TEN ALPS PLC

ANNUAL REPORT
AND ACCOUNTS
FOR THE YEAR ENDED
31ST MARCH 2010

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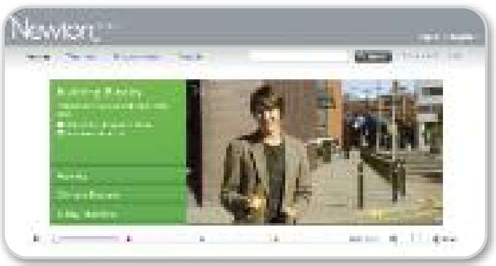
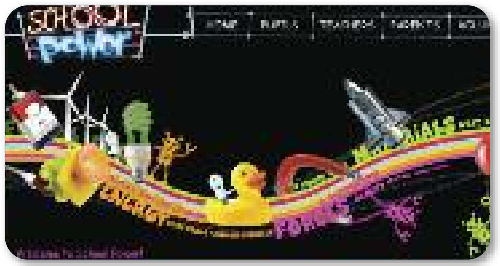


CHAIRMAN'S REVIEW OF 2009-10

Ten Alps was significantly impacted by the recession last year, with advertising revenues falling by 20%, in line with industry comparables.

However Ten Alps was profitable, the broadcast production business was resilient, and strong operational management actions across its communications business improved margins.

This Summer, we have acknowledged that investors have difficulty in benchmarking the value of our assets against conventional sector segmentations, and that this has impacted shareholder value.

Our divisions are therefore today now segmented into standard industry models. This opens up market comparison, trade partnerships and potential exit scenarios. To those ends, we have four development strategies, as outlined in the Chief Executive's Statement below.

Finally, as in previous years, the creative achievement has been high, and often award-winning. Our staff deserve credit for that creative success, as well as these resilient results, in an economy which continues to be very challenging.

BRIAN WALDEN
CHAIRMAN
08 JUNE 2010

Outlook

The lower fixed cost base has positioned Ten Alps well for any general economic recovery.

In the Content Division, TV production work has been consistently won and the slate remains durable, as it has been through the recession, but there is work to be won in this year before targets are fully achieved.

In the Communications Division, the downturn in advertising sales impacted the 2009-10 result. Run rates have shown no clear trend yet in the new financial year. There has however been a strong product margin improvement and actions to reduce the cost base will help profitability. But again, there remains work to do in this year.

It is important to note that the weighting of the product portfolio is expected to see a weaker first half to 30 September 2010, followed by a stronger second half.

The directors expect growth for the 2011-12 financial year, based on margin enhancement, online migration of the product range, the result of UK business development initiatives taking place this year and the development of Asian income streams. Any macroeconomic growth should enhance this.

The board will update the market on progress after the close of the first half of the year.

Content Division

This division produces TV and online TV. In 2009-10 it delivered £1m EBITA (2009: £1.2m) down 16.6% on revenues of £20.8m (2009: £23.6m) down 12.7% before group central costs.

The two main elements to the division's output are broadcast TV work and online TV work, with an additional emerging strand in online regional and TV news.

Broadcast TV

Output continued to be strong, with the high level of journalism maintained, a sequence of major awards won, and the introduction of a Singapore office with a strong future production slate of programming for Asian markets. Programmes are produced by three business units (all under one roof) in London, plus offices in Manchester and Belfast. The model is fee-based, with no upfront risk and distribution rights retained.

To pick out a small sample of the output: high-profile programmes were produced for *Channel 4 Dispatches* including: *Afghanistan – Mission Impossible, Russian Oligarchs*, *Ready for a Riot* and *Crash Gordon*. For BBC2 and BBC4 there was the acclaimed Julien Temple documentary film *Requiem for Detroit*, *Berlusconi, Balmoral, Edward VII – Prince of Pleasure, Fighting Passions* (about the adrenalin rush soldiers can feel in combat), a Bernie Maddoff documentary and the three-part series Future of Food. For BBC3 was Lindsay Lohan in India, for BBC1 a Panorama on the alleged Mossad killing in Dubai, and the tough three-part series on resource challenges in *Great Ormond Street Children's Hospital*.

In Singapore, a TV production operation was launched through the acquisition in August 2009 of Uproar Productions Asia pte Limited. An attractive programming slate has been built since then, and there are four projects currently in production including 2 for BBC World News.

Online TV

Half of Ten Alps' TV output is now online, making it a significant player in the UK field. The principal projects here are the *Teachers TV* project and *Newton HD*, the new online science channel, and there is a new and promising activity in regional TV/online news provision.

This Summer *Teachers TV* migrates fully online, saving the customer money (broadcast EPG (electronic programme guide) slots are a fixed cost) and focusing the service on the non-linear, online provision of its continuing professional development (CPD) training. This decision tracks both the wider devolution of decision-making and curriculum management within the English education system, and the evolution of the *Teachers TV* service's usage over the past year. Customers have naturally migrated to teaching requirements more easily served through access to the online database of over 3600 specialist programmes, as well as social tools such as the Facebook site – from the constraints of programme schedules, where at any given point the single programme being broadcast might not be relevant. The contract has a six-month notice period and is contracted to 2013 with a possible two-year extension. *Teachers TV* has also this year sold an overseas version in Canada, and a number of live discussions are underway, including in the USA, the Middle East and Thailand: the directors believe *Teachers TV* can translate its world-leading status in online-CPD into further international sales.

Newton HD provides online science video and aims to be a leader in its field. It is currently online in beta phase and is shortly to launch, having been funded initially by Ten Alps (through the equity placing of early 2009) and then through a significant grant from the North East's development agency. The online science channel is set to be a joint venture with the Science Museum, Open University and Royal Institution in which Ten Alps will be majority shareholder. Ten Alps believe the project can generate two further dimensions: first by developing a relationship with high-traffic newspaper sites, and second by going international. The model is for commercial and foundation content sponsorship.

Online/TV News

Towards the end of the year the division, alongside equal partners Trinity Mirror PLC and the Press Association, reached a final bidder status in a tender for a news service for the Department for Culture Media and Sport on ITV (the Independently Funded News Consortia, 'IFNC'). There is doubt as to whether the new government will proceed, a decision which would have no impact on Ten Alps' figures as no upside had been factored into projections. Alternative new government plans in local news may well provide opportunities for Ten Alps: local news and relationships with newspaper groups will be an opportunity in the next few years. The Content division's growth plan is set out in the development plan objectives section below.

Communications Division

This division has three activities: publishing, media sales / buying, and creative services. In 2009-10 it delivered £4.3m EBITA (2009: £5m) down 14% on revenues of £45.3m (2009: £56.6m) down 20% before group central costs.

Revenue impacts resulted directly from general recessionary advertising down turn across the unit, with return on sales improvement being driven by migration to higher margin output particularly in on line formats on a lower restructured, cost base.

The moves to reduce this cost base and a continued migration to owned formats will hold the business in good stead going forward.

The Publishing operations of the division delivered £2.6m EBITA (down 11.6%) after divisional costs in the period on reduced revenues of £16.7m. The units accelerated the migration of title range online in the period (online revenue now 80% of publishing output) and launched a number of new owned titles in the period including Freight Industry Times Online; Energy And Environmental Times On Line; IQ Magazine On Line and Museums And Heritage Online. These actions moved EBITDA margins positively from 14.4% to 15.5% in the period partly alleviating the revenue impact of the advertising down turn.

The division launched its Asian operations in the period with the formation of a 60/40 holding, with Karay Holdings (which is a corporate body wholly owned by the CEO of Ten Alps Communications Asia, an experienced, native Singaporean media executive, Raymond Wong). The company, called Ten Alps Communications Asia pte Limited, subsequently acquired b2b media assets from publishing group Reed Business Information, and Interface (an online development and agency business) and has recently set up a new facility in Singapore to consolidate these publishing assets and extend its footprint in Asia, including a move today into the Chinese market.

