

14 December 2007

Ten Alps Plc
('Ten Alps' or the 'Group')

Interim Results

Ten Alps Plc, the factual media company, announces its IFRS interim results for the period ended September 30, 2007.

Half-year results are on track, current trading is strong and the full year is set to meet expectations.

The Group was founded by Alex Connock and Bob Geldof in 1999 and has since developed into one of the first integrated media businesses - offering specialist factual content across Online, TV, B2B Print and Events.

Ten Alps now has 650 staff, 61,000 clients and annualized revenues above £75m. A year of internal development spending has concluded with successful delivery of fast-growing ventures in online TV.

Financial highlights

- Turnover £37.6m, up 11.9% (2006: £33.6m)
- EBITDA £2.33m, up 3.1% (2006: £2.26m)
- Adjusted basic EPS up 30.1% at 2.55p (2006: 1.95p) and adjusted diluted EPS up 31% to 2.49p (2006: 1.90p)
- Online and development expenditure of £700,000
- Pre-tax profit £1.5m (2006: £1.61m) following reassessment of intangibles
- Cash £10.8m (2006: £13.2m) reflecting three acquisitions, and later payment of September public sector client invoices.
- Trade receivables increased 52.3% from £10.7m in 2006 to £16.3m in 2007.

Operational highlights

	2007 Income	2006 Income	% Change	2007 Gross Profit	2006 Gross Profit	% Change
Communications	£24.7m	£18.7m	32.1%	£7.7m	£6.0m	28.3%
Broadcast	£12.9m	£14.9m	(13.4)%	£2.9m	£3.6m	(19.4)%

Communications Division

- Consolidated position within UK Trade Print Media, increasing publications to 630 across all sectors, including new work for The British Chamber of Commerce, Mercedes Benz and the PGA.
- Now producing 65 events annually, including new owned events in the legal, transport and public sector markets.
- Good progress in commercial online TV, and contribution is now generated across 100 websites and 270 online publications.
- Completed three acquisitions since announcement of last results: *DBDA* (corporate responsibility content – mostly web), *Mongoose Media* (specialist advertising sales) and *MMA* (online video advertising production.)

Broadcast Division

- Financial performance weighted towards second half, with robust UK and Irish slates in place
- Market leader in public sector Online TV with successfully-launched *Kent TV*, a pioneering online TV channel funded by Kent County Council, and Ten Alps currently in discussion with a number of other local authorities
- Continued audience growth and online expansion of *Teachers TV*
- Ten Alps production Companies produced leading programmes including the “*The Last Days of Tony Blair*”, “*Gordon Brown – Fit for Office?*” and a number of investigative “*Dispatches*” for Channel 4

Commenting on the Results, Alex Connock, Chief Executive of Ten Alps, said:

“Our financial performance in the first half was on track, given that our earnings are now second half weighted.

Our investment added an online video advertising production capacity which is attractive to existing commercial clients, alongside further expansion in our Print and Event portfolios.

Our current trading is strong and we are on track to meet market expectations for the full year.”

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Chief Executive's Statement

After our successful first half, the growth strategy is to build our two divisions - Communications and Broadcast – organically, through cross-selling and by acquisition.

The Communications division offers integrated, commercially-funded B2B content - Online, Print and Events - enabling us to cross-sell to our 61,000 existing clients and market a “one stop shop” to potential customers.

Our specialist titles become trade events and then online video on our *Public TV* channels, producing online advertising and production revenues. Meanwhile our online video advertising production unit, Ten Alps DFD, launched in November 2007 and is already generating revenue from our current client base.

The Broadcast division covers the production of publicly and broadcaster-funded Online TV and TV output.

Kent TV and *Teachers TV* (in which the group has a management and independent programme making role) have proven the case for publicly-funded specialist online and digital TV channels on a contract publishing model, formerly known only in print. And in terrestrial TV our companies continue to produce cutting-edge factual TV, from *Dispatches* investigations on Channel 4, to documentaries and factual entertainment for the BBC, BSkyB and Discovery.

We have grown fast, and our model of production, sale and distribution in factual output remains scaleable. We are now one of the UK's largest contract publishing businesses, and one of the UK's top factual TV producers, but our core offer is in the fast-growing space between the two.

Second half of the 2007-8 financial year

We are on target to achieve full-year market expectations

Our publishing businesses are now more second half-weighted, due to the four most recent acquisitions publishing the bulk of their annual titles in period October to March. (This was highlighted in February 2007 when we bought Atalink.) Their sales remain on target.

TV projects have occurred principally in the second half this year. Our multi-platform approach in building a factual media company paid the obvious dividend of insulating Ten Alps from an extremely unsettled commissioning period in the TV production sector.

Operational review

The group was this period operationally reorganised into two divisions: Communications, headed by Adrian Dunleavy; and Broadcast headed by Nitil Patel (who is also Group Finance Director.) Both divisions are heavily engaged in online production.

Communications Division

Revenues from this division for the first half were £24.7m (2006: £18.7m), up 32.1% and accounting for 67% of group sales. Gross profit increased to £7.7m (2006: £6.0m).

