

**MediaZest plc**

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2015**

**(Company No. 05151799)**

# MediaZest plc

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# MediaZest plc

## DIRECTORS AND ADVISERS

### DIRECTORS

Lance O'Neill (Non-Executive Chairman)  
Geoffrey Robertson (Chief Executive Officer)  
James Abdool (Sales Director)  
Andrew Last (Finance Director) (Appointed 9 July 2015)

### SECRETARY

Cargil Management Services Limited

### REGISTERED OFFICE

Unit 9, Woking Business Park, Albert Drive  
Woking, Surrey, GU21 5JY

### NOMINATED ADVISERS

Northland Capital Partners Limited  
131 Finsbury Pavement  
London  
EC2A 1NT

### BROKERS

Hybridan LLP  
Birchin Court  
20 Birchin Lane  
London  
EC3V 9DU

### AUDITOR

Nexia Smith & Williamson  
Statutory Auditor  
Chartered Accountants  
18 – 21 Kings Park Road  
Southampton  
Hampshire  
SO15 2AT

### SOLICITORS

Nabarro LLP  
Lacon House  
Theobald's Road  
London WC1X 8RW

### PRINCIPAL BANKERS

Lloyds TSB Bank plc  
222 Strand  
London WC2R 1BB

### REGISTRARS

Share Registrars Limited  
Craven House  
West Street  
Farnham  
Surrey GU9 7EN

# **MediaZest plc**

## **STRATEGIC REPORT**

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The Company operates principally as a holding and investment company and specifically provides support to the subsidiary company in pursuit of the Group's strategy to deliver a one-stop audio, visual, satellite delivery, content management and consumer interaction platform to retailers and brand owners wishing to communicate dynamically with their customers to increase sales and brand awareness.

A review of business developments is given in the Chairman's Statement.

### **KEY PERFORMANCE INDICATORS**

Details of the Group's key performance indicators are given in the Chairman's Statement on page 4.

### **PRINCIPAL RISKS**

Principal non financial risks the directors are monitoring include:

*Global Economy* – the Group continues to face a risk of reduced levels of business as a result of the current economic environment. Management constantly monitor sales levels, pipeline and margin profitability and continue work to make the administrative cost base more flexible in order to minimise risk as a result of the economic climate. However, whilst there continues to be high levels of uncertainty in both the private and public sectors in which the Group operates, this consequential risk will remain.

*Technology obsolescence and supplier reliance* – as a leading provider of audio-visual technology, the Group faces risks if it does not gain access to the latest commercial products in its field of operation. As such, a sufficient proportion of management time is dedicated to keeping abreast of latest developments and gaining access to new technology. The Group is a "best practice" supplier with direct relationships with all the major audio-visual manufacturers and hence the directors do not consider there to be an undue risk associated with a lack of supply from any one particular manufacturer.

Principal financial risks the directors are monitoring are set out in Note 25.

**Approved by the Board of Directors  
and signed on behalf of the Board by**

**Geoffrey Robertson  
CEO**

**Date: 21 August 2015**

# MediaZest plc

## CHAIRMAN'S STATEMENT

### Introduction

The results for MediaZest plc (the "Group") for the year ended 31 March 2015 incorporate the results of its subsidiary, MediaZest International Limited, which is wholly owned.

### Results for the year and Key Performance Indicators

Turnover for the year was £2,483,000 (2014: £2,944,000), cost of sales was £1,686,000 (2014: £1,978,000) and the Group made a loss for the year, after taxation, of £656,000 (2014: £653,000) after finance costs of £83,000 (2014: £128,000) and having incurred administrative expenses of £1,490,000 (2014: £1,513,000).

The basic loss and diluted loss per share was 0.06p (2014: 0.09p). The Group had cash in hand of £13,000 (2014: £268,000) at the year end and an invoice discounting facility over the debtors of MediaZest International Ltd of which £174,000 (2014: £342,000) was in use at 31 March 2015. As at 31 March 2015, the Group had a limit of £500,000 (2014: £350,000) under the existing invoice discounting facility.

As at 31 March 2015, the Group also had loans from shareholders of £417,000 (2014: £200,000) and interest on those loans outstanding amounted to £29,000 (2014: £2,000). Of the 2015 year end shareholder loan balance, £114,000 represented a short term finance facility that was made available following a delay by a client on a project scheduled to have been completed prior to the year end. The full £114,000 was repaid in April 2015.

### Business overview

During the year the Group made demonstrable and sustainable progress in terms of market positioning and the acquisition of long term clients that used the Group's services. The Group's new Facial Recognition / Audience Measurement software product, "MediaZest Retail Analytics" was completed and launched successfully on both a trial and contractual basis with two high profile market brands. Furthermore, the Group acquired new clients of the calibre of Hyundai / Rockar, The Post Office, Ted Baker and Pfizer amongst others. The Group has continued to work with long term major clients such as Samsung, Kuoni, HMV and in the new financial year has begun to work again with Adidas.

In previous announcements the Board has referred to the sales mix and the need to enhance the quality of revenues by increasing the proportion of repeatable and / or retainer business relative to the project by project work that has historically represented the greater percentage of revenue. This continues to be the Group's policy and has, as such, borne fruit but on a slower basis than the board is satisfied with. The securing of a large scale project continues to have a material impact on the Group's trading performance and the occurrence and timing, of such contracts, affects financial results. Similarly, delays in the fulfilment of contracts are usually outside of the Group's control and therefore can have an effect on the quantum and timing of revenues. The effect of this makes it difficult to accurately forecast the timing of revenues and it is within this context that the results should be viewed, although this does not reflect the quality of, and the commercial diversity of, the Group's increased client base during the year.

Turnover for the year declined by £461,000 or 15.67% year on year although the loss for the year was little changed from the previous financial year's loss of £656,000. The reduction in turnover was attributable to the delay in completion of the material contract referred to earlier as well as the rescheduling of another significant contract to the current 2016 financial year.

# MediaZest plc

## CHAIRMAN'S STATEMENT (continued)

The loss before tax for the FY 2015 was similar to last year's despite enduring a fall of £461,000 in turnover. This was attained through the reduction in finance and administrative costs coupled with an overall policy of reducing the cost base. A further decision was made to relinquish the lease on the London showroom as it was felt that its usage had not yielded sufficient increases in sales relative to its cost in the period. It has been replaced by a more cost effective alternative. In this context the Board has moved to continue to defray costs across the Company in the new financial year by implementing a more flexible cost structure with a target of maintaining a cost base below £1,400,000 per annum. However, by cutting costs too much relative to turnover, the board risks compromising the quality of delivery that the Group is renowned for as exemplified by the Group's achievement in winning the Retail Week award for the Hyundai Rockar dealership at Bluewater shopping centre. This has also been short listed for a prestigious Point of Purchase Advertising International ("POPAI") award.

Investment in the sales process has improved prospects and, notwithstanding the rationalisation of the cost basis, the Group has continued to prioritise the generation of revenue and has recently appointed a senior salesperson to the newly created position of New Business Director.