The Media operations (sales and buying) of the division delivered £0.6m EBITA in line with last year after divisional costs on reduced revenues of £19.9m. The units saw restructure and consolidation through the period with the sales operations unified into one facility and operating under a single brand. The buying operation relocated and is now fully embedded with the aligned creative resources. Generally activity migrated to higher margin contracts and projects. New business was strong in the period with new clients such as Mercedes Benz; National Union of Journalists; HM Revenue and Customs and the British Marine Federation being added to the portfolio.

The Creative Services operations of the division delivered £1.1m EBITA (down 28.0%) after divisional costs on reduced revenues of £8.7m. The northern and southern creative businesses were both consolidated into single facilities / brands and delivered overhead efficiency as a result. The Corporate Social Responsibility (CSR) business had a good year with positive client activity continuing with the likes of National Grid and Nationwide Building Society and investment in the owned asset range of products – although £314k of profit from such efforts will now be recognised over the next accounting period. New client wins in the Creative area included Gowrings; Longleat Safari Park; Entrepreneurs Forum; The University Of Ulster and Lucketts Travel.

The Communications division's growth plan is set out in the development plan objectives section below.

Development plan summary

In light of the economic climate and the performance last year, the directors believe it makes sense to set out for shareholders the principles of the development plan for the three years 2010-13.

Ten Alps aims to grow the scale, profitability, product quality and geographic reach of its multimedia business and to take advantage of considerable market opportunities, both in the UK and Asia.

The key targets in this are:

(1) Achieve recognition of the inherent value of its two operating divisions.

(2) Grow each of those businesses organically.

(3) Add acquisitions to the growth of each, requiring investment.

(4) Deliver further multimedia crossover projects.

Each of these points is explained below.

(1) Inherent value of divisions

Ten Alps is a multimedia business, well suited to the nature of the 2010 media economy, both from a user and advertiser perspective. However, the directors believe, based on experience of investor presentations and other coverage, that its value will best be recognised if it segments its divisions by activity into traditional media categories, offering visible industry valuation benchmarks.

Therefore a clear segmentation has been made into Content (TV and broadcast TV) and Communications (trade publishing, media sales/buying and creative services). In each case, there are a substantial number of comparable companies, both listed and unlisted, allowing valuation benchmarking. The directors believe that different valuation multiples could now be applied to each unit.

The directors are aware of the 'conglomerate discount' argument, but believe this is offset by the application of industry standard multiples to high-value activities, and by the multimedia nature of the actual output.

(2) Organic growth plan for divisions

The priority of Ten Alps is to return to growth after a challenging recessionary year. There is a clear organic growth plan for each division.

(i) Content division (broadcast and online TV)

The Content division aims to focus on two goals: moving net margins from 5% to 8-9% in existing production operations, and expanding revenues.

Margins are being addressed in the following ways: reengineer TV production/development processes; switch new executive producer deals to a more incentivised basis; move to a freelance staff model in various units; build regional offices with an associated lower cost base.

Revenue expansion is being targeted through: expansion of genres, by the targeted hiring of new executives; developing popular factual and daytime series for new customers, including through the engagement of a new executive producer in that field; looking at mid-range formatted factual TV for BBC and Channel 4; developing existing expertise in science programming; further European/global programme rights sales; back-end revenue opportunities from moving into new formats; selling more multiplatform add-ons.

(ii) Communications division (trade publishing, media sales/buying, creative services)

Consistent with the positive actions this year the division is targeting improved margins with a migration to online output (reduced product and distribution costs); a move to owned assets (reduced client royalties and an asset build) and a migration to higher margin contract based revenues (notably in CSR and high end creative output).

The division will continue to consolidate its cost base using its strong central service ethos and will maintain efficiencies in overhead achieved this year. Revenue growth will be fuelled by incremental investment in business development in order to lever the division's market-leading positions across its units, although such growth is generally planned to replace lower margin activities. Product development across online portals and websites will look to deliver incremental spend from the divisions existing customer base – notably in services such as video and search engine optimization.

Top-line growth from an advertising recovery is assumed but at a limited rate. Any upside from this should convert at an efficient rate to the bottom line. However, short term there is uncertainty around the level of such recovery with advertising sales run rates being inconsistent and volatile on a week by week basis. Longer term it is anticipated that such rates will stabilise.

Finally, the division sees major organic opportunities in the Asian markets and plans a rapid expansion of this unit by migrating its U.K. portfolio and business model into the region, extending the acquired portfolio with online reach and the launch of a Chinese operation from today.

(3) Acquisitions growth

The directors believe that an important element in Ten Alps' growth plan not only has been, but also will again be, acquisitions. In the past nine years these have demonstrably offered growth in revenue, profits and (over significant periods) earnings per share.

In the Content (TV) division, acquisitions have enabled Ten Alps to access new talent and production slates in new genres - organic movement into which would be challenging because of fixed client perceptions as to the genre-specific capabilities of given production teams. Ten Alps has made a number of successful TV acquisitions (for instance Brook Lapping, which took Ten Alps into factual TV). Ten Alps therefore has a firm intention of making further, already-identified acquisitions in future. In this respect it is no different from its peers as almost all of the major independent UK TV production groups have grown primarily by acquisition in the past five years.

In the Communications division, acquisitions enable Ten Alps to drive synergies, cost savings, online migration and other benefits through its central hub, as has been achieved with seven acquisitions to date. Low-multiple deals have been transacted and further benefits achieved through merger. An attractive pipeline of further deals exists, including a significant Asian dimension. Continuation of this buy and build model is a fundamental constituent of this division's plans.

Ten Alps directors therefore intend to continue to review potential acquisitions, finance permitting, in the interest of growing the business and its earnings per share. Without significant acquisition capital, the directors believe Ten Alps' growth will be constrained and therefore they are clear that capital will be sought should appropriate transactions be identified.

(4) Multimedia products

In almost every unit of Ten Alps there are multimedia projects in production. These range from *Teachers TV* and *Newton HD* (both TV and online), to the Link2 Portal and its associated print products, to *Optometry TV*, corporate social responsibility websites, "apps" developed for customers and interactive online games.

The directors intend to pursue further multimedia products, as the best way of matching the output's evolution to the demands of both users and advertisers.

ALEX CONNOCK
CHIEF EXECUTIVE
08 JUNE 2010

This has been a challenging year for the Group and the results reflect the economic climate which faced most media companies in the UK during the financial period.

Group revenue was down by 17.6% to £66.1m (2009: £80.2m) and gross profit decreased by 8.8% to £21.8m (2009: £23.9m).

Gross margin improved from 29.8% to 33.0% in the year, with administrative expenses increasing as a percentage and now represent 26.5% of revenues (2009: 23.5%).

EBITDA or headline profit, a key performance measure used by the board, decreased by 12.9% to £5.2m (2009: £5.9m). Operating profit was down by 17.7% to £3.59m (2009: £4.36m) after an amortisation charge of £864,000 (2009: £773,000).

For the year ended 31 March 2010, the Group paid tax at a rate of 28% on profits chargeable to corporation tax. However the effective rate is marginally lower at 23.2% (2009: 9.3%) reflecting final use of minor tax losses in the Group.

Earnings per share

Basic earnings per share in the year was 3.63p (2009: 5.34p) and was calculated on the profits after taxation of £2.34m (2009: £2.86m) divided by the weighted average number of shares in issue during the period being 64,366,515 (2009: 53,553,753). The number of shares has increased due to the equity issue in February 2009 and the full impact is now being reflected in the weighted average number.

Diluted basic earnings per share in the year was 3.63p (2009: 5.31p) and is based on the basic earnings per share calculation above, except that the weighted average number of shares includes all dilutive share options outstanding. This gives a weighted average number of shares in issue of 64,458,107 (2009: 53,883,572) reflecting the impact of the outstanding share options as at 31 March 2010.

Balance Sheet

The Group had a cash balance of £6.7m as at March 2010 (2009: £13.1m). The balance is £6.4m lower than last year as it mainly reflects 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 £3.4m to £18.4m (2009: £21.8m) reflecting the impact of lower revenues during the year.