Print and events

Acquisitions and new business drove growth in print publishing by 24% in the period. Output grew to an annualised 630 print titles, with new publishing clients including *British Chamber of Commerce*, *The Association Of Independent Financial Advisers*, *the Society Of Chemical Industries*, *Axa* and *NatMags* and new advertising sales contracts with the *Professional Golf Association* and *Mercedes Magazine*.

Events revenues grew by 29% on the back of client wins including *BP*, *BWEA*, *ITV* and *Dr Martens* and the continued roll out of owned trade events including *Innovation In Public Services*, *Criminal Justice 2007*, *Integrated Transport 2007* and *Public Sector Project Management*.

Commercial online TV and websites

The above growth from traditional markets provides a strong platform from which to drive web business and entry into the commercial online TV market. Revenues increased by 259% in the period.

Online activities are now trading profitably with web production for the likes of the *Road Haulage Association*, *BP* and the *British Veterinary Association* and commercial web sales for client sites such as *Private Eye*, *Visit London*, *the British Computer Society* and the *Royal Aeronautical Society*. So far 270 publications have been brought on line resulting in high margin sales revenues.

The push into online TV revenue generation saw traditional advertising sales on Ten Alps 14 *Public TV* channels bolstered by the launch of the Ten Alps DFD unit to take on the expanding market for online video production.

Corporate social responsibility and communications content

This is an exciting growth area – encompassing websites, print, video content and even a year-long theatrical road-show to primary schools across London. Production increased 42.8% in the period, driven by the acquisition of DBDA – the specialist corporate social responsibility communications business, with clients such as *BMW*, *Nationwide*, *Transport for London* and the *Scottish Executive*.

Broadcast Division

Whilst the first half was weak we are now expecting a significant upturn for the latter part of the financial year. Revenues to September 30 from this division were £12.9m (2006: £14.9m), down 13.4% with a corresponding drop in gross profit to £2.9m (2006: £3.6m).

We have seen such fluctuations every year, and continue to invest in development, focussing on high margin factual formats business and new producer appointments.

TV and Radio

Through its Broadcast Division, Ten Alps produces factual TV and Radio programmes for broadcast and digital markets in the UK, Europe and US.

In the period, as well as substantial radio programming and *Teachers' TV* content, Ten Alps' production companies Blakeway and Brook Lapping produced *Golden Girls*, several investigative 'Dispatches for Channel 4', *The Last Days of Tony Blair*, *'Gordon Brown: Fit For Office?'* *East Midlands Politics Show*, *Visionaries* and *Top Dog*.

Publicly-funded Online TV

This period saw the successful launch of *Kent TV* (www.kenttv.com), a pioneering innovation fully funded by Kent County Council. Ten Alps is already in discussion about possible rollout of similar services with some of its existing 216 local authority clients. Funded development of on online TV projects such as the *Peace Channel*, continues.

Growth prospects in 2008-9

The current *Teachers TV* contract runs to August 2008. The follow-on contract is in a tender process. Ten Alps has, via its subsidiary Brook Lapping, submitted what we believe to be a high quality bid, in partnership with ITN, Espresso and 4Learning. Based on the schedule attached to the tender, we believe the result of the tender process should be known around the middle of February 2008.

Ten Alps has structured its recent acquisitions to facilitate year-on-year growth in 2008-9 regardless of market conditions. The full-year effects of the most recent deals will only be seen next year.

Both the Communication and Broadcast Divisions are well placed to achieve strong organic growth. The success of *Kent TV* offers a number of opportunities in this area and within the Communications Division we will focus on developing our online video and web services. We have launched our online video advertising unit through the acquisition of MMA. This opens a large, untapped B2B market, and we aim to build our own national brand in the field. This is the single biggest growth opportunity available to Ten Alps at present.

Our current acquisition focus is in the developing UK online video market and the consolidation of specialist factual media businesses.

Financial Review – Finance Director, Nitil Patel

The six month period to 30 September 2007 was again a period of investment and profitable stability.

Group turnover grew by 11.9% to £37.6m (2006: £33.6m) and the gross profit increased by 10.5% to £10.6m (2006: £9.6m) signifying that we were able to continue delivering profitable growth.

Gross margin has remained constant at 28.2% compared to 28.4% in same period last year. Administrative expenses have also remained constant as a percentage and now represent 23.1% of turnover (2006: 23.1%). This year's addition of the acquisitions has meant that the Group's revenues and gross margin are now more weighted towards the second half of the year.

EBITDA or headline profit, a key measure used by the board, increased by 3.1% to £2.33m (2006: £2.26m) even after continued high level of investment, relating in particular to the Ten Alps Digital, Public TV and Ten Alps Drama. These development costs were written off directly to the profit and loss account. EBIT was down to £1.8m (2006: £1.9m) reflecting the major change arising from the adoption of IFRS as described below.

As we converted from UK GAAP to IFRS, the Group recognised various categories of intangibles from goodwill to customer relationships to publishing titles, which are subject to impairment reviews for goodwill and amortisation for other intangibles.