### Strategy

The Board has the following policy to maximise revenues and long term value in the company:

- Emphasis on maximising opportunities by concentrating the Group's marketing and sales efforts on acquiring and developing business relationships with large scale customers which have both the desire and potential of rolling out digital signage in multiple locations;
- Improve the Group's recurring revenue streams through different managed service offerings;
- Develop proprietary products such as MediaZest Retail Analytics which can generate intellectual property on the statement of financial position and provide ongoing sustainable revenue streams;
- Market the Group's 'one stop shop' positioning to a wide range of global retailers in conjunction with existing partners.

This strategy has resulted in good progress over the last 12 months.

### Fundraising During the Period

On 17 December 2014, the Company announced a successful placing of 125,142,900 shares at 0.35p per share to raise £438,000 before expenses. The shares were admitted to AIM in January 2015 following shareholder approval of the placing. These funds have been utilised as follows:

- Investment in the sales process;
- Further development of the MediaZest Retail Analytics product (including building a bespoke version for an ongoing trial with a new potential retail client for this product); and
- Provision of additional group Working Capital.

# MediaZest plc

## CHAIRMAN'S STATEMENT (continued)

### Product Development

The Board has previously highlighted areas in which it was developing unique products as a means to improve and develop recurring revenues in order to provide the Group with a unique point of difference to other companies that operate in similar markets.

1. The development of the audience measurement product following excellent initial feedback in the testing and research phase.
2. Designs for a second product, a unique hologram unit, are also finalised, with a test build now scheduled for Autumn 2015 and a launch anticipated shortly thereafter. This has been previously delayed due to prioritisation of the MediaZest Retail Analytics product.

MediaZest 'soft' launched the first version of the audience measurement service "MediaZest Retail Analytics" in the first week of July 2014 to a wide potential customer base at a Samsung marketing event and in the public domain for the first time at the Retail Design Expo at the beginning of March 2015.

The Group continues to promote the product, and with a successful deployment in retail and subsequent renewal now achieved it has demonstrated the potential for this system. New customers are being sought and new marketing materials created to help promote the product. A second deployment is now live, on a trial basis, with a large UK based fashion retailer. This trial ends in August 2015 and the Group hopes to commercialise the deployment at that point.

It is the Board's expectation that, given the nature of this work, some clients will initially trial the system in this way before committing to implementation. The Board anticipates confirmation of a further client interest in utilising the system in the quarter ending 31 December 2015.

### Key Projects

Key projects undertaken during the year:

1. The deployment of a ground breaking new retail proposition with Hyundai / Rockar at the Bluewater shopping centre in Kent. New car dealership, Rockar, in partnership with Hyundai, delivered a new concept of "in store car retailing" which removes all paper and posters and replaces them with videowall technology. Instead of an EPOS system, purchasing customers use touchscreens that replicate an online sales process: a truly omnichannel store. Traditional car salespeople have been replaced with customer experience brand 'angels' who are committed to assisting the purchaser. MediaZest, after invitation from design experts Dalziel & Pow, were invited to tender for this deployment, won it and completed it over six months culminating in a live in store date in November 2014. The store has proved a huge success with customers and the quality of deployment has enabled the company to generate ongoing opportunities both with Hyundai and Rockar and several projects have subsequently been won for deployment in financial year 2015/16 with more expected to come in the next few months. As previously noted the project won the Retail Week Award for Digital Store of the Year and has been shortlisted for a prize at the forthcoming POPAI awards.

# MediaZest plc

## CHAIRMAN'S STATEMENT (continued)

2. In the announcement of 8 April 2015, the Group alluded to an opportunity being pursued with one of the UK's largest retailers, and is now able to provide a little more detail around this development. In April and May 2015 the company worked with The Post Office to provide audio visual solutions for their new concept branch in Kennington Park, London. The Company installed a number of digital solutions including in branch digital signage, high brightness window screens and a print on demand kiosk. The deployment was featured in a recent BBC documentary about The Post Office.
3. Hologram work was still represented during the early part of the year, with the build and first deployment of a bespoke unit for the UKTI promoting the UK at events around the world.
4. Existing customers such as HMV, Kuoni and Samsung continued to provide substantial business in retail stores and are maintaining this business in the current financial year ended 31 March 2016. Of the six new Kuoni stores that MediaZest delivered projects for in 2014, one included a large 15 screen abstract videowall, with images from around the globe. This highly advanced videowall deployment also included social media streaming and video content plus live weather feeds representing a step forward in content creation skills for the Company.
5. The Group has continued to work with Pfizer providing marketing services at events around the globe. Events have been delivered in Turin, New York, Berlin, Dublin and Las Vegas, with MediaZest technology and support at each. More events have followed in the New Year, including UK based activity in April 2015.
6. The Education sector continued to provide meaningful revenue streams for the Group, albeit at lower margins than generally achieved with retail clients. These projects included a greater proportion of kit supply versus consultancy and service provision which is high margin activity as costs are within the overhead of the company.

The current year has commenced in a positive manner with new client engagements with Ted Baker and Adidas along with ongoing projects such as The Post Office and the Hyundai / Rockar work.

### Board Appointments and Senior Personnel

Post year end, the Board has appointed Andy Last ACA as Finance Director of both MediaZest Plc and MediaZest International Ltd.

Andy Last (aged 34) joined MediaZest in October 2014. Since then he has played a key role in recent corporate developments as the Company continues to execute its strategy of winning new customer contracts whilst improving the Group's recurring revenue streams. Prior to MediaZest, Andy worked in practice for a Surrey based firm of Chartered Accountants and specialised in advising a portfolio of small and medium sized UK based businesses.

James Abdool, currently Group Sales Director, will step down from the Board on 31 August 2015. In the intervening period he will continue to work on current projects and clients. It is intended that Mr Abdool may continue to work with the Group in an ongoing capacity as a consultant and if so the terms of this arrangement would be expected to be agreed near the end of August.

Geoff Robertson will remain CEO and assume overall responsibility for the Group sales effort. To supplement the Company's resources in this area, the Board has appointed a senior new business development director, Richard Jerome, who has joined from Samsung UK. This role is not that of a statutory Director but is a senior level appointment to help drive the business forward.



# **MediaZest plc**

## **CHAIRMAN'S STATEMENT (continued)**

### **Outlook**

The Board believes the Group has made good commercial progress in the last 12 months, although it acknowledges this has not been commensurately reflected in the financial performance of the Group. However, after a positive start to the FY 2016 the board is looking to redress this situation through the opportunities that it is presently working on.

A wide range of these client opportunities exist on a roll out, 'business as usual' basis, which the Company believes will lead to generation of sufficient top line revenues and recurring business to take it to consistent profitability. The maintenance of key existing clients is crucial to achieving this objective as is the implementation of our proprietary product base as exemplified by the MediaZest Retail Analytics product.

The retail sector is clearly adopting audio-visual technology into stores in significant numbers and the Board believes the Group remains well placed to capitalise on this as investment grows in the in-store technology environment.