Trade payables and other creditors have decreased by £8.4m to £17.6m (2009: £26m). 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 £857,000 (2009: £2.45m) on the balance sheet of which £Nil (2009: £0.8m) is due after more than one year. The current amounts relate to earn out payments due on the acquisitions of DBDA and Mongoose.

As at the year end, the Group had outstanding bank loans of £11.95m (2009: £14.45m) of which £9.45m (2009: £11.95m) is due after more than one year. The loan was reduced by a scheduled payment of £2.5m on 30 April 2010.

Shareholders' Equity

Called up share capital increased to £1.295m (2009: £1.278m) and the share premium increased to £10.18m (2009: £10.0m).

Retained earnings as at 31 March 2010 were £11m (2009: £8.5m) and total shareholders' equity at that date was £25.39m (2009: £22.74m).

Issue of new shares after the reporting period

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 10 May, the company issued 3,617,021 ordinary shares in connection with the acquisition of Grove House Publishing Limited. 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, and additional contingent consideration of up to £900,000. This additional contingent consideration is dependent on the achievement of cashflow and EBIT targets, and will be satisfied by cash.

Minority Interests

Minority interests in the income statement reflects the Teachers' TV consortium member's share in the year (25%) and our partner in Singapore interest via Ten Alps Communications Asia pte Ltd (40%). The balance as at 31 March 2010 was £160,000 (2009: £167,000) for Teachers TV and £184,000 (2009: £Nil) for Ten Alps Communications Asia pte Ltd.

NITIL PATEL
GROUP FINANCE DIRECTOR
08 JUNE 2010

BOARD OF DIRECTORS

plc board

Brian Walden

Non Executive Chairman

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.

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.

Alex Connock

Chief Executive, Ten Alps Plc

Co-founded Ten Alps 1999, and listed it in 2001 on AiM, after a TV and Radio production and management background at BBC, Granada and Planet 24. Built Ten Alps organically and through 20 acquisitions to £66m multimedia company. Several times shortlisted as Entrepreneur of the Year, Chairman Royal Television Society (North West), Entrepreneur in Residence at INSEAD, Governor Manchester Metropolitan University, Honorary Visiting Professor Media Business at Salford University, NESTA mentor to startup media companies. BA St John's College, Oxford Politics and Economics, Master's Journalism from Columbia University (New York), and MBA INSEAD.

Adrian Dunleavy

Chief Executive,
Ten Alps Communications Division

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, DBDA, 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

Group Financial Director,
Chief Executive, Content Division

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 FD for Ten Alps Plc, he is also CEO of Ten Alps' content production businesses including Brook Lapping and Blakeway, Films of Record, Below the Radar, and Ten Alps' interest in Teachers' TV. He has also played a key role in carrying through Ten Alps' largest acquisitions, such as Brook Lapping, DBDA and McMillan Scott.

Earnings per share

The Directors present their annual report, together with the financial statements, for the year ended 31 March 2010.

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 2010 are set out on page 18.

The Group made an operating profit in the year of £3.6m (2009: £4.4m) and the retained profit for the year after interest, taxation and minority interests of £2.34m (2009: £2.86m) has been transferred to reserves.

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

In a difficult economic environment, Ten Alps has produced a resilient performance for the year. We will continue to reshape our divisions to adapt to the challenges facing them both operationally and strategically. This is reflected in the Group opening up two Asian units during the year to expand the growth opportunities across the Group, as well as undertaking cost reduction and unit consolidation activities in the UK.

Growth in Revenue (%)

Assessed by year on year revenue growth and expressed as a percentage. Revenue was down from last year reflecting the unprecedented economic downturn which commenced in the latter half 2008 and continued throughout 2009. The impact of this downturn was visible as revenues fell by 17.6%, a reduction reflected in the advertising industry generally.

Gross margin (%)

Gross margin is the ratio of gross profit to sales expressed as a percentage. Gross margin has improved on last year to 33% (2009: 29.8%) and reflects the change in the product mix due to the full impact of acquisitions in 2009 and greater cost control.

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 drop in the year of 12.9% to £5.2m (2009: £5.9m) which reflects the revenue reduction in the year, restructuring costs and employees cost reduction.

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 of 13.3% to £4.5m (2009: £5.2m). However, the margin increased from 6.4% to 6.7% during the year.

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 Content and Communications.

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.

Significant Contract

Teachers' TV (which Brook Lapping, a Ten Alps-owned company, launched for the Department for Education (DfE)) continues to be a successful online channel with over 3,600 programmes databased online. The current contract with the DfE, c£10-11m per year in revenues, was renewed for another five years to 2013 with a cancellation notice procedure that can be enacted within this period as well as a possible two and half-year extension thereafter.

The service will be an on-line only service from this Autumn. In the current environment there are risks associated with this contract due to public sector cut backs.

Acquisitions

One of our major strategies is 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

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. In addition we are continuing our migration of B2B media businesses from their traditional print base to incorporate a higher proportion of event and online revenue. By moving online, we introduce new risks such as the need to generate traffic long term with the right user groups. We are also investing in both print and online data services which do not experience the cycle of advertising spend.

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
A.B. Walden*
R.F.Z. Geldof KBE*
T Hoare *

*Non-Executive

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

		Ordinary Shares of 2p each	
	Nature of interest	1 April 2009	31 March 2010
A.M. Connock	Beneficial	3,223,181	3,243,706
A.J. Dunleavy	Beneficial	84,900	84,900
N. Patel	Beneficial	18,000	18,000
A.B. Walden	Beneficial	68,750	68,750
R.F.Z. Geldof KBE	Beneficial	3,642,116	3,855,978
T Hoare	Beneficial	786,000	1,036,000

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

	As at 31 March March 2009	31 March 2010 March 2010	Exercise price	Dates normally exercisable
A.M. Connock	148,750	148,750	23p	2002 to 2010
	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	27p	2012 to 2019
R.F.Z. Geldof KBE	148,750	148,750	23p	2002 to 2010
	100,000	100,000	67.5p	2006 to 2116
	150,000	150,000	55p	2011 to 2018
	200,000	200,000	25p	2011 to 2018
	-	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	27p	2012 to 2019
N. Patel	148,750	148,750	23p	2002 to 2010
	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	27p	2012 to 2019

Material Contracts

A.M. Connock, R.F.Z. Geldof KBE, A.J. Dunleavy and N. Patel have entered into Senior Director Incentive Plan contracts described in note 5 to the financial statements. At no time during the year did any serving Director have any other material contract with the Group.

Substantial Shareholdings

The Company has been informed of the following shareholdings on 28th April 2010 each representing 3% or more of the current issued share capital:

	No. of ordinary shares	%
Herald Investments Management	7,485,343	10.67
Capital Group Companies	6,039,001	8.61
BlackRock Investment Management (UK)	4,909,305	7.00
Caldwell Associates AG	4,484,305	6.39
UBS Wealth Management (Switzerland)	4,159,750	5.93
Liontrust Asset Management	3,090,762	4.40
Fidelity (UK)	3,042,000	4.33
Squaregain	2,477,948	3.53

Share Capital

Details of share capital are given in Note 19 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 2010 was 64 days (2009: 68 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 Non-Executive Chairman, two Non-Executive Directors, the Chief Executive, Executive Director and the Finance Director and their biographies appear on page 10. 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 Chief Executive 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 Chief Executive is required to develop and lead business strategies and processes to enable the Group's business to meet the requirements of its shareholders.

The Board has established an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities. The Audit Committee consists of Brian Walden, Bob Geldof and Tim Hoare all Non-Executive Directors. 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 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 Chief Executive's Statement on pages 4 to 7. The financial results and cash position including borrowing facilities are described in the Financial Review on pages 8 to 9 with further details in the Notes to the Accounts numbers 1, 6, 14 and 15.