The Group has adopted the following amortisation rates:

Customer Relations - 8 years
Publishing Titles - 3 years

The charge for the period under IFRS was £168,000 (2006: £Nil) whilst under UK GAAP the charge would have been £283,000 (2006: £283,000).

Profit before tax was marginally down at £1.5m (2006: £1.6m), reflecting a net interest charge of £(305,000) (2006: £300,000) on the £12.05m debt outstanding as at 30 September 2007.

The retained distributable profit and loss account reserves are now at £4.2m (2006: £2.2m).

The tax charge for the period is £202,000 (2006: £500,000) reflecting over accrual in the previous year and the impact of deferred tax under IFRS. We expect to pay the statutory rate of 28% in future periods.

The Group continues to maintain a healthy cash balance and held £10.8m as at September 2007(2006: £13.2m). The balance is £3.6m lower than as at the last financial year end, reflecting cash outflows on acquisitions and an increase in trade receivables from £11.2m in March 2007 to £16.3m in September 2007 arising from a late payment of September public sector invoices.

The Group has provided for deferred consideration of £2.4m (2006: £1.9m) on the balance sheet which relates to earnout payments due to be made in relation to Mongoose Media, DBDA and McMillan Scott within the next year.

As at the period end the Group had outstanding bank loans of £12.05m (2006: £9.35m) of which £8.8m (2006: £7.35m) is due after more than one year. The Group also had outstanding media loans of £274,000 at the period end (2006: £346,000)

Earnings per share

Basic earnings per share in the six months were 2.20p (2006: 1.93p) and was calculated on the profits after taxation of £1.15m (2006: £999,000) divided by the weighted average number of shares in issue during the period being 52,157,080 (2006: 51,830,413). The number of shares has increased due to employees enacting share options during the period.

Diluted basic earnings per share in the year was 2.16p (2006: 1.88p) and is based on the basic earnings per share calculation above, except that the weighted average number of shares includes all dilutive share options granted as if those options had been exercised on the first day of the accounting year or the date of the grant, if later.

This gives a weighted average number of shares in issue of 53,247,229 (2006: 53,201,551) reflecting the impact of the outstanding share options as at 30 September 2007.

International Financial Reporting Standards ('IFRS')

As mentioned previously the Group is reporting for the first time under IFRS and full reconciliations between UK GAAP and IFRS are provided for in the notes to the condensed financial statements. The Group alone reports under IFRS and has elected for all its subsidiaries to report under UK GAAP.

Ten Alps Plc
Condensed Consolidated Interim Financial statements for the period ended 30
September 2007

Condensed consolidated interim income statement

		6 months to 30 September 2007 (Unaudited) £'000's	6 months 30 September 2006 (Unaudited) £'000's	Year to 31 March 2007 (Unaudited) £'000's
	Notes			
Revenue		37,566	33,578	69,045
Operating costs before amortisation of intangible assets		(35,599)	(31,667)	(65,875)
Earnings before interest, tax and amortisation (EBITA)		1,967	1,911	3,170
Amortisation of intangible assets		(168)	-	(17)
Total operating costs		(35,767)	(31,667)	(65,892)
Operating profit		1,799	1,911	3,153
Finance costs	5	(410)	(300)	(684)
Finance income	5	105	-	281
Profit before tax		1,494	1,611	2,750
Taxation	6	(202)	(500)	(740)
Profit for the period		1,292	1,111	2,010
Attributable to:				
Equity holders of the parent		1,150	999	1,801
Minority interest		142	112	209
Retained profit for the year		1,292	1,111	2,010
Basic earnings per share	11	2.20 p	1.93 p	3.47 p
Diluted earnings per share	11	2.16 p	1.88 p	3.40 p

Ten Alps Plc
Condensed Consolidated Interim Financial statements for the period ended 30
September 2007

Condensed consolidated interim balance sheet

		30 September 2007 (Unaudited) £ '000	30 September 2006 (Unaudited) £ '000	31 March 2007 (Unaudited) £ '000
	Note			
Assets				
Non-current				
Goodwill	8	18,766	15,455	16,210
Other intangible assets	8	3,903	-	1,444
Property, plant and equipment		1,744	1,583	1,650
Deferred tax		-	958	255
		24,413	17,996	19,559
Current assets				
Inventories		3,586	2,190	2,762
Trade and other receivables		16,300	10,698	11,194
Cash and cash equivalents		10,812	13,183	14,368
		30,698	26,071	28,324
Liabilities				
Current liabilities				
Trade and other payables		(23,337)	(17,690)	(21,908)
Current tax liabilities		(622)	(695)	(414)
Borrowings	9	(3,524)	(2,076)	(1,028)
Financial liabilities		(85)	(16)	(59)
Provisions	10	(2,362)	(1,870)	(395)
		(29,930)	(22,347)	(23,804)
Net current assets		768	3,724	4,520
Non-current liabilities				
Borrowings	9	(8,800)	(7,620)	(9,420)
Financial liabilities		-	(57)	(52)
Deferred tax		(463)	-	-
Other non-current liabilities		(235)	(319)	(235)
		(9,498)	(7,996)	(9,707)
Net assets		15,683	13,724	14,372
Capital and reserves				
Called up share capital		1,042	1,037	1,041
Share premium account		7,198	7,154	7,190
Merger reserve		2,930	2,930	2,930
Retained earnings		4,161	2,190	3,001
Total attributable to equity shareholders of parent		15,331	13,311	14,162
Minority interest		352	413	210
Total equity		15,683	13,724	14,372

