cost of acquisitions at 1 April 2010	24,233
Additions in year	-
Impairment	(13,827)
Change in estimate of contingent consideration	(40)
Investment in subsidiaries at 31 March 2011	**10,366**
Investment in subsidiaries at 31 March 2010	24,233

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
^Education Digital 2 Limited	England & Wales	Ordinary	75% Indirect	Channel Management
Films of Record Limited	England & Wales	Ordinary	100% Direct	TV Production
+Grove House Publishing Limited	England & Wales	Ordinary	100% Indirect	B2B Publishing
Ten Alps B2B 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 Pte Limited	Singapore	Ordinary	100% Direct	TV Production
Ten Alps Asia Holdings Pte Limited	Singapore	Ordinary	100% Direct	Holding company
~Ten Alps B2B Asia Pte Limited	Singapore	Ordinary	60% Indirect	B2B Publishing

Subsidiary of Blakeway Productions Limited

^ Subsidiary of Brook Lapping Productions Limited

+ Subsidiary of Ten Alps B2B Limited

~ Subsidiary of Ten Alps Asia Holdings Pte Limited

26) TANGIBLE FIXED ASSETS - COMPANY

	Motor vehicles	Office and computer equipment	Total
Cost	**£'000**	**£'000**	**£'000**
At 31 March 2010	32	144	176
Additions	-	1	2
At 31 March 2011	32	145	177
Accumulated Depreciation			
At 31 March 2010	(17)	(88)	(105)
Charge for the year	(7)	(35)	(42)
At 31 March 2011	**(24)**	**(123)**	**(147)**
Net Book Value			
At 31 March 2011	**8**	**22**	**30**
At 31 March 2010	15	56	71

27) DEBTORS - COMPANY

	2011	2010
	£'000	£'000
Amounts owed by subsidiary undertakings	**8,488**	5,765
Other debtors	**468**	191
Deferred taxation	**9**	8
Prepayments and accrued income	**25**	263
	8,990	6,226

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

	2011	2010
	£'000	£'000
Bank loans	**6,950**	2,500
Trade creditors	**172**	140
Amounts due to subsidiary undertakings	**305**	1,010
Other creditors	**-**	6
Deferred contingent consideration	**-**	90
Accruals and deferred income	**255**	160
Corporation tax	**(231)**	(46)
	7,451	3,859

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

	2011	2010
	£'000	£'000
Bank loans	**-**	9,450
Loan notes	**1,520**	-
	1,520	9,450

30) RESERVES - COMPANY

	Share premium account	Capital reserve	Other reserve	Profit and loss account
	£'000	£'000	£'000	£'000
Balance at 1 April 2010	10,338	111	2	7,012
Shares issued	5,117	-	-	-
Recognition of equity-settled share-based payments in the year	-	-	-	105
Retained loss for the year	-	-	-	(15,403)
Dividends received from subsidiaries	-	-	-	581
Balance at 31 March 2011	**15,455**	**111**	**2**	**(7,705)**

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 on the 7th Floor, 80 Victoria Street, London SW1E 5JL on 5 September 2011 at 1.00 p.m. 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 2011, 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 Peter Bertram is reappointed as 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 £1,325,410 (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 £265,082 (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 13,254,099 (representing 9.99% of the Company's issued Ordinary Share capital as at 30 June 2011);

(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
8 JULY 2011
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, 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.

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 Thursday 1 September 2011 or, if the Meeting is adjourned, on the Company's Register of members 48 hours before the time fixed for the adjourned meeting, shall be entitled to attend and/or vote at the Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the Register of members after 6pm on Thursday 1 September 2011 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 Monday 5 September 2011 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 a 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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