During the year, the Group decreased overall borrowings by £2.5m to £11.95m (2009: £14.45m). The loan facility is a term loan with due dates on the 30 April every year for four years from 31 March 2010.

After reviewing cashflows, risk management and funding demands, the Directors have a reasonable expectation that the Group, during the course of undertaking its anticipated level of activities, will have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the 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 15.

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 notes 14 and 15 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 as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

The Annual General Meeting is to be held at One New Oxford Street, High Holborn, London WC1A 1NU. 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 Adrian Dunleavy as director, there are four other matters which will be considered at the Annual General Meeting.

The first is that the Articles of Association of the Company be amended by deleting in the present Article 31.2, the words "two times" and replacing them with the words "five times". This will increase the Company's borrowing limit from two times shareholders' equity to five times.

The second is to give the Directors general and unconditional power to allot relevant securities up to an aggregate nominal amount of £737,910 (equal to approximately 50% of the issued ordinary share capital as at the date of this report).

The third is to give the Directors general and unconditional authority to issue equity securities, having an aggregate nominal value of £221,373 (being 15% 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 fourth is to give the Directors general and unconditional 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 11,061,273 ordinary shares, which represents 14.99 per cent of the issued ordinary share capital as at 8 June 2010. 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.

Report of the Directors

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 2011 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the 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 2010 which comprise the, 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 auditors

As explained more fully in the Directors' Responsibilities Statement (set out on page 16), 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 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/UKNP.

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 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS 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 matters where the Companies Act 2006 requires us 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 2010.

MARK HENSHAW
SENIOR STATUTORY AUDITOR
FOR AND ON BEHALF OF GRANT THORNTON UK LLP
STATUTORY AUDITOR, CHARTERED ACCOUNTANTS
LONDON
08 JUNE 2010

Consolidated income statement

	Notes	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Revenue	2	**66,134**	80,221
Operating costs before amortisation of intangible assets		**(61,683)**	(75,086)
Earnings before interest, tax and amortisation (EBITA)		**4,451**	5,135
Amortisation of intangible assets	9	**(864)**	(773)
Total operating costs	3	**(62,547)**	(75,859)
Operating profit		**3,587**	4,362
Finance costs	6	**(557)**	(1,325)
Finance income	6	**150**	291
Profit before tax		**3,180**	3,328
Income tax expense	7	**(738)**	(312)
Profit for the year		**2,442**	3,016
Attributable to:			
Equity holders of the parent		**2,339**	2,860
Minority interest		**103**	156
		2,442	3,016
Basic earnings per share	8	**3.63p**	5.34p
Diluted earnings per share	8	**3.63p**	5.31p

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 2010 £'000	Year ended 31 March 2009 £'000
Profit for the period	**2,442**	3,016
Foreign investment translation differences	**17**	-
Other recognised gains and losses	**-**	-
Total comprehensive income for the period	**2,459**	3,016
Attributable to:		
Equity holders	**2,346**	3,016
Minority interest	**113**	-
	2,459	3,016

Consolidated statement of financial position

	Note	As at 31 March 2010 £ '000	As at 31 March 2009 £ '000
Assets			
Non-current			
Goodwill	9	**25,118**	24,575
Other intangible assets	9	**4,285**	3,681
Property, plant and equipment	10	**1,596**	1,716
		30,999	29,972
Current assets			
Inventories	11	**2,395**	3,743
Trade and other receivables	12	**15,966**	18,057
Cash and cash equivalents	13	**6,669**	13,127
		25,030	34,927
Liabilities			
Current liabilities			
Trade and other payables	14	**(17,558)**	(25,985)
Current tax liabilities		**(448)**	(526)
Borrowings and other financial liabilities	15	**(2,527)**	(2,536)
Derivative financial instruments	16	**(12)**	(134)
		(20,545)	(29,181)
Net current assets		**4,485**	5,746
Non-current liabilities			
Borrowings and other financial liabilities	15	**(9,450)**	(11,974)
Derivative financial instruments	16	**(15)**	(2)
Deferred tax	17	**(291)**	(72)
Other liabilities	14	**-**	(767)
		(9,756)	(12,815)
Net assets		**25,728**	22,903
Equity			
Called up share capital	19	**1,294**	1,278
Share premium account	19	**10,181**	9,999
Merger reserve		**2,930**	2,930
Exchange reserve		**7**	-
Retained earnings		**10,972**	8,529
Total attributable to equity shareholders of parent		**25,384**	22,736
Minority interest		**344**	167
Total equity		**25,728**	22,903

The consolidated financial statements were approved by the Board on 8 June 2010 and are signed on its behalf by Alex Connock and Nitil Patel

Consolidated statement of cash flows

	Note	Year ended 31 March 2010 £ '000	Year ended 31 March 2009 £ '000
Cash flows from operating activities			
Profit for the period		**2,442**	3,016
Adjustments for:			
Income tax expense	7	**738**	312
Depreciation	10	**701**	782
Amortisation and impairment of intangibles	9	**864**	773
Finance costs	6	**557**	1,325
Finance income	6	**(150)**	(291)
Write-back of other loans	15	**-**	(317)
Share based payment charge	5	**104**	59
Loss on sale of property, plant and equipment		**3**	10
		5,259	5,669
Decrease/(Increase) in inventories		**1,348**	(136)
Decrease in trade and other receivables		**2,076**	1,919
Decrease in trade and other payables		**(7,694)**	(3,175)
Cash generated from operations		**989**	4,277
Finance costs paid	6	**(634)**	(1,448)
Finance income received	6	**150**	291
SDIP contract receipts		**13**	-
Tax paid		**(706)**	(446)
Net cash flows from/(used in) operating activities		**(188)**	2,674
Investing activities			
Acquisition of subsidiary undertakings, net of cash and overdrafts acquired	18	**(331)**	(646)
Payment of contingent consideration	18	**(1,843)**	(2,685)
Purchase of property, plant and equipment	10	**(593)**	(532)
Proceeds of sale of property, plant and equipment		**9**	40
Development of websites	9	**(865)**	(279)
Net cash flows used in investing activities		**(3,623)**	(4,102)
Financing activities			
Issue of ordinary share capital	19	**-**	2,922
Borrowings repaid		**(2,500)**	-
Borrowings received		**-**	700
Capital element of finance lease payments		**(33)**	(81)
Dividends paid to minority interests		**(96)**	(134)
Net cash flows from/(used in) financing activities		**(2,629)**	3,407
Net decrease in cash and cash equivalents		**(6,440)**	1,979
Translation differences		**(18)**	-
Cash and cash equivalents at 1 April		**13,127**	11,148
Cash and cash equivalents at 31 March		**6,669**	13,127

Consolidated statement of changes in equity

	Note	Share capital £000	Share premium £000	Merger reserve £000	Exchange reserve £000	Retained earnings £000	Total attributable to equity shareholders £000	Minority interest £000	Total equity £000
Balance at 1 April 2008		**1,042**	**7,198**	**2,930**	**-**	**5,610**	**16,780**	**145**	**16,925**
Profit for the Year		-	-	-	-	2,860	2,860	156	3,016
Total comprehensive income		**-**	**-**	**-**	**-**	**2,860**	**2,860**	**156**	**3,016**
Equity-settled share-based payments	5	-	-	-	-	59	59	-	59
Dividends paid		-	-	-	-		-	(134)	(134)
Shares issued	19	236	2,801	-	-	-	3,037	-	3,037
Balance at 31 March 2009		**1,278**	**9,999**	**2,930**	**-**	**8,529**	**22,736**	**167**	**22,903**
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)
Minority share of acquisitions		-	-	-	-	-	-	160	160
Shares issued	19	16	182	-	-	-	198	-	198
Balance at 31 March 2010		**1,294**	**10,181**	**2,930**	**7**	**10,972**	**25,384**	**344**	**25,728**

1) ACCOUNTING POLICIES

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, 14 The 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 08 June 2010.

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 2008 Statement of Financial Position is the same as that previously published.