**Lance O'Neill**  
**Chairman**

**Date: 21 August 2015**

# MediaZest plc

## DIRECTORS' REPORT

The directors present their report and the audited financial statements of MediaZest plc (the "Company", and collectively with the subsidiary company, the "Group") for the year ended 31 March 2015 and the comparative year ended 31 March 2014. The consolidated financial results of the Group include the results of its subsidiary company, which is wholly owned.

Directors during the year were:

Lance O'Neill

Geoffrey Robertson

James Abdool

## RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £656,000 (2014: £653,000).

The directors do not recommend the payment of a dividend (2014: £nil).

## FINANCIAL RISK MANAGEMENT

Details of the Group's financial instruments and its policies with regards to financial risk management are given in note 25 to the financial statements.

## DISCLOSURE OF INFORMATION TO THE AUDITORS

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant available information of which the company's auditors were unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

## FUTURE DEVELOPMENTS

The likely future developments of the Group are outlined in the Chairman's Statement.

## POST BALANCE SHEET EVENTS

None.

# **MediaZest plc**

## **DIRECTORS' REPORT**

### **AUDITOR**

Nexia Smith & Williamson have expressed their willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the next Annual General Meeting.

**Approved by the Board of Directors  
and signed on behalf of the Board by**

**Geoffrey Robertson  
CEO**

**Date: 21 August 2015**

# MediaZest plc

## CORPORATE GOVERNANCE

The Company's ordinary shares are traded on AIM and the Group is therefore not formally required to comply with the principles of the UK Corporate Governance Code. The Board is committed to high standards of corporate governance and sets out below details of how it has applied those principles of the Code appropriate to the Group's circumstances.

### BOARD STRUCTURE

At the end of the year the Board comprised one full time executive director and one part time executive director and one non-executive director. Since the year end one additional full time executive director has been appointed.

To enable the Board to function effectively, full and timely access is given to all information.

The Board is structured so that all directors have input to provide a balance to decision making.

The full time executive directors are engaged under a service contract, the part time executive director is engaged under a consultancy agreement and the non-executive director under a letter of appointment. In accordance with the Company's memorandum and articles of association each director shall retire from office at the third general meeting after that at which he was elected and may offer himself for reappointment.

The Board aims to meet once a month and has a schedule of matters reserved for it, including, but not limited to, operational and financial performance.

Any training that individual directors feel is necessary in fulfilling their duties is available and all directors have access to independent advice if necessary.

### REMUNERATION COMMITTEE

Under the Chairmanship of Lance O'Neill, the Remuneration Committee determines the remuneration and contractual arrangements of individual executive and non-executive directors. The Board's report on directors' remuneration appears on page 13. The present members of the Committee are:

Lance O'Neill (Chairman)  
Geoffrey Robertson  
Andrew Last (Appointed 9 July 2015)

### AUDIT COMMITTEE

Under the Chairmanship of Lance O'Neill, the duties of the Audit Committee currently cover a review of the Group's financial reporting. The Committee's role is to review, on behalf of the Board, the annual report and financial statements and the interim report. The Committee focuses on reviewing any changes in accounting policy, major areas of judgement and estimates and compliance with accounting principles and regulatory requirements. The present members of the Committee are:

Lance O'Neill (Chairman)  
Geoffrey Robertson  
Andrew Last (Appointed 9 July 2015)

# MediaZest plc

## CORPORATE GOVERNANCE (Continued)

### RELATIONS WITH SHAREHOLDERS

The Group places importance on communication with its shareholders. Additional copies of the annual report are available to all shareholders on request and to other parties who have an interest in the Group's performance. All shareholders have the opportunity to raise questions at the Company's Annual General Meeting.

### INTERNAL FINANCIAL CONTROL

The Board is responsible for establishing and maintaining the Group's system of internal financial control and places importance on maintaining a strong control environment. The directors have established the following key procedures with a view to providing effective financial control:

- the Group's organisational structure has clear lines of responsibility.
- monthly results are reviewed and the directors closely review significant items.
- the Board is responsible for identifying the major business risks faced by the Group and for determining the appropriate courses of action to manage those risks.
- the executive directors are closely involved in the day-to-day supervision of the business.

The directors recognise, however, that any such system of internal financial control can only provide reasonable, but not absolute, assurance against material misstatement or loss.

# **MediaZest plc**

## **REPORT ON DIRECTORS' REMUNERATION**

The Remuneration Committee fixes the remuneration of the executive and non-executive directors.

### **SERVICE CONTRACTS**

At the year end the full time executive director was engaged under a service contract and the non-executive director under a letter of appointment both terminable by either party on six months notice.

The part time executive director was engaged under a consultancy agreement terminable by either party on three months notice.

### **SHARE OPTIONS**

The Board adopted a share option scheme during the course of 2006, however there were no options granted during the year ended 31 March 2015.

### **DIRECTORS' REMUNERATION**

The directors' remuneration information is set out in note 6 to the financial statements.

**By order of the Board**

**Geoffrey Robertson**  
**CEO**

**Date: 21 August 2015**

# MediaZest plc

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report and Directors' 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 the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business;
- make judgments and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS's as adopted by the European Union.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDIAZEST PLC

We have audited the financial statements of MediaZest plc for the year ended 31 March 2015 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows, and the related notes 1 to 28. 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 and, as regards the company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2015 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDIAZEST PLC (continued)****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 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.

Christopher Appleton  
Senior Statutory Auditor, for and on behalf of  
**Nexia Smith & Williamson**  
Statutory Auditor  
Chartered Accountants

18 – 21 Kings Park Road  
Southampton  
Hampshire  
SO15 2AT

**Date: 21 August 2015**

# MediaZest plc

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 £'000	2014 £'000
<b>Continuing operations</b>			
Revenue	3	2,483	2,944
Cost of sales		<u>(1,686)</u>	<u>(1,978)</u>
<b>Gross profit</b>		797	966
Administrative expenses		<u>(1,490)</u>	<u>(1,513)</u>
<b>Operating loss</b>	4	(693)	(547)
Finance costs	7	<u>(83)</u>	<u>(128)</u>
<b>Loss on ordinary activities before taxation</b>		(776)	(675)
Tax on loss on ordinary activities	8	<u>120</u>	<u>22</u>
<b>Loss for the year and total comprehensive loss for the year attributable to the owners of the parent</b>		<u><u>(656)</u></u>	<u><u>(653)</u></u>
<b>Loss per ordinary 0.1p share</b>			
Basic	10	(0.06p)	(0.09p)
Diluted	10	(0.06p)	(0.09p)

# MediaZest plc

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2015

(Company No. 05151799)