Ten Alps Plc
Condensed Consolidated Interim Financial statements for the period ended 30
September 2007

Condensed consolidated interim cash flow statement

	6 months to 30 September 2007 (Unaudited) £ '000	6 months to 30 September 2006 (Unaudited) £ '000	Year to 31 March 2007 (Unaudited) £ '000
Operating activities			
Reconciliation of profit to operating cash flows			
Profit for the period	1,292	1,111	2,010
Add back:			
Taxation	202	500	740
Depreciation	360	354	685
Amortisation	168	-	17
Finance costs	410	300	684
Finance income	(105)	-	(281)
FRS 20 share based payment charge	10	14	23
(Loss)/profit on sale of fixed assets	(4)	(2)	2
Foreign exchange loss on media loans	10	(11)	5
	2,343	2,266	3,885
(Increase)/decrease in work in progress	(373)	472	590
(Increase)/decrease in trade and other receivables	(4,166)	1,623	2,632
Decrease in trade and other creditors	(428)	(2,324)	(2,168)
Cash (used in)/generated from operations	(2,624)	2,037	4,939
Interest received	105	-	281
Interest paid	(410)	(300)	(684)
Tax paid	(137)	(390)	(712)
Net cash flows (used in)/from operations activities	(3,066)	1,347	3,824
Investing activities			
Acquisition of subsidiary undertakings, net of cash and overdrafts acquired	(1,943)	(38)	(1,430)
Payment of deferred consideration	-	(1,075)	(1,075)
Purchase of property, plant and equipment	(460)	(326)	(746)
Proceeds of sale of property, plant and equipment	64	-	21
Net cash flows used in investing activities	(2,339)	(1,439)	(3,230)
Financing activities			
Issue of ordinary share capital	9	27	67
Increase/(decrease) in borrowings	1,866	(1,200)	(463)
Capital element of finance lease payments	(26)	(67)	(45)
Dividends paid to minority interests	-	-	(300)
Net cash flows from financing activities	1,849	(1,240)	(741)
Net decrease in cash and cash equivalents	(3,556)	(1,332)	(147)
Cash and cash equivalents at 1 April	14,368	14,515	14,515
Cash and cash equivalents at	10,812	13,183	14,368

Ten Alps Plc

Condensed Consolidated Interim Financial statements for the period ended 30 September 2007

Condensed consolidated interim statement of changes in equity

	Share capital £000	Share premium £000	Merger reserve £000	Retained earnings £000	Total £000	Minority interest £000	Total equity £000
Balance at 1 April 2006	1,035	7,129	2,930	1,177	12,271	301	12,572
Profit for the Period	-	-	-	999	999	112	1,111
Total recognised income and expense	-	-	-	999	999	112	1,111
Equity-settled share-based payments	-	-	-	14	14	-	14
Dividends paid	-	-	-	-	-	-	-
Shares issued	2	25	-	-	27	-	27
Balance at 30 September 2006	1,037	7,154	2,930	2,190	13,311	413	13,724
Balance at 1 April 2006	1,035	7,129	2,930	1,177	12,271	301	12,572
Profit for the Period	-	-	-	1,801	1,801	209	2,010
Total recognised income and expense	-	-	-	1,801	1,801	209	2,010
Equity-settled share-based payments	-	-	-	23	23	-	23
Dividends paid	-	-	-	-	-	(300)	(300)
Shares issued	6	61	-	-	67	-	67
Balance at 31 March 2007	1,041	7,190	2,930	3,001	14,162	210	14,372
Balance at 1 April 2007	1,041	7,190	2,930	3,001	14,162	210	14,372
Profit for the Period	-	-	-	1,150	1,150	142	1,292
Total recognised income and expense	-	-	-	1,150	1,150	142	1,292
Equity-settled share-based payments	-	-	-	10	10	-	10
Dividends paid	-	-	-	-	-	-	-
Shares issued	1	8	-	-	9	-	9
Balance at 30 September 2007	1,042	7,198	2,930	4,161	15,331	352	15,683

Notes to the condensed consolidated interim financial statements

1) General Information

Ten Alps Plc and its subsidiaries (the Group) is a factual media company 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 100 Union Street, Aberdeen, AB10 1QR. Its shares are listed on the Alternative Investment Market of the London Stock Exchange.

These condensed consolidated interim financial statements have been approved for issue by the Board of Directors on 13 December 2007.

The financial information set out in this interim report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The Group's statutory financial statements for the year ended 31 March 2007, prepared under UK GAAP, have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 237 (2) of the Companies Act 1985.