New Significant Standards and Interpretations

The Group has adopted the following new interpretations, revisions and amendments to IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Group's financial statements for the annual period beginning 1 April 2009:

- IAS 1 Presentation of Financial Statements (Revised 2007)
- Amendments to IFRS 7 Financial Instruments: Disclosures – improving disclosures about financial instruments
- IFRS 8 Operating Segments.

New Significant Standards and Interpretations Not Yet Adopted

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group. Management anticipates that all of the pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

IFRS 3 Business Combinations (Revised 2008) (effective from 1 July 2009)

The standard is applicable for business combinations occurring in reporting periods beginning on or after 1 July 2009 and will be applied prospectively. The new standard introduces changes to the accounting requirements for business combinations, but still requires use of the purchase method, and will have a significant effect on business combinations occurring in future reporting periods.

IAS 27 Consolidated and Separate Financial Statements (Revised 2008) (effective from 1 July 2009)

The revised standard introduces changes to the accounting requirements for the loss of control of a subsidiary and for changes in the Group's interest in subsidiaries. These changes will be applied prospectively in accordance with the transitional provisions and so do not have an immediate effect on the Group's financial statements.

Annual Improvements 2009 (effective from 1 July 2009 and later)

The IASB has issued Improvements for International Financial Reporting Standards 2009. Most of these amendments become effective in annual periods beginning on or after 1 July 2009 or 1 January 2010. Preliminary assessments indicate that the effect on the Group's financial statements will not be significant.

Basis of Consolidation

The Group financial statements consolidate the financial statements of the company and of its subsidiary undertakings drawn up to 31 March 2010. 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.

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:

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.

Included in production revenue 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 September 2010, the Directors have recognised a best estimate accrual based on known KPI scoring and data which allows for an accurate prediction of yet to be formally agreed KPI scoring.

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.

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.

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.

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 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.

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.

Intangible assets

Goodwill

Subject to the transitional relief in IFRS1, all business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries. In respect of business acquisitions acquired since 1 April 2006, 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.

In respect of acquisitions prior to 1 April 2006, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. The cost and amortisation of goodwill have been adjusted to show a net position as at the date of transition to IFRS.

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).

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.

Inventories

Content

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 a 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 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.

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.

Cash and cash equivalents

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

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.

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.

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 recorded at their fair value less provision for any impairment.

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 recorded at fair value, net of direct issue costs.

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.

Media Loans

Media loans are recorded at the proceeds received and adjusted for foreign exchange movements. Media loans are written off as grants once the Company has no further obligations with respect to the loans.

Trade and other payables

Trade and other payables are stated at their fair value.

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.

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.

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 9.

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 9.

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 10.

Contingent consideration

Where contingent consideration 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 18.

Revenue Recognition on Significant Contracts

Included in production revenue 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 September 2010, the Directors have recognised a best estimate accrual.

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 content segment includes the production of Television and Radio content; the management of the Teachers TV channel; and the creation and management of websites and online TV channels. The communication segment includes publishing, websites, event management, video production and specialised CSR and communications services.

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'.

	Communications		Content		Unallocated		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Continuing Operations	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Revenue	45,301	56,634	20,833	23,587	-	-	66,134	80,221
Segment result	4,285	5,038	977	1,187	(811)	(1,090)	4,451	5,135
Amortisation and impairment of intangible assets							(864)	(773)
Operating profit							3,587	4,362
Finance costs							(557)	(1,325)
Finance income							150	291
Income tax expense							(738)	(312)
Profit for the year							2,442	3,016
Segment Assets	42,934	43,993	11,312	15,224	1,783	5,682	56,029	64,899
Segment Liabilities	(10,325)	(14,698)	(6,396)	(10,628)	(13,579)	(16,670)	(30,300)	(41,996)
Other Segment Items:								
Expenditure on intangible assets	1,901	1,347	65	553	-	-	1,966	1,900
Expenditure on property, plant and equipment	390	347	197	330	6	2	593	679
Restructuring costs	211	-	-	-	-	-	211	-
Release of payroll tax and penalty liability provisions	(853)	(665)	-	-	-	-	(853)	(665)
Amortisation	847	709	17	64	-	-	864	773
Depreciation	371	364	296	384	34	34	701	782
Impairment loss	-	-	-	-	-	-	-	-

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 £59.68m (2009: £72.76m), and the total revenue from external customers in other countries is £6.45m (2009: £7.46m).

3) TOTAL OPERATING COSTS

	2010 £'000	2009 £'000
Cost of sales	**37,606**	48,868
Staff costs (see note 4)	**17,140**	18,519
Administrative costs		
Leases on premises	**873**	1,023
Other administrative expenses	**6,225**	6,627
Foreign exchange gains	**(9)**	(68)
Depreciation	**701**	782
Amortisation and impairment of intangible assets	**864**	773

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

	2010 £'000	2009 £'000
Statutory audit services		
Annual audit of the company and the consolidated accounts	**23**	23
Non-audit related services		
Audit of subsidiary companies	**90**	90
Interim	**5**	8
Tax advisory services	**23**	22
Other services	**24**	28
	142	148

4) STAFF COSTS

	2010 £'000	2009 £'000
Wages & salaries	**16,270**	17,800
Social security & other costs	**627**	530
Share-based payments	**104**	59
Pension costs	**139**	130
Total	**17,140**	18,519

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

	2010 £'000	2009 £'000
Communications	**473**	427
Content	**95**	84
Other	**5**	5
Total	**573**	516

Directors' emoluments

	Salaries and Fees £'000	Bonus £'000	Benefits in kind** £'000	Pension*** £'000	31 March 2010 Total £'000	31 March 2009 Total £'000
Executive Directors						
A.M. Connock	215	-	28	12	**255**	285
A.J. Dunleavy *	280	-	2	39	**321**	98
N. Patel	167	-	1	21	**189**	203
Non-Executive Directors						
A.B. Walden (Chairman)	25	-	-	-	**25**	25
R.F.Z. Geldof KBE****	75	-	-	-	**75**	75
T. Hoare	-	-	-	-	**-**	-
	762	0	31	72	**865**	686

* A.J. Dunleavy, an employee of the group since the acquisition of McMillan Scott on 31 March 2006, was appointed to the board on 8 December 2009. Remuneration disclosed for the prior year is for the period 8 December 2008 to 31 March 2009.

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

***During the year, £72,000 (2009: £32,000) was paid with respect to personal pension schemes for 3 directors (2009: 3).

****During the prior year, R.F.Z. Geldof KBE received a payment of 213,862 ordinary shares of the Company in lieu of director's fees totalling £54,000. These shares were issued to Hixdell Limited, a company controlled by R.F.Z. Geldof KBE.

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 (2009: £26,000).

5) SHARE BASED PAYMENTS

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

	2010 £'000	2009 £'000
Statutory audit services		
Approved share option scheme	**-**	10
Unapproved share option scheme	**104**	49
Senior Director Incentive plan	**2**	-
	106	59

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

	2010 Number	2010 WAEP £	2009 Number	2009 WAEP £
Outstanding at the beginning of the year	**1,187,550**	**0.35**	1,553,800	0.32
Exercised during the year	**-**	**-**	(156,250)	0.22
Cancelled during the year	**(106,250)**	**0.23**	(210,000)	0.28
Outstanding at the end of the year	**1,081,300**	**0.36**	1,187,550	0.35
Exercisable at the end of the year	**1,081,300**	**0.36**	1,187,550	0.35

Unapproved share option scheme

	2010 Number	2010 WAEP £	2009 Number	2009 WAEP £
Outstanding at the beginning of the year	**2,520,650**	**0.38**	695,650	0.32
Granted during the year	**493,000**	**0.27**	1,875,000	0.40
Exercised during the year	**-**	**-**	-	-
Cancelled during the year	**-**	**-**	(50,000)	0.20
Outstanding at the end of the year	**3,013,650**	**0.36**	2,520,650	0.38
Exercisable at the end of the year	**645,650**	**0.33**	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 £	2010 No	2009 No
31 March 2010	**0.22**	**776,950**	883,200
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**	**493,000**	-
		4,094,950	3,708,200