	Note	2015 £'000	2014 £'000
<b>Non-current assets</b>			
Goodwill	11	2,772	2,772
Tangible fixed assets	12	122	60
Intangible fixed assets	13	49	-
<b>Total non-current assets</b>		<u>2,943</u>	<u>2,832</u>
<b>Current assets</b>			
Inventories	15	87	95
Trade and other receivables	16	588	766
Cash and cash equivalents		13	268
<b>Total current assets</b>		<u>688</u>	<u>1,129</u>
<b>Current liabilities</b>			
Trade and other payables	17	(1,190)	(1,522)
Financial liabilities	18	(433)	(200)
<b>Total current liabilities</b>		<u>(1,623)</u>	<u>(1,722)</u>
<b>Net current liabilities</b>		(935)	(593)
<b>Non-current liabilities</b>			
Financial liabilities	18	(33)	-
<b>Total non-current liabilities</b>		<u>(33)</u>	<u>-</u>
<b>Net assets</b>		<u>1,975</u>	<u>2,239</u>
<b>Equity</b>			
Share capital	19	3,299	3,174
Share premium account		5,138	4,871
Share options reserve		7	7
Retained earnings		(6,469)	(5,813)
<b>Total equity</b>		<u>1,975</u>	<u>2,239</u>

The financial statements were approved and authorised for issue by the Board of Directors on 21 August 2015 and were signed on its behalf by:

**Geoffrey Robertson**  
CEO

# MediaZest plc

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31 MARCH 2015

	Share Capital £'000	Share Premium £'000	Share Options Reserve £'000	Retained Earnings £'000	Total Equity £'000
<b>Balance at 1 April 2013</b>	2,736	4,029	7	(5,160)	<b>1,612</b>
Loss for the year	-	-	-	(653)	<b>(653)</b>
Total comprehensive loss for the year	-	-	-	(653)	<b>(653)</b>
Issue of share capital	438	951	-	-	<b>1,389</b>
Share issue costs	-	(109)	-	-	<b>(109)</b>
<b>Balance at 31 March 2014</b>	<b>3,174</b>	<b>4,871</b>	<b>7</b>	<b>(5,813)</b>	<b>2,239</b>
Loss for the year	-	-	-	(656)	<b>(656)</b>
Total comprehensive loss for the year	-	-	-	(656)	<b>(656)</b>
Issue of share capital	125	313	-	-	<b>438</b>
Share issue costs	-	(46)	-	-	<b>(46)</b>
<b>Balance at 31 March 2015</b>	<b>3,299</b>	<b>5,138</b>	<b>7</b>	<b>(6,469)</b>	<b>1,975</b>

# MediaZest plc

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 £'000	2014 £'000
<b>Net cash used in operating activities</b>	<b>21</b>	(483)	(418)
<b>Taxation</b>		-	22
<b>Cash flows used in investing activities</b>			
Purchase of plant and machinery		(117)	(36)
Disposal of plant and machinery		3	3
Purchase of intellectual property		(61)	-
Purchase of leasehold improvements		(4)	(3)
<b>Net cash used in investing activities</b>		(179)	(36)
<b>Cash flow from financing activities</b>			
Repayment of bank borrowings		-	(8)
Other loans		49	(77)
Shareholder loan increases / (repayments)		217	(330)
Interest paid		(83)	(128)
Proceeds of share issue		438	1,389
Interest repaid with equity		-	(169)
Loans repaid with equity		-	(11)
Share issue costs		(46)	(109)
<b>Net cash generated from financing activities</b>		575	557
<b>Net (decrease) / increase in cash and cash equivalents</b>		(87)	125
Cash and cash equivalents at beginning of year		(74)	(199)
<b>Cash and cash equivalents at end of the year</b>	<b>20</b>	(161)	(74)

# MediaZest plc

## COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2015

(Company No. 05151799)

	Note	2015 £'000	2014 £'000
<b>Non-current assets</b>			
Investments	14	2,963	2,963
<b>Current assets</b>			
Trade and other receivables	16	134	19
Cash and cash equivalents		-	9
<b>Total current assets</b>		<u>134</u>	<u>28</u>
<b>Current liabilities</b>			
Trade and other payables	17	(116)	(206)
Financial liabilities	18	(417)	(200)
<b>Total current liabilities</b>		<u>(533)</u>	<u>(406)</u>
<b>Net current liabilities</b>		(399)	(378)
<b>Net assets</b>		<u>2,564</u>	<u>2,585</u>
<b>Equity</b>			
Share capital	19	3,299	3,174
Share premium account		5,138	4,871
Share options reserve		7	7
Retained earnings		(5,880)	(5,467)
<b>Total equity</b>		<u>2,564</u>	<u>2,585</u>

The financial statements were approved and authorised for issue by the Board of Directors on 21 August 2015 and were signed on its behalf by:

**Geoffrey Robertson**  
CEO

# MediaZest plc

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2015

	Share Capital £'000	Share Premium £'000	Share Options Reserves £'000	Retained Earnings £'000	Total Equity £'000
<b>Balance at 1 April 2013</b>	2,736	4,029	7	(4,931)	<b>1,841</b>
Loss for the year	-	-	-	(536)	<b>(536)</b>
Total comprehensive loss for the year	-	-	-	(536)	<b>(536)</b>
Issue of share capital	438	951	-	-	<b>1,389</b>
Share issue costs	-	(109)	-	-	<b>(109)</b>
<b>Balance at 31 March 2014</b>	<b>3,174</b>	<b>4,871</b>	<b>7</b>	<b>(5,467)</b>	<b>2,585</b>
Loss for the year	-	-	-	(413)	<b>(413)</b>
Total comprehensive loss for the year	-	-	-	(413)	<b>(413)</b>
Issue of share capital	125	313	-	-	<b>438</b>
Share issue costs	-	(46)	-	-	<b>(46)</b>
<b>Balance at 31 March 2015</b>	<b>3,299</b>	<b>5,138</b>	<b>7</b>	<b>(5,880)</b>	<b>2,564</b>

# MediaZest plc

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 £'000	2014 £'000
<b>Net cash used in operating activities</b>	<b>21</b>	(344)	(466)
<b>Cash flows from financing activities</b>			
Net receipts from / payments to group companies		(227)	(214)
Shareholder loans		217	(330)
Interest paid		(47)	(82)
Proceeds of share issue		438	1,389
Interest repaid with equity		-	(169)
Loans repaid with equity		-	(11)
Share issue costs		(46)	(109)
<b>Net cash generated from financing activities</b>		<u>335</u>	<u>474</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<u>(9)</u>	<u>8</u>
Cash and cash equivalents at beginning of year		9	1
<b>Cash and cash equivalents at end of year</b>	<b>20</b>	<u><u>-</u></u>	<u><u>9</u></u>



# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year covered by these financial statements.

MediaZest plc is a company domiciled and incorporated in the United Kingdom and principal place of business is 9 Woking Business Park, Albert Drive, Woking, Surrey GU21 5JY.

#### **Basis of preparation**

The financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006. The financial statements have been prepared under the historic cost convention unless otherwise stated.

#### **Going concern**

The directors have carefully considered the going concern assumption on the basis of financial projections and the factors outlined below.

The directors have considered financial projections based upon known future invoicing, existing contracts, pipeline of new business and the increasing number of opportunities it is currently working on, particularly in the retail sector.