2) Basis of Preparation

These condensed consolidated interim financial statements of Ten Alps Plc are for the six months ended 30 September 2007. These condensed consolidated interim financial statements have been prepared in accordance with the requirements of IFRS 1 "First time adoption of International Financial Reporting Standards" with the accounting policies set out below. These are based on the recognition and measurement principles of IFRS in issue and are effective at 30 September 2007 or expected to be adopted and effective at 31 March 2008 our first annual reporting date at which it is required to use IFRS accounting standards.

Ten Alps plc's consolidated financial statements have been previously prepared in accordance with UK GAAP until 31 March 2007. The transition date to IFRS was 1 April 2006. The comparative figures in respect of the periods to 30 September 2006 and 31 March 2007 have been restated to reflect changes in accounting policies as a result of adoption of IFRS. The disclosures required by IFRS concerning the transition from UK GAAP to IFRS are given in the reconciliation schedules, presented and explained in note 12.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these statements.

3) Summary of Significant Accounting Policies

Basis of Consolidation

The Group financial statements consolidate those of the company and of its subsidiary undertakings drawn up to 30 September 2007. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

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

Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Business Combinations completed prior to date of transition to IFRS

The Group has elected not to apply IFRS 3 Business Combinations retrospectively to business combinations prior to 1 April 2006.

Assets and liabilities are recognised at date of transition and are measured using their UK GAAP carrying amount immediately post-acquisition as deemed cost under IFRS. Deferred tax and minority interest are adjusted for the impact of any consequential adjustments after taking advantage of the transitional provisions.

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 for the sale of goods and services, net of trade discounts, VAT, other sales related taxes, and after eliminating sales within the Group. Revenue is recognised as follows:

Broadcast

Production revenue comprises broadcaster licence fees and other pre-sales receivable for work carried out in producing television programmes. Production revenue is recognised over the period of the production. Gross profit on production activity is recognised over the period of the production and in accordance with the underlying contract. Overspends on productions are recognised as they arise and underspends are recognised on completion of the productions.

Included in production turnover is accrued income in relation to Key Performance Indicators (KPIs) being achieved with respect to the Teachers' TV operation with the range being between 0% to 10%. As the full assessment will not be known until January 2008, the Directors have recognised a best estimate accrual.

Turnover 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.

Communications

Revenue is recognised in the accounting period in which the 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 date publications are dispatched to customers.

Exhibitions: revenue is recognised when the show has been completed. Deposits received in advance are recorded as deferred income on the balance sheet.

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

Production Costs

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 balance sheet will be the lesser of the amount of anticipated future ancillary revenues and the amortised cost of investment.

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
Websites	20% on cost

Goodwill and business combinations

Goodwill arising from business combinations is capitalised and subject to an annual impairment review in accordance with IAS36.

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

Customer Relations	8 years
Magazine Titles	3 years

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 profit and loss account on a straight line basis over the lease term.

Inventories

Broadcast

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

Communications

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 normal level of activity. No element of profit is included in the valuation of inventories.

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 costs incurred exceed sales invoiced the amounts are classified as accrued income. Where it is anticipated that a production will make a loss, the anticipated loss is provided for in full.

Impairment of assets

For the purposes of assessing impairment, 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. Goodwill, other individual assets or cash-generating units that include goodwill, other intangible assets with an indefinite useful life, and those intangible assets not yet available for use are tested for impairment at least annually. 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.

Cash and cash equivalents

Cash and cash equivalents, which are measured at cost, comprise cash on hand and demand deposits.

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.

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. However, deferred tax is not provided on 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 balance sheet 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.

Trade Receivables

Trade receivables are recorded at their fair value and measured subsequently at amortised cost.

Bank Borrowings

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs.

Finance charges, including premiums payable on settlement or redemption 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 Payables

Trade Payables are stated at their fair value and measured subsequently at amortised cost.

Share options

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 profit and loss account 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

The Group operates a stakeholder pension scheme. The Company made no contributions to the scheme during the period.

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.

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.

Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined based on value in use calculations prepared on the basis of management's assumptions and estimates.

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. The selection of these estimated lives requires the exercise of management judgement.

Seasonal Fluctuations

The business of Ten Alps plc is subject to seasonal fluctuations with stronger demand for services in the second half of the year.

4) Segmental Analysis

The operations of the group are managed in two principle business divisions, broadcast and communications. These divisions are the basis upon which the management reports its primary segment information.

Revenues by Business Division

	6 months to 30 September 2007 £ '000	6 months to 30 September 2006 £ '000	Year to 31 March 2007 £ '000
Communications	24,645	18,692	39,623
Broadcast	12,921	14,886	29,422
Total	37,566	33,578	69,045

5) Finance Income and Costs

	6 months to 30 September 2007 £'000	6 months to 30 September 2006 £'000	Year to 31 March 2007 £'000
Bank interest receivable	105	-	281
Interest payable on:			
Finance leases and hire purchase contracts	(28)	-	(10)
Bank loans	(382)	(300)	(674)
	(410)	(300)	(684)

6) Tax on Profit on Ordinary Activities

Tax charge for the period represents:

	6 months to 30 September 2007 £'000	6 months to 30 September 2006 £'000	Year to 31 March 2007 £'000
UK corporation tax	363	447	449
Over provision in prior period	(95)	-	(9)
Deferred tax movement	(66)	53	300
	202	500	740

7) Business Combinations

On 15 June 2007 the group acquired the trade and assets of DBDA for consideration (including expenses) of £956,000. The acquisition was made by DBDA Ltd, a wholly owned subsidiary created for the purpose of the transaction.