No options were exercised and 106,250 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:

Scheme	2010 EMI	2010 Unapproved	2009 EMI	2009 Unapproved
Number granted	**-**	**493,000**	-	1,875,000
Weighted average share price at grant	**-**	**0.25**	-	0.37
Weighted average share exercise price	**-**	**0.27**	-	0.40
Weighted average expected volatility	**-**	**38%**	-	38%
Average expected life (years)	**-**	**5**	-	5
Weighted average risk free rate	**-**	**3%**	-	4%
Expected dividend yield	**-**	**0%**	-	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

Under the terms of the Senior Director Incentive Plan, participants can enter into a financial instrument, linked to the market capitalisation of the company in the event of a sale of the company or portion thereof. If the market capitalisation of the company at the event date falls within a lower range, the participant is required to pay an amount to the company, on a pro rata basis, up to maximum liability. For any market capitalisation below the floor of this range, the maximum amount is receivable from the participant. If the market capitalisation of the company at the event date falls with a higher range, the company is required to pay an amount to the participant, on a pro rata basis, up to a maximum liability. For any market capitalisation above ceiling of this range, the maximum amount is payable to the participants. If the market capitalisation of the company at the event date falls between the higher and lower ranges, no amount is payable by either party. The maximum assets/liabilities to all participants and the market capitalisation ranges are as follows:

	Lower range £000s		Higher range £000s	
	Floor	Ceiling	Floor	Ceiling
Market capitalisation figure thresholds	12,000	15,000	25,000	70,000
Receivable to/(Payable by) the company	28	-	(620)	(6,000)

The fair values of the financial instruments entered into under the scheme were valued by an independent party and were purchased by the participants at this price. The fair values of the financial instruments at the reporting date were valued using a Monte-Carlo simulation using the following:

		2010		2009
Market capitalisation at year end		**16,491,000**		n/a
Discount rate		**12%**		n/a
Likelihood of event occurring in contract period		**50%**		n/a
Random variables (range)	**Bottom**	**Top**	Bottom	Top
Annual market cap movement	**-20%**	**20%**	n/a	n/a

6) FINANCE COSTS AND INCOME

	2010 £'000	2009 £'000
Finance Costs		
Interest payable on bank borrowings	**(379)**	(1,069)
Amortisation of issue costs of bank loans	**(156)**	(142)
Interest payable on finance leases	**(5)**	(6)
Settlement of hedging instruments	**(141)**	(22)
Movement in fair value of hedging instruments	**124**	(86)
Finance Costs	**(557)**	(1,325)
Finance Income		
Bank interest receivable	**150**	291
Net Finance Costs	**(407)**	(1,034)

7) INCOME TAX EXPENSE

Taxation Charge

	2010 £'000	2009 £'000
Current tax expense:		
current year before exceptional items	**634**	526
adjustment for prior years	**(6)**	(115)
	628	411
Deferred tax		
Origination and reversal of temporary differences (see note 17)	**110**	(99)
Total income tax expense	**738**	312

Reconciliation of taxation expense:

	2010 £'000	2009 £'000
Profit before tax	**3,180**	3,328
Taxation expense at UK corporation tax rate of 28% (2009: 28%)	**890**	932
Non-taxable income/non-deductible expenses	**96**	
Losses carried forward and temporary differences not recognised	**(146)**	(601)
Under provision in prior periods	**(6)**	(115)
Total income tax expense	**738**	312

8) EARNINGS PER SHARE

	2010	2009
Weighted average number of shares used in basic earnings per share calculation	**64,366,515**	**53,553,753**
Dilutive effect of share options	91,592	329,819
Weighted average number of shares used in diluted earnings per share calculation	**64,458,107**	**53,883,572**
	£'000	**£'000**
Profit for period attributable to shareholders	**2,339**	**2,860**
Amortisation and impairment of intangible assets adjusted for deferred tax impact	741	571
Share-based payments	104	59
Adjusted profit for period attributable to equity holders of the parent	**3,184**	**3,490**
Basic Earnings per Share	3.63 p	5.34 p
Diluted Earnings per Share	3.63 p	5.31 p
Adjusted Basic Earnings per Share	4.95 p	6.52 p
Adjusted Diluted Earnings per Share	4.94 p	6.48 p

Post reporting date events

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 and on 10 May 2010, the company issued 3,617,021 ordinary shares in connection with the acquisition of Grove House Publishing Limited (see notes 18 and 19). The effect on Basic Earnings per Share if the transactions had occurred at the beginning of the year ended 31 March 2010 is as follows:

	2010 Number of Shares
Weighted average number of shares used in basic earnings per share calculation	**64,366,515**
Dilutive effect of issuance on 1 April 2010	5,484,305
Dilutive effect of issuance for the acquisition of Grove Publications	3,617,021
Weighted average number of shares used in diluted earnings per share calculation	**73,467,841**
	£'000
Profit for year attributable to shareholders	2,339
Pro-forma impact of Grove Publications on profit attributable to shareholders	156
Adjusted profit for year attributable to shareholders	**2,495**
Basic Earnings per Share	3.40 p

9) INTANGIBLE ASSETS

	Goodwill £'000	Customer Relationships £'000	Magazine titles £'000	Customer Contracts £'000	Websites £'000	Total £'000
Cost						
At 1 April 2008	23,321	3,818	534	35	210	27,918
Acquisition of subsidiaries	541	-	71	81	-	693
Internal development	-	-	-	-	279	279
Revised contingent consideration	928	-	-	-	-	928
At 31 March 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 (see note 17)	440	-	-	-	-	440
Exchange movements	8	-	37	-	-	45
At 31 March 2010	**25,333**	**3,818**	**1,208**	**116**	**1,354**	**31,829**
Amortisation						
At 1 April 2008	(215)	(482)	(35)	(35)	(22)	(789)
Charge for the year	-	(574)	(84)	(64)	(51)	(773)
Impairment charge	-	-	-	-	-	-
At 31 March 2009	(215)	(1,056)	(119)	(99)	(73)	(1,562)
Charge for the year	-	(574)	(100)	(17)	(172)	(863)
Impairment charge	-	-	-	-	-	-
Exchange movements	-	-	-	-	-	-
At 31 March 2010	**(215)**	**(1,630)**	**(219)**	**(116)**	**(245)**	**(2,425)**
Net Book Value						
At 31 March 2010	**25,118**	**2,188**	**989**	**-**	**1,109**	**29,404**
At 31 March 2009	24,575	2,762	486	17	416	28,256

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:

	2010	2009
	£000's	£000's
Communications	**22,255**	21,735
Content	**2,863**	2,840
Total	**25,118**	24,575

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 8.2% 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.

10) PROPERTY, PLANT AND EQUIPMENT

	Short leasehold land and buildings	Motor vehicles	Office and computer equipment	Total
	£000's	**£000's**	**£000's**	**£000's**
Cost				
At 1 April 2008	164	262	3,926	4,352
Additions	44	-	488	532
Acquisition of subsidiaries	-	5	141	146
Disposals & retirements	(4)	(120)	(1,152)	(1,276)
At 31 March 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**
Depreciation				
At 1 April 2008	(92)	(43)	(2,347)	(2,482)
Charge for the year	(34)	(64)	(684)	(782)
Disposals & retirements	4	78	1,144	1,226
At 31 March 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)**
Net Book Value				
At 31 March 2010	**148**	**69**	**1,379**	**1,596**
At 31 March 2009	82	118	1,516	1,716

Included in the book values above is £47,000 relating to assets held under finance leases (2009: £90,000).