In addition, these forecasts have been considered in light of the ongoing economic difficulties in the UK and global economy, previous experience of the markets in which the company operates and the seasonal nature of those markets, as well as the likely impact of ongoing reductions to public sector spending. These forecasts indicate that the company will generate sufficient cash resources to meet its liabilities as they fall due over the 12 month period from the date of the approval of the accounts.

The directors have obtained a letter of support from a shareholder who has provided a loan to the Group totalling £250,000 at 31 March 2015 (2014: £200,000) stating that they will not call for repayment of the loan within the 12 months from the date of approval of these financial statements or, if earlier, until the Group has sufficient funds to do so.

As a result the directors consider that it is appropriate to draw up the accounts on a going concern basis. Accordingly, no adjustments have been made to reflect any write downs or provisions that would be necessary should the Group prove not to be a going concern, including further provisions for impairment to goodwill and investments in Group companies.

#### **New standards and interpretations**

There were no new standards and interpretations affecting the 31 March 2015 financial statements.

Note 28 contains a list as at the date of authorisation of these financial statements of Standards and Interpretations which have not been applied in these financial statements and were in issue but not yet mandatorily effective. The directors do not anticipate that the adoption of these statements and interpretations will have a material impact on the Group's financial statements in the year of initial application.

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES (Continued)

#### **Basis of consolidation**

The Group financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) prepared to 31 March each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

#### **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

#### **Sales of goods**

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **Rendering of services**

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- installation fees are recognised by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the statement of financial position date;
- servicing fees included in the price of product sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold;
- revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred; and
- maintenance revenue is recognised evenly over the period of the contract.

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES (Continued)

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profits for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

#### **Deferred tax**

Deferred tax is recognised on the difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES (Continued)

#### **Business combinations and goodwill**

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree.

#### **Investments**

Investments in subsidiaries are stated at cost less any provision for impairment.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the statement of comprehensive income to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### **Property, plant and equipment**

Property, plant and equipment are stated at cost less depreciation. Depreciation is provided to write off the cost less estimated residual value in equal annual instalments over the estimated useful economic lives of the assets. The estimated useful economic lives are as follows:

Leasehold improvements	-	original lease term
Plant and machinery	-	three years

#### **Intangible fixed assets**

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided to write off the cost less estimated residual value in equal annual instalments over the estimated useful economic lives of the assets. The estimated useful economic lives are as follows:

Intellectual property	-	three years
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#### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable direct labour costs, and other costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price, less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

#### **Financial instruments**

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES (Continued)

#### Financial assets

Cash and cash equivalents include cash at bank, bank overdraft and the invoice discounting facility.

#### Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate except for short term receivables, when the recognition of interest would be immaterial.

#### Impairment of financial assets

Financial assets other than those at fair value are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the original recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable, it is written off against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of comprehensive income.

#### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES (Continued)

#### **Financial liabilities**

##### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

#### **Other financial liabilities**

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

#### **Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### **The group as lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **Foreign currencies**

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities are retranslated at the year-end rate. Exchange differences are taken to operating profit.

#### **Pension scheme**

The Group makes payments to certain employees' personal pension schemes. Costs incurred during the year are charged to the statement of comprehensive income as they fall due.

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the reported year.

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.

The most significant judgements relate to the going concern assumption (note 1) and to the non-recognition of deferred tax assets (note 8).

#### **Key sources of estimation uncertainty**

##### **Impairment of goodwill**

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate the present value and no provision for impairment was made in the year.

The carrying value of goodwill as at 31 March 2015 was £2,772,000 (2014: £2,772,000) – see Note 11.

##### **Impairment of investments**

Determining whether investments are impaired requires an estimation of the value in use of the cash generating units to which investments have been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate the present value.

Investments in subsidiaries held as fixed assets are stated at cost less provision for any impairment and have a carrying value as at 31 March 2015 of £2,963,000 (2014: £2,963,000) – see Note 14.

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 3. SEGMENTAL INFORMATION

Revenue for the year can be analysed by customer location as follows:

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
UK and Channel Islands	2,428	2,042
Rest of Europe	29	34
Rest of World	26	868
	<u>2,483</u>	<u>2,944</u>

Revenue for the year can be analysed between goods and services as follows:

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Goods and services	2,359	2,802
Service and maintenance	124	142
	<u>2,483</u>	<u>2,944</u>

#### Segmental information and results

The Chief Operating Decision Maker ('CODM'), who is responsible for the allocation of resources and assessing performance of the operating segments, has been identified as the Board. IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Board. The Group's reportable segments and their activities are listed below:

The Project Division supplies goods and installs AV equipment to a variety of clients in both the public and private sectors.

The Service/Maintenance Division provides services in the form of both proactive and reactive service visits, remote diagnostics, equipment repairs and content management to a variety of clients in both the public and private sectors.

The MediaZest Ventures Division covers the supply and installation of AV equipment to blue chip clients mainly within the retail sector.



# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 3. SEGMENTAL INFORMATION (Continued)

#### Segmental information and results (continued)

	2015				
	Project Division	Service and Maintenance Division	MediaZest Ventures Division	Unallocated	Total
	£'000	£'000	£'000	£'000	£'000
<b>Continuing operations</b>					
UK and Channel Islands	1,317	124	987	-	2,428
Rest of Europe	-	-	29	-	29
Rest of World	-	-	26	-	26
<b>Revenue</b>	1,317	124	1,042	-	2,483
Cost of sales	(923)	(27)	(736)	-	(1,686)
<b>Gross profit</b>	394	97	306	-	797
Administrative expenses	(511)	(34)	(265)	(612)	(1,422)
Depreciation	-	-	-	(68)	(68)
<b>Operating (loss)/profit</b>	(117)	63	41	(680)	(693)
Finance costs	-	-	-	(83)	(83)
<b>(Loss)/profit on ordinary activities before taxation</b>	(117)	63	41	(763)	(776)
Tax on loss on ordinary activities	-	-	-	120	120
<b>(Loss)/profit on ordinary activities after taxation</b>	(117)	63	41	(643)	(656)

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 3. SEGMENTAL INFORMATION (Continued)

#### Segmental information and results (continued)

	2014				
	Project Division £'000	Service and Maintenance Division £'000	MediaZest Ventures Division £'000	Unallocated £'000	Total £'000
<b>Continuing operations</b>					
UK and Channel Islands	1,388	142	512	-	2,042
Rest of Europe	6	-	28	-	34
Rest of World	859	-	9	-	868
<b>Revenue</b>	2,253	142	549	-	2,944
Cost of sales	(1,591)	(15)	(372)	-	(1,978)
<b>Gross profit</b>	662	127	177	-	966
Administrative expenses	(754)	(48)	(216)	(456)	(1,474)
Depreciation	-	-	-	(39)	(39)
<b>Operating (loss)/profit</b>	(92)	79	(39)	(495)	(547)
Finance costs	-	-	-	(128)	(128)
<b>(Loss)/profit on ordinary activities before taxation</b>	(92)	79	(39)	(623)	(675)
Tax on loss on ordinary activities	-	-	-	22	22
<b>(Loss)/profit on ordinary activities after taxation</b>	(92)	79	(39)	(601)	(653)

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit / (loss) represents the profit / (loss) of each segment without the allocation of corporate and head office costs and finance costs as reported to the Board.