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

	Book Value £'000	Fair Value Adjustments £'000	Provisional Fair Value £'000
Property, plant and equipment	41	-	41
Inventories	382	-	382
Trade and other receivables	282	-	282
Cash and cash equivalents	232	-	232
Trade and other payables	(210)	-	(210)
Provisions	(625)	-	(625)
Deferred tax	-	(387)	(387)
Net assets/(liabilities) acquired	102	(387)	(285)
Intangible fixed assets acquired			1,291
Goodwill capitalised			717
Consideration given			1,723
Satisfied by:			
Cash			900
Acquisition expenses			56
Deferred contingent consideration			767
			1,723

The fair value adjustments made to book value relate to deferred tax relating to the intangible assets identified on the acquisition.

The DBDA purchase is subject to three additional payments of up to a maximum £766,667 each. These payments are dependant on DBDA Limited achieving annualised EBIT between £400,000 and £800,000 for the period from acquisition to 31 March 2008 and achieving between £400,000 and £800,000 for the years ending 31 March 2009 and 31 March 2010. At 30 September 2007, £766,666 had been provided for.

On 22 June 2007 Ten Alps Plc purchased the whole of the issued share capital of Mongoose Media Limited (Mongoose) for consideration (including expenses) of £1,736,000. The assets and liabilities arising from the acquisition are as follows:

	Book Value £'000	Fair Value Adjustments £'000	Provisional Fair Value £'000
Property, plant and equipment	22	-	22
Inventories	69	-	69
Trade and other receivables	657	-	657
Cash and cash equivalents	517	-	517
Trade and other payables	(229)	-	(229)
Current tax liabilities	(77)	-	(77)
Provisions	(793)	-	(793)
Deferred tax	-	(399)	(399)
Net assets/(liabilities) acquired	166	(399)	(233)
Intangible fixed assets acquired			1,330
Goodwill capitalised			1,839
Consideration given			2,936
Satisfied by:			
Cash			1,650
Acquisition expenses			86
Deferred contingent consideration			1,200
			2,936

The fair value adjustments made to book value relate to deferred tax relating to the intangible assets identified on the acquisition.

At 30 September 2007 the Mongoose purchase is subject to three additional payments. £50,000 was payable subject to the agreement of completion accounts with net assets greater than £150,000. This amount was paid on 10 October 2007. A further payment of up to a maximum £1,450,000 is payable subject to Mongoose achieving EBIT of up to £725,000 for the period from the date of acquisition to 31 March 2008. A final payment of up to a maximum £300,000 is payable subject to Mongoose achieving certain new client profit targets. At 30 September 2007, a total £1,200,000 of deferred consideration had been provided for.

8) Intangible Assets

	Customer relationships £000's	Magazine Titles £000's	Websites £000's	Goodwill £000's	Total £000's
Carrying amount at 1 April 2007	1,183	157	104	16,210	17,654
Additions	2,621	-	6	2,556	5,183
Amortisation	(157)	(11)	-	-	(168)
Carrying amount at 30 September 2007	3,647	146	110	18,766	22,669

	Customer relationships £000's	Magazine Titles £000's	Websites £000's	Goodwill £000's	Total £000's
Carrying amount at 1 April 2006	-	-	-	15,718	15,718
Revaluation of deferred consideration	-	-	-	(263)	(263)
Carrying amount at 30 September 2006	-	-	-	15,455	15,455

	Customer relationships £000's	Magazine Titles £000's	Websites £000's	Goodwill £000's	Total £000's
Carrying amount at 1 April 2006	-	-	-	15,718	15,718
Additions	1,197	167	104	2,342	3,810
Revaluation of deferred consideration	-	-	-	(1,850)	(1,850)
Amortisation	(14)	(10)	-	-	(24)
Carrying amount at 31 March 2007	1,183	157	104	16,210	17,654

9) Borrowings

	30 September 2007 £'000	30 September 2006 £'000	31 March 2007 £'000
Bank Loans - current	3,250	2,000	1,000
Bank Loans - non current	8,800	7,350	9,150
Media Loans - current	274	76	28
Media Loans - non current	-	270	270
	12,324	9,696	10,448

10) Provisions

	30 September 2007 £'000	30 September 2006 £'000	31 March 2007 £'000
Deferred contingent consideration	2,362	1,870	395
	2,362	1,870	395