11) INVENTORIES

	2010	2009
	£000's	£000's
Work in progress- Content	**74**	109
Work in progress- Communications	**2,321**	3,634
Total Inventories	**2,395**	3,743

12) TRADE AND OTHER RECEIVABLES

	2010	2009
	£'000	£'000
Current		
Trade receivables	**12,226**	13,623
Less provision for impairment	**(240)**	(286)
Net trade receivables	**11,986**	13,337
Other receivables	**607**	1,030
Prepayments and accrued income	**3,373**	3,690
Total trade and other receivables	**15,966**	18,057

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:

	2010	2009
	£'000	£'000
Not more than 3 months	**3,329**	3,417
More than 3 months but less than 1 year	**986**	731
More than 1 year	**596**	296
	4,911	4,444

13) CASH AND CASH EQUIVALENTS

	2010	2009
	£'000	£'000
Cash at bank and on hand	**6,669**	11,570
Short-term bank deposits	**-**	1,557
Total Cash and cash equivalents	**6,669**	13,127

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).

14) TRADE AND OTHER PAYABLES

	2010	2009
	£'000	£'000
Current		
Trade payables	**7,726**	9,676
Other payables	**135**	766
Other taxes and social security	**1,090**	1,886
Accruals and deferred income	**7,750**	11,970
Contingent consideration payable	**857**	1,687
	17,558	25,985
Non-current		
Contingent consideration payable	**-**	767
	-	767
Total trade and other payables	**17,558**	26,752

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

15) BORROWINGS AND OTHER FINANCIAL LIABILITIES

	2010	2009
	£'000	£'000
Current		
Bank loans - secured	**2,500**	2,500
Finance leases - secured	**27**	36
	2,527	2,536
Non-current		
Bank loans - secured	**9,450**	11,950
Finance leases - secured	**-**	24
	9,450	11,974
Total borowings and other financial liabilities	**11,977**	14,510

Maturity of Financial Liabilities

The maturity of borrowings is as follows:

	2010 £'000	2009 £'000
Repayable within one year and on demand:		
Bank loans	**2,500**	2,500
Finance leases	**27**	36
Trade payables	**7,726**	9,676
Derivative instruments	**12**	134
	10,265	12,346
Repayable between one and two years:		
Bank loans	**2,500**	2,500
Finance leases	**-**	24
Derivative instruments	**-**	2
	2,500	2,526
Repayable between two and five years:		
Bank loans	**6,950**	9,450
Finance leases	**-**	-
	6,950	9,450
Total	**19,715**	24,322

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.

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

16) 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 Group also entered into a derivative transaction, principally an interest rate collar. The purpose of this transaction is to manage the interest risk arising from the Group's financing.

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:

(a) Liquidity/funding risk

The Group's funding strategy is to ensure a mix of funding sources offering flexibility and cost effectiveness to match the requirements of the Group. Operating subsidiaries are financed by a combination of retained profits, bank borrowings and medium term notes.

(b) Interest rate risk

The Group is exposed to interest rate risk in relation to the sterling variable rate financial assets and liabilities. The Group's policy is to use derivative contracts where necessary to maintain a mix of fixed and floating rate borrowings to manage this risk. The structure and maturity of these derivatives correspond to the underlying borrowings and are accounted for as fair value adjustments in the income statement under finance costs.

At the reporting date, collar rate borrowings amounted to £3,000,000 (2009: £3,000,000) representing 25% (2009: 21%) of the Group's gross borrowings.

At the 31 March 2010 there were term deposits totalling £nil (2009: £1,557,000). The Group held the majority of its cash and cash equivalents in corporate current accounts. These accounts offer a competitive interest rate with the advantage of quick access to the funds.

(c) Foreign currency risk

Transactional foreign currency exposures arise from both the export of services from the UK to overseas clients, and from the import of services directly sourced from overseas suppliers. The Group is primarily exposed to foreign exchange in relation to sterling against movements in US$ and euro but is not considered by management to be significant.

All gains and losses are taken to the income statement on translation at the reporting date.

(d) 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 2009		
Impact on income statement and equity: gain/(loss)	29	(234)
At 31 March 2010		
Impact on income statement and equity: gain/(loss)	**30**	**(239)**

Derivative financial instruments

	2010 Assets £'000	2010 Liabilities £'000	2009 Assets £'000	2009 Liabilities £'000
Current				
Interest Rate Collar	**-**	**12**	-	134
	-	**12**	-	134
Non-current				
Interest Rate Collar	**-**	**-**	-	2
Senior Director Incentive Plan	**-**	**15**	-	-
	-	**15**	-	2
Total	**-**	**27**	-	136

The interest rate collar, which consists 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 2010, £3,000,000 of the facility was subject to the interest rate collar. The interest rate collar expires on 30 April 2010.

Capital policy

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure that optimises the cost of capital. In order to maintain or adjust the capital structure the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

17) 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 2008	232	194	(766)	95	117	(128)
Recognised in the income statement	(77)	109	128	(71)	10	99
Acquired on acquisition	(1)	-	(42)	-	-	(43)
At 31 March 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)**

Deferred tax assets estimated at £56,000 (2009: £131,000) 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.

18) BUSINESS COMBINATIONS

Ten Alps Communications Asia Pte Limited

On 1 February 2010 the group acquired 60% of a Singapore registered company which acquired trade and assets from Reed Business Information Asia and trade from Interface Media Pte Limited. The company is called Ten Alps Communications Asia Pte Limited (TACA).
The remaining 40% is owned by Karay Holdings Pte Limited of Singapore. The group paid US$402,000 for its 60% shares of TACA and has an option to buy the remaining 40%. The directors consider the fair value of the option to acquire the 40% to be immaterial. The assets and liabilities arising from the acquisition are as follows:

	Book Value £'000	Fair Value Adjustments £'000	Fair Value £'000
Intangible assets	188	379	567
Property, plant and equipment	-	-	-
Inventories	-	-	-
Trade and other receivables	22	-	22
Cash and cash equivalents	-	-	-
Trade and other payables	(86)	-	(86)
Current tax liabilities	-	-	-
Deferred tax	-	(102)	(102)
Net assets acquired	**124**	**277**	**401**
Minority share			(160)
Goodwill capitalised			70
Consideration given			**311**
Satisfied by:			
Cash			251
Acquisition expenses			60
			311

The fair value adjustments made to book value relate to the intangible assets identified on the acquisition. Goodwill relating to the acquisition of TACA amounted to £70,000.

The contribution to the operating profits and revenues for TACA are set out below:

	Post Acquisition 1 February 2010 to 31 March 2010 £'000
Revenue	411
Operating profit	42

Uproar Productions and Uproar Asia Pte Ltd

On 26 August 2009 Blakeway Productions Ltd purchased the whole of the issued share capital of Uproar Asia Pte Ltd, a company registered in Singapore and the Intellectual Property of Uproar Productions in the United Kingdom for initial consideration (including expenses) of £24,000. Uproar Asia Pte Limited has been renamed Ten Alps Asia Pte Limited, is based in Singapore and produces TV programmes for a variety of broadcasters. Further consideration of up to £533,000 is payable based on a sliding scale, on delivery per annum of between £25,000 and £200,000 profits before tax of Ten Alps Asia and the acquired UK operations of Uproar Productions over a two year period. Up to 30% of the contingent consideration could be payable in the form of shares in the group, at the sole discretion of the group. The assets and liabilities arising from the acquisition are immaterial. Goodwill relating to the acquisition of Films of Record amounted to £24,000.

The contribution to the operating profits for Uproar Productions and Uproar Asia Pte Ltd and the historical results for the full year to 31 March 2010 are set out below:

	Post Acquisition 27 August 2009 to 31 March 2010 £'000
Revenue	179
Operating profit	(47)

Summary

If all the above acquisitions had been acquired on 1 April 2009, revenue of the group for 2010 would have been £68.36m and operating profit of the group for 2010 would have been £3.84m. 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 2009. Any difference between the group's accounting policies and those applied by the acquired subsidiaries prior to the acquisition are deemed to be immaterial.

Contingent consideration of Subsidiaries Acquired Prior to 1 April 2009

Atalink Limited

During the year £1,274,705 of contingent consideration was paid to the vendors of Atalink Limited in relation to the agreement of the completion accounts. At 31 March 2009 £831,000 of additional consideration had been accrued for.