Segment information in relation to assets and liabilities is not provided to the CODM.

The Group does not rely on any individual client – the following revenues arose from sales to the Group's largest client.

	2015 £'000	2014 £'000
Goods and services	414	883
Service and maintenance	15	20
	429	903

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 4. OPERATING LOSS

	2015	2014
	£'000	£'000
<b>This is stated after charging/(crediting):</b>		
Depreciation of owned tangible assets	38	39
Amortisation of intangible assets	12	-
Depreciation of assets held under hire purchase agreements	18	-
Pension contributions	5	5
Operating lease rentals paid:		
- land and buildings	165	38
- other	1	11
	<u>          </u>	<u>          </u>

### 5. AUDITOR'S REMUNERATION

	2015	2014
	£'000	£'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	12	7
The audit of the Company's subsidiary	6	12
Tax compliance services	7	3
Tax advisory services	1	1
	<u>          </u>	<u>          </u>

### 6. STAFF COSTS

	2015	2014
	£'000	£'000
<b>Staff costs during the year</b>		
Wages and salaries	712	729
Social security costs	80	82
Pension	5	5
	<u>          </u>	<u>          </u>
	<u>797</u>	<u>816</u>

	2015	2014
	Number	Number
<b>Average number of employees</b>		
Management	8	7
Other	10	11
	<u>          </u>	<u>          </u>
	<u>18</u>	<u>18</u>

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 6. STAFF COSTS (Continued)

	2015	2014
Directors' emoluments	£'000	£'000
Geoffrey Robertson	100	125
James Abdool	110	113
Lance O'Neill	50	50

Geoffrey Robertson has 133,333 unexercised share options at 15p (2013: 133,333 unexercised share options at 15p).

### 7. FINANCE COSTS

	2015	2014
	£'000	£'000
Loan interest, bank interest and charges	83	128

### 8. TAXATION

	2015	2014
	£'000	£'000
Current tax	(50)	(22)
Current tax – prior years	(70)	-
Deferred tax	-	-
Total tax credit for the year	(120)	(22)

The difference between the total tax credit shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2015	2014
	£'000	£'000
Loss before taxation	(776)	(675)
Tax on loss on ordinary activities at standard UK corporation tax rate of 21% (2014: 23%)	(163)	(155)
Effects of:		
Expenses not allowable for taxation	-	1
Prior year over provision of corporation tax	(70)	-
R&D taxation relief	(40)	(22)
Losses carried forward	153	154
Total tax credit for the year	(120)	(22)

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 8. TAXATION (Continued)

A potential deferred tax asset of £2,555,600 (2014: £2,559,800) in respect of the following (calculated at the corporate tax rate of 20%) has not been provided for on the basis that there is insufficient certainty over the date that they will be utilised.

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Losses carried forward	12,644	12,491
Net fixed asset timing differences (ACA)	126	300
Short term timing differences	8	8
	<u>12,778</u>	<u>12,799</u>

### Future tax developments

The main rate of corporation tax decreased from 21% in 2014/15 to 20% from 1 April 2015.

On 8 July 2015 the Government announced its intention to propose to Parliament a reduction in the corporation tax rate to 19% for the tax years from 2017 to 2020 and 18% for the tax year 2020.

As at 31 March 2015, the further reduction in the tax rate for the tax years from 2017 to 2020 has not been substantively enacted. Had it been substantively enacted at 31 March 2015, there would have been no impact on the financial statements.

### 9. RESULTS ATTRIBUTED TO MEDIAZEST PLC

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not included its own statement of comprehensive income in these financial statements. The Company's loss for the year was £413,000 (2014: £536,000).

### 10. LOSS PER ORDINARY SHARE

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Losses</b>		
Losses for the purposes of basic and diluted earnings per share being net loss attributable to equity shareholders	656	653
	<b>2015</b>	<b>2014</b>
<b>Number of shares</b>	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares for the purposes of basic earnings per share	942,729,036	700,199,072
Number of dilutive shares under option or warrant	-	-

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 10. LOSS PER ORDINARY SHARE (Continued)

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Weighted average number of ordinary shares for the purposes of dilutive loss per share	942,729,036	700,199,072

Basic loss per share is calculated by dividing the loss attributed to ordinary shareholders of £656,000 (2014: £653,000) by the weighted average number of shares during the year of 942,729,036 (2014: 700,199,072).

The diluted loss per share is identical to that used for basic loss per share as the exercise of warrants and options would have the effect of reducing the loss per share and therefore is not dilutive.

### 11. GOODWILL

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Net book value	<u>2,772</u>	<u>2,772</u>

Goodwill acquired in a business combination is allocated at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill has been historically allocated as follows:

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
MediaZest Ventures	113	113
Project and services division	<u>2,659</u>	<u>2,659</u>
	<u>2,772</u>	<u>2,772</u>

The group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct selling costs during the year.

Management has estimated a discount rate of 12.5% (2014: 12.5%) using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on recent historical data, future opportunities and orders placed. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management and extrapolates cash flows for a total period of five years based on estimated growth rates that do not exceed the average long term growth rate for the relevant markets. For accounting purposes, management has estimated that long term growth rates are assumed to be 3% (2014: 3%), although they believe the Group has the potential for much greater growth.

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 12. PROPERTY, PLANT AND EQUIPMENT

	<b>Leasehold Improvements £'000</b>	<b>Plant and Machinery £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 April 2014	46	148	194
Additions	4	117	121
Disposals	-	(3)	(3)
At 31 March 2015	<u>50</u>	<u>262</u>	<u>312</u>
<b>Depreciation</b>			
At 1 April 2014	44	90	134
Provided during the year	1	55	56
Disposals	-	-	-
At 31 March 2015	<u>45</u>	<u>145</u>	<u>190</u>
<b>Net Book Value</b>			
At 31 March 2015	<u>5</u>	<u>117</u>	<u>122</u>

	<b>Leasehold Improvements £'000</b>	<b>Plant and Machinery £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 April 2013	43	331	374
Additions	3	36	39
Disposals	-	(209)	(209)
At 31 March 2014	<u>46</u>	<u>158</u>	<u>204</u>
<b>Depreciation</b>			
At 1 April 2013	42	269	311
Provided during the year	2	37	39
Disposals	-	(206)	(206)
At 31 March 2014	<u>44</u>	<u>100</u>	<u>144</u>
<b>Net Book Value</b>			
At 31 March 2014	<u>2</u>	<u>58</u>	<u>60</u>

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 13. INTANGIBLE FIXED ASSETS