11) Earnings Per Share

	30 September 2007	30 September 2006	31 March 2007
Weighted average number of shares used in basic earnings per share calculation	52,157,080	51,830,413	51,943,330
Dilutive effect of share options	1,090,149	1,371,138	1,088,555
Weighted average number of shares used in diluted earnings per share calculation	53,247,229	53,201,551	53,031,885
Profit for period attributable to shareholders	1,150	999	1,801
Amortisation of intangible assets and goodwill	168	-	17
Share-based payments	10	14	23
Adjusted profit for period attributable to shareholders	1,328	1,013	1,841
Basic Earnings per Share	2.20 p	1.93 p	3.47 p
Diluted Earnings per Share	2.16 p	1.88 p	3.40 p
Adjusted Basic Earnings per Share	2.55 p	1.95 p	3.54 p
Adjusted Diluted Earnings per Share	2.49 p	1.90 p	3.47 p

12) Transition to IFRS

Reconciliation of equity at 31 March 2006

Note	UK GAAP 31 March 2006 £ '000	Effect of transition to IFRS £ '000	IFRS 31 March 2006 £ '000	
Assets				
Non-current				
Goodwill	a	15,718	-	15,718
Other intangible assets		-	-	-
Property, plant and equipment		1,611	-	1,611
Deferred tax	e,f	-	957	957
		17,329	957	18,286
Current assets				
Inventories		2,662	-	2,662
Trade and other receivables	d	12,978	(659)	12,319
Cash and cash equivalents		14,515	-	14,515
		30,155	(659)	29,496
Liabilities				
Current liabilities				
Trade and other payables	g	(25,005)	5,079	(19,926)
Current tax liabilities	g	-	(583)	(583)
Borrowings	g	-	(1,277)	(1,277)
Financial liabilities	g	-	(101)	(101)
Provisions	g,j	-	(3,245)	(3,245)
		(25,005)	(127)	(25,132)
Net current assets		5,150	(786)	4,364
Non-current liabilities				
Borrowings	h	-	(9,630)	(9,630)
Financial liabilities	h	-	(39)	(39)
Deferred tax		-	-	-
Other non-current liabilities	h	-	(409)	(409)
Provisions	h	(10,078)	10,078	-
		(10,078)	-	(10,078)
Net assets		12,401	171	12,572
Capital and reserves				
Called up share capital		1,035	-	1,035
Share premium account		7,129	-	7,129
Merger reserve		2,930	-	2,930
Retained earnings	e,j	1,006	171	1,177
Total shareholders' equity		12,100	171	12,271
Minority interest		301	-	301
Total equity		12,401	171	12,572

Reconciliation of equity at 30 September 2006

	Note	UK GAAP 30 September 2006 £ '000	Effect of transition to IFRS £ '000	IFRS 30 September 2006 £ '000
Assets				
Non-current				
Goodwill	a,b	15,172	283	15,455
Other intangible assets		-	-	-
Property, plant and equipment		1,583	-	1,583
Deferred tax	e,f	-	958	958
		16,755	1,241	17,996
Current assets				
Inventories		2,190	-	2,190
Trade and other receivables	d	11,411	(713)	10,698
Cash and cash equivalents		13,183	-	13,183
		26,784	(713)	26,071
Liabilities				
Current liabilities				
Trade and other payables	g	(22,317)	4,627	(17,690)
Current tax liabilities	g	-	(695)	(695)
Borrowings (current)	g	-	(2,076)	(2,076)
Financial liabilities (current)	g	-	(16)	(16)
Provisions (current)	g,j	-	(1,870)	(1,870)
		(22,317)	(30)	(22,347)
Net current assets		4,467	(743)	3,724
Non-current liabilities				
Borrowings (non-current)	h	-	(7,620)	(7,620)
Financial liabilities (non-current)	h	-	(57)	(57)
Deferred tax		-	-	-
Other non-current liabilities	h	-	(319)	(319)
Provisions (non-current)	h	(7,996)	7,996	-
		(7,996)	-	(7,996)
Net assets		13,226	498	13,724
Capital and reserves				
Called up share capital		1,037	-	1,037
Share premium account		7,154	-	7,154
Merger reserve		2,930	-	2,930
Retained earnings	e,j	1,692	498	2,190
Total shareholders' equity		12,813	498	13,311
Minority interest		413	-	413
Total equity		13,226	498	13,724

Reconciliation of equity at 31 March 2007

	Note	UK GAAP 31 March 2007 £ '000	Effect of transition to IFRS £ '000	IFRS 31 March 2007 £ '000
Assets				
Non-current				
Goodwill	a,b,c,e	16,577	(367)	16,210
Other intangible assets	c,d	-	1,444	1,444
Property, plant and equipment	d	1,754	(104)	1,650
Deferred tax	e,f	-	255	255
		18,331	1,228	19,559
Current assets				
Inventories		2,762	-	2,762
Trade and other receivables	d	11,666	(472)	11,194
Cash and cash equivalents		14,368	-	14,368
		28,796	(472)	28,324
Liabilities				
Current liabilities				
Trade and other payables	g	(23,593)	1,685	(21,908)
Current tax liabilities	g	-	(414)	(414)
Borrowings	g	-	(1,028)	(1,028)
Financial liabilities	g	-	(59)	(59)
Provisions	g,j	-	(395)	(395)
		(23,593)	(211)	(23,804)
Net current assets		5,203	(683)	4,520
Non-current liabilities				
Borrowings	h	-	(9,420)	(9,420)
Financial liabilities	h	-	(52)	(52)
Deferred tax		-	-	-
Other non-current liabilities		-	(235)	(235)
Provisions	h	(9,707)	9,707	-
		(9,707)	-	(9,707)
Net assets		13,827	545	14,372
Capital and reserves				
Called up share capital		1,041	-	1,041
Share premium account		7,190	-	7,190
Merger reserve		2,930	-	2,930
Retained earnings	e,j	2,456	545	3,001
Total shareholders' equity		13,617	545	14,162
Minority interest		210	-	210
Total equity		13,827	545	14,372