DBDA

During the year, consideration of £766,667 was paid to the vendors of DBDA, of which £568,886 was paid in cash and £197,781 was paid in shares, upon the achievement of certain profit targets. The DBDA purchase is subject to one additional payment of up to a maximum £766,667. This payment is dependant on DBDA Limited achieving annualised EBIT between £400,000 and £800,000 for the year ending 31 March 2010. At 31 March 2010, £766,667 (2009: £1,533,334) had been provided for.

Acquisition after reporting period

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, and additional contingent consideration of up to £900,000. This additional contingent consideration is dependent on the achievement of cashflow and EBIT targets, and will be satisfied by cash.

19) SHARE CAPITAL

	2010 Shares	2010 Share capital £'000	2010 Share premium £'000	2009 Shares	2009 Share £'000	2009 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	**63,914,076**	**1,278**	**9,999**	52,102,080	1,042	7,198
Shares issued on exercise of share options	**-**	**-**	**-**	156,250	5	110
Shares issued as contingent consideration	**775,610**	**16**	**182**	224,390	3	31
Shares issued as remuneration	**-**	**-**	**-**	320,245	6	98
Shares issued as private placement	**-**	**-**	**-**	11,111,111	222	2,562
At end of year	**64,689,686**	**1,294**	**10,181**	63,914,076	1,278	9,999

Issue of new shares

The company issued nil (2009: 156,250) ordinary shares during the year under the terms of the Company's share options scheme. The aggregate consideration received was £nil (2009: £34,438).

The company issued 775,610 (2009: 224,390) ordinary shares on 3rd August 2009 as contingent consideration for the acquisition of the trade and assets of DBDA (see note 18).

Issue of new shares after the reporting period

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

20) CONTINGENCIES AND COMMITMENTS

Capital Commitments

The Group had no capital commitments as at 31 March 2009 or 31 March 2010.

Operating Leases

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

	31 March 2010 Land and buildings £'000	31 March 2010 Other £'000	31 March 2009 Land and buildings £'000	31 March 2009 Other £'000
Within one year	**1,061**	**78**	1,072	47
Between one and five years	**2,273**	**130**	3,117	64
After five years	**265**	**1**	507	-
	3,599	**209**	4,696	111

21) 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.

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 2010 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 auditors

As explained more fully in the Directors' Responsibilities Statement (set out on page 16), 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 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/UKNP

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 2010;
- 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 2010.

MARK HENSHAW
SENIOR STATUTORY AUDITOR
FOR AND ON BEHALF OF GRANT THORNTON UK LLP
STATUTORY AUDITOR, CHARTERED ACCOUNTANTS
LONDON
08 JUNE 2010

	Note	£ '000	2010 £ '000	£ '000	2009 £ '000
Fixed assets					
Investments in Subsidiaries	24		**24,233**		23,790
Tangible assets	25		**71**		101
			24,304		23,891
Current assets					
Debtors	26	**6,226**		6,044	
Cash at bank		**1,536**		5,251	
		7,762		11,295	
Creditors					
Amounts falling due within one year	27	**(3,859)**		(4,611)	
Net current assets			**3,903**		6,684
Total assets less current liabilities			**28,207**		30,575
Creditors					
Amounts falling due after more than one year	28		**(9,450)**		(11,950)
Net assets			**18,757**		18,625
Capital and reserves					
Called up share capital	19		**1,294**		1,278
Share premium account	29		**10,338**		10,156
Capital reserve	29		**111**		111
Other reserve	29		**2**		2
Profit and loss account	29		**7,012**		7,078
Shareholders' funds			**18,757**		18,625

22) 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 2010 was £170,000 (2009: profit of £344,000).

(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.

23) EMPLOYEES - COMPANY

	31 March 2010 £'000	31 March 2009 £'000
Wages and salaries	**544**	645
Social security costs	**71**	65
Other pension costs	**54**	48
	669	758
Average number of employees		
Management	**4**	3
Administration	**1**	2
	5	5

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

24) INVESTMENT IN SUBSIDIARIES - COMPANY

	£'000
Total cost of acquisitions at 1 April 2009	23,790
Additions in year	444
Change in estimate of contingent consideration	-
Investment in subsidiaries at 31 March 2010	**24,233**
Investment in subsidiaries at 31 March 2009	**23,790**

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 Limited	England & Wales	Ordinary	70% Indirect	Channel Management
^Education Digital 2 Limited	England & Wales	Ordinary	75% Indirect	Channel Management
Films of Record Limited	England & Wales	Ordinary	100% Direct	TV Production
Ten Alps Communications Limited	England & Wales	Ordinary	100% Direct	Contract Publishing & Advertising
Ten Alps TV Limited	England & Wales	Ordinary	100% Direct	TV and Radio Production
#Ten Alps Asia Pte Limited	Singapore	Ordinary	100% Direct	TV Production
Ten Alps Asia Holdings Pte Limited	Singapore	Ordinary	100% Direct	Holding company
~Ten Alps Communications Asia Pte Limited	Singapore	Ordinary	60% Indirect	B2B Publishing

Subsidiary of Blakeway Productions Limited
^ Subsidiary of Brook Lapping Productions Limited
~ Subsidiary of Ten Alps Asia Holdings Pte Limited

25) TANGIBLE FIXED ASSETS - COMPANY

	Motor vehicles £000's	Office and computer equipment £000's	Total £000's
Cost			
At 31 March 2009	32	139	171
Additions	-	5	5
At 31 March 2010	32	144	176
Accumulated Depreciation			
At 31 March 2009	(10)	(60)	(70)
Charge for the year	(7)	(28)	(35)
At 31 March 2010	(17)	(88)	(105)
Net Book Value			
At 31 March 2010	**15**	**56**	**71**
At 31 March 2009	22	79	101

26) DEBTORS - COMPANY

	2010 £'000	2009 £'000
Amounts owed by subsidiary undertakings	**5,765**	5,158
Other debtors	**191**	240
Deferred taxation	**8**	41
Prepayments and accrued income	**263**	415
	6,226	5,853

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

	2010 £'000	2009 £'000
Bank loans	**2,500**	2,500
Trade creditors	**140**	69
Amounts due to subsidiary undertakings	**1,010**	732
Other creditors	**6**	(4)
Deferred contingent consideration	**90**	921
Accruals and deferred income	**160**	392
Corporation tax	**(46)**	-
	3,859	4,611

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

	2010 £'000	2009 £'000
Bank loans	**9,450**	11,950
	9,450	11,950

29) RESERVES - COMPANY

	Share premium account £'000	Capital reserve £'000	Other reserve £'000	Profit and loss account £'000
Balance at 1 April 2009	10,156	111	2	7,078
Shares issued	182	-	-	-
Recognition of equity-settled share-based payments in the year	-	-	-	104
Retained profit for the year	-	-	-	(170)
Balance at 31 March 2010	**10,338**	**111**	**2**	**7,012**

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Ten Alps plc will be held at One, New Oxford Street, High Holborn, London WC1A 1NU on 25 August 2010 at 10.30 a.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 2010, 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 Adrian Dunleavy be reappointed as Executive Director.

Special Business

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

4. THAT the directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 to allot relevant securities (as defined in the explanatory notes to this resolution) of up to maximum nominal value of £737,910 (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 £221,373 (being 15% 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 11,061,273 (representing 14.99% of the Company's issued Ordinary Share capital as at 8 June 2010);

   (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 maybe 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
8TH JUNE 2010
REGISTERED OFFICE: GREAT MICHAEL HOUSE, 14 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 Ltd, PXS, 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 Monday 23 August 2010 or, if the Meeting is adjourned, on the Company's Register of members 48 hours before the time fixed for the adjourned meeting, shall be entitled to attend and/or vote at the Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the Register of members after 6pm on Monday 23 August 2010 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 Wednesday 25 August 2010 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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