	Intellectual Property £'000	Total £'000
<b>Cost</b>		
At 1 April 2014	-	-
Additions	61	61
Disposals	-	-
At 31 March 2015	61	61
<b>Depreciation</b>		
At 1 April 2014	-	-
Provided during the year	12	12
Disposals	-	-
At 31 March 2015	12	12
<b>Net Book Value</b>		
At 31 March 2015	49	49

### 14. INVESTMENTS IN SUBSIDIARIES

Investments	Shares in group undertakings £'000	Loans to group undertakings £'000	Total £'000
<b>Cost</b>			
At 1 April 2014	2,963	969	3,932
Repayment of loans to group undertakings	-	-	-
At 31 March 2015	2,963	969	3,932
<b>Provision for impairment</b>			
At 1 April 2014	-	969	969
Release of provision	-	-	-
At 31 March 2015	-	969	969
<b>Net Book Value</b>			
At 31 March 2015	2,963	-	2,963



# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 14. INVESTMENTS IN SUBSIDIARIES (Continued)

Investments	Shares in group undertakings £'000	Loans to group undertakings £'000	Total £'000
<b>Cost</b>			
At 1 April 2013	2,963	969	3,932
Repayment of loans to group undertakings	-	-	-
At 31 March 2014	2,963	969	3,932
<b>Provision for impairment</b>			
At 1 April 2013	-	969	969
Release of provision	-	-	-
At 31 March 2014	-	969	969
<b>Net Book Value</b>			
At 31 March 2014	2,963	-	2,963

At 31 March 2015 the Company held the following interests in unlisted subsidiary undertakings:

Name of company	Country of incorporation	Proportion held	Business
MediaZest International Ltd	UK	100%	Audio Visual Supply & Installation

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 15. INVENTORIES

	2015	2014
	£'000	£'000
Finished Goods	87	95

The cost of inventories recognised as an expense and included within cost of sales amounted to £1,594,000 (2014: £1,909,000).

During the year the Group made a provision against slow moving stock of £12,000 (2014: £nil).

### 16. TRADE AND OTHER RECEIVABLES

	The Group	The Group	The Company	The Company
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Trade receivables	410	538	-	-
Amounts owed from group company	-	-	125	-
Other receivables	6	16	4	13
Corporation tax repayable	120	-	-	-
Prepayments and accrued income	52	212	5	6
	<u>588</u>	<u>766</u>	<u>134</u>	<u>19</u>

The Group and Company's credit risk is primarily attributable to its trade and other receivables. Based on prior experience and an assessment of the current economic environment, the directors have considered any provision for irrecoverable amounts that was required and consider that the carrying amount of these assets approximates their fair value.

The table below shows the ageing of trade receivables that are past due but not impaired

	2015	2014
	£'000	£'000
31 – 60 days	34	58
61 – 90 days	31	20
91 + days	8	3
	<u>73</u>	<u>81</u>

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 17. TRADE AND OTHER PAYABLES

	<b>The Group</b>	<b>The Group</b>	<b>The</b>	<b>The</b>
	<b>2015</b>	<b>2014</b>	<b>Company</b>	<b>Company</b>
	<b>£'000</b>	<b>£'000</b>	<b>2015</b>	<b>2014</b>
			<b>£'000</b>	<b>£'000</b>
Trade payables	530	844	108	73
Amount owed to group company	-	-	-	103
Invoice discounting facility	174	342	-	-
Other payables	80	18	-	-
Other taxes and social security payables	88	82	-	-
Accruals and deferred income	318	236	8	30
	<u>1,190</u>	<u>1,522</u>	<u>116</u>	<u>206</u>

The directors consider that the carrying amount of trade and other payables approximates to their fair value and the Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

At the year end the Group had an invoice discounting facility of up to £500,000 of which there were £174,000 (2014: £342,000) of funds in use. This facility is provided through the wholly owned subsidiary MediaZest International Ltd and is secured under an existing all assets debenture.

### 18. FINANCIAL LIABILITIES

	<b>The Group</b>	<b>The Group</b>	<b>The Company</b>	<b>The Company</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Current</b>				
Shareholder loans	417	200	417	200
Hire purchase liabilities	16	-	-	-
	<u>433</u>	<u>200</u>	<u>417</u>	<u>200</u>

Current shareholder loan interest rates are fixed and range between 10% pa and 15% pa (2014: 10% - 15%).

	<b>The Group</b>	<b>The Group</b>	<b>The Company</b>	<b>The Company</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Non-current</b>				
Hire purchase liabilities	33	-	-	-
	<u>33</u>	<u>-</u>	<u>-</u>	<u>-</u>

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 19. CALLED UP SHARE CAPITAL

	2015 Number of shares	2015 £'000	2014 Number of shares	2014 £'000
<b>Allotted, called up and fully paid</b>				
Ordinary shares of 0.1 pence	1,039,757,641	1,040	914,614,741	915
Deferred shares of 9.9 pence	22,825,327	2,259	22,825,327	2,259
Total	<u>1,062,582,968</u>	<u>3,299</u>	<u>937,440,068</u>	<u>3,174</u>

Each ordinary share carries the right to one vote at company meetings, equal rights in any ordinary dividend declaration and equal rights in the distribution of any surplus due to ordinary shareholders upon a winding up.

The deferred shares do not carry voting or dividend rights and deferred shareholders are only entitled to payment on winding up after the ordinary shareholders have received a payment of £1,000,000 on each ordinary share in issue.

#### New share issues

On 9 January 2015 the company issued and allotted 125,142,900 new ordinary shares of 0.1p at a price of 0.35p raising £438,000.

	Ordinary 2015	Deferred 2015	Total 2015	Ordinary 2014	Deferred 2014	Total 2014
Opening balance	914,614,741	22,825,327	937,440,068	476,792,227	22,825,327	499,617,554
New issues	<u>125,142,900</u>	-	<u>125,142,900</u>	<u>437,822,514</u>	-	<u>437,822,514</u>
Closing balance	<u>1,039,757,641</u>	<u>22,825,327</u>	<u>1,062,582,968</u>	<u>914,614,741</u>	<u>22,825,327</u>	<u>937,440,068</u>

Costs directly associated with the share issue amounted to £46,000 (2014: £109,000).

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 20. CASH AND CASH EQUIVALENTS

	<b>The Group</b>	<b>The Group</b>	<b>The Company</b>	<b>The Company</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash held at bank	13	268	-	9
Invoice discounting facility	(174)	(342)	-	-
	<u>(161)</u>	<u>(74)</u>	<u>-</u>	<u>9</u>

### 21. CASH USED IN OPERATIONS

	<b>The</b>	<b>The</b>	<b>The</b>	<b>The</b>
	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Operating loss	(693)	(547)	(367)	(454)
Depreciation / amortisation charge	68	39	-	-
Decrease in inventories	8	28	-	-
Increase / (decrease) in payables	(186)	313	13	(15)
(Increase) / decrease in receivables	320	(251)	10	3
<b>Net cash outflow from operating activities</b>	<u>(483)</u>	<u>(418)</u>	<u>(344)</u>	<u>(466)</u>

### 22. LEASING COMMITMENTS

The Group has commitments under non-cancellable operating leases for which payments extend over a number of years as follows:

	<b>2015</b>		<b>2014</b>	
	<b>Land and</b>	<b>Other</b>	<b>Land and</b>	<b>Other</b>
	<b>Buildings</b>		<b>Buildings</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Due				
- within one year	45	2	72	3
- within two to five years	19	5	69	7
- after five years	-	-	-	-
	<u>64</u>	<u>7</u>	<u>141</u>	<u>10</u>

### 23. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2015 (2014: £nil).

### 24. CONTINGENT LIABILITIES

The Group had no contingent liabilities at 31 March 2015 (2014: £nil).