Reconciliation of profit for the 6 months to 30 September 2006

	Notes	UK GAAP £'000's	Effect of transition £'000's	IFRS £'000's
Revenue		33,578	-	33,578
Operating costs before amortisation of intangible assets	j	(31,764)	97	(31,667)
Earnings before interest, tax and amortisation (EBITA)		1,814	97	1,911
Amortisation and impairment of intangible assets	c	(283)	283	-
Total operating costs		(32,047)	380	(31,667)
Operating profit		1,531	380	1,911
Finance costs		(300)	-	(300)
Finance income		-	-	-
Profit before tax		1,231	380	1,611
Taxation	e	(447)	(53)	(500)
Profit for the period		784	327	1,111
Attributable to:				
Equity holders		672	327	999
Minority interest		112	-	112
Retained profit for the year		784	327	1,111

Reconciliation of profit for the year ended 31 March 2007

	Notes	UK GAAP £'000's	Effect of transition £'000's	IFRS £'000's
Revenue		69,045	-	69,045
Operating costs before amortisation of intangible assets	j	(65,791)	(84)	(65,875)
Earnings before interest, tax and amortisation (EBITA)		3,254	(84)	3,170
Amortisation and impairment of intangible assets	c	(588)	571	(17)
Total operating costs		(66,379)	487	(65,892)
Operating profit		2,666	487	3,153
Finance costs		(684)	-	(684)
Finance income		281	-	281
Profit before tax		2,263	487	2,750
Taxation	e	(627)	(113)	(740)
Profit for the period		1,636	374	2,010
Attributable to:				
Equity holders		1,427	374	1,801
Minority interest		209	-	209
Retained profit for the year		1,636	374	2,010

Notes to the Reconciliations

- a) IFRS 1 permits companies adopting IFRS for the first time to apply certain exemptions from the full requirements of IFRS in the transition period. These interim financial statements have been prepared on the basis of taking the exemption whereby business combinations prior the Group's date of transition to IFRS have not been restated to comply with IFRS 3 Business Combinations. Goodwill of £15,718,000 on business combinations prior to this date has been frozen at their UK GAAP carrying value as at 1 April 2006.
- b) Under IFRS goodwill is not amortised, but tested annually for impairment. The effect of the above is to add back the amortisation charge by £283,000 at 30 September 2006 and £588,000 at 31 March 2007.
- c) The Group acquired Cameron Publishing Ltd on 6 November 2006 and Atalink Limited on 30 March 2006. Application of IFRS 3 to these business combinations resulted in identification of intangible assets (customer relationships and magazine titles). Under IFRS these have been recognised separately in the balance sheet at their fair value at the date of the combination. Under UK GAAP these intangible assets were subsumed within goodwill. The result of this adjustment is to decrease goodwill and increase intangible assets at the dates of the combinations. At 31 March 2007 the value of intangible assets was increased by £1,340k (this has also impacted on the deferred tax liability recognised, see note e below). The value of goodwill at 31 March 2007 was reduced by £1,365k.
- d) IAS38 requires that certain intangible assets are shown separately on the Balance Sheet. Intangible assets, other than those acquired through business combinations, have been identified and consist of items such as software and certain websites generated in-house. They have been disclosed as Intangible Assets, and the carrying value of Tangible Assets has been reduced by the same amount.
- e) Under FRS 19 deferred tax was recognised only on timing differences; in contrast IAS 12 "Income Taxes" requires the recognition of deferred tax on all temporary differences. The recognition of intangible assets on the acquisitions resulted in a number of temporary differences. Under UK GAAP deferred tax was not provided in such cases. The effect of this adjustment is to create a combined deferred tax liability of £409,000 at the date of the combinations. Goodwill is increased at those dates of combination by the same amounts. In addition, a deferred tax asset or liability arises on the share options in issue. This has resulted in an adjustment to opening reserves at 1 April 2006 of £298,000, a deferred tax charge for the 6 months ended 30 September 2006 and the year ended 31 March 2007 of £53,000 and £113,000 respectively.
- f) Deferred tax assets are disclosed separately, whilst they were previously included within Current Assets.
- g) Short term tax creditors, borrowings, financial liabilities and provisions are disclosed separately, whilst they were previously included within general creditors.
- h) Long term loans and finance liabilities are now shown separately from provisions.
- i) Deferred income has been reclassified from Trade and other payables to Short term provisions.
- j) IAS 19 "Employee Benefits" requires that an accrual is made for outstanding Holiday Balances due but not taken at the balance sheet date.

ENDS