The Company has an unlimited corporate guarantee in favour of RBS Invoice Finance to discharge, on demand, the obligations of MediaZest International Ltd with interest from the date of demand. Details of the outstanding balances can be found in Note 17.

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 25. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and cash equivalents, shareholder loans, invoice discounting facility, bank loan and items such as trade payables and trade receivables which arise directly from its operations. The main purpose of these financial instruments is to facilitate the Group's operations.

The Group's operations expose it to a variety of financial risks including credit risk, liquidity risk, interest rate risk and foreign currency exchange rate risk. Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Group's finance department.

#### Shareholder loans

Included within current liabilities are loans of £417,000 (2014: £200,000) owed to shareholders, interest rates are fixed and range between 10% pa and 15% pa (2014: 10% - 15%).

#### Credit risk

The Group's credit risk is primarily attributable to its trade receivables. The Group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board. The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure of the group to credit risk at the reporting date was:

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Trade receivables	410	538
Other receivables	6	16
Cash and cash equivalents	13	268

These are the only amounts classified as loans and receivables under IAS 39.

#### Interest rate risk

The Group is exposed to interest rate risk as a result of positive cash balances at certain times during the year which earn interest at a variable rate, however the interest fluctuation would not be material therefore no sensitivity analysis is required under IFRS 7.

The Group is exposed to interest rate risk as a result of its invoice discounting facility and bank overdraft, denominated in sterling, which accrues interest at a variable rate, however the interest balance is not material and therefore no sensitivity analysis is required under IFRS 7.

The Group has fixed rate shareholder loans which are carried at amortised cost and changes in the market interest rates of these liabilities do not affect profit or equity therefore no sensitivity analysis is required under IFRS 7.

The Group has not entered into any derivative transactions during the year.

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 25. FINANCIAL INSTRUMENTS (Continued)

#### Liquidity risk

The Group maintains short-term debt finance that is designed to ensure it has sufficient available funds for operations and planned expansions. The Group monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due. The following table shows the contractual maturities of the Group's financial liabilities, all of which are measured at amortised cost:

At 31 March 2015	Trade payables £'000	Other loans £'000	Invoice discounting facility £'000	Total £'000
6 months or less	494	417	174	1,085
6 - 12 months	-	-	-	-
1 - 2 years	36	-	-	36
Total contractual cash flows	530	417	174	1,121
Carrying amount of financial liabilities measured at amortised cost	530	417	174	1,121

At 31 March 2014	Trade payables £'000	Other loans £'000	Invoice discounting facility £'000	Total £'000
6 months or less	844	200	342	1,386
6 - 12 months	-	-	-	-
1 - 2 years	-	-	-	-
Total contractual cash flows	844	200	342	1,386
Carrying amount of financial liabilities measured at amortised cost	844	200	342	1,386

At the year end the Group had an invoice discounting facility of up to £500,000 of which there were £174,000 (2014: £342,000) of funds in use.

This facility is provided through the wholly owned subsidiary MediaZest International Ltd and secured under an existing all assets debenture.

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 25. FINANCIAL INSTRUMENTS (Continued)

#### Market risk and sensitivity analysis

##### Foreign currency exchange rate risk

The Group is exposed to foreign currency exchange rate risk as a result of trade receivables and trade payables which will be settled in US Dollars and Euros. The impact on foreign exchange is immaterial therefore no sensitivity analysis is required under IFRS 7.

##### Capital risk management

The Group defines capital as being share capital plus reserves. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitors the level of capital as compared to long term debt commitments and adjusts the ratio of debt to capital as it is determined to be necessary.

### 26. RELATED PARTY TRANSACTIONS

There is no ultimate controlling party of MediaZest plc.

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Group.

Key management of the Group are:

Geoffrey Robertson  
Lance O'Neill  
James Abdool  
James Ofield  
Andrew Last

Information regarding their compensation, excluding employer's national insurance contributions is given below in aggregate per IAS 24 Related Party Disclosures.

	<b>The Group 2015 £'000</b>	<b>The Group 2014 £'000</b>	<b>The Company 2015 £'000</b>	<b>The Company 2014 £'000</b>
Short term benefits	327	420	260	288
Pension contribution	5	5	-	-
	<u>332</u>	<u>425</u>	<u>260</u>	<u>288</u>



# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 26. RELATED PARTY TRANSACTIONS (Continued)

James Abdool's fees as a director amounted to £110,000 (2014: £113,000), charged through NeJo Partners, and the balance outstanding as at 31 March 2015 was £21,000 (2014: £11,000).

The following loans from key management personnel were outstanding at 31 March 2015 (2014: £nil):

James Abdool £22,000

James Ofield £24,000

Lance O'Neill is a director of EP&F Capital Advisory Limited and EP&F Capital Plc.

During the year EP&F Capital Plc provided office space to the Group amounting to £nil (2014: £5,000).

The Group owed £21,000 (2014: £21,000) to EP&F Capital Plc and owed EP&F Capital Advisory Limited £15,000 (2014: £15,000) at 31 March 2015.

The Group had outstanding loans from City & Claremont Capital Assets Limited, the group's largest shareholder, as at 31 March 2015 of £250,000 (2014: £200,000). The interest accrued on this loan in the year ended 31 March 2015 was £29,000 (2014: £56,000) and is included in finance costs in the consolidated statement of comprehensive income.

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### 27. SHARE BASED PAYMENTS

During 2006, the company issued share options to employees. The options were granted at various dates between August and October. The options were granted on terms that they will vest on the third anniversary of the grant date, and will be settled by the issue of ordinary shares of 0.1 pence. The options may not be exercised later than the day before the tenth anniversary of the grant date. Option holders must remain employees in order to meet the vesting conditions.

Details of the share options outstanding during the year are as follows:

	<b>2015</b>	<b>2006</b>
	<b>Number of share options</b>	<b>Weighted average exercise price</b>
Outstanding at the beginning of the year	287,894	15p
Granted during the year	-	
Forfeited during the year	-	15p
Exercised during the year	-	
Expired during the year	-	
Outstanding at the end of the year	<u>287,894</u>	15p
Exercisable at the end of the year	<u>287,894</u>	15p
Share price at grant date		7.50p-11p
Exercise price		15p
Volatility		30%-45%
Expected life		5
Risk free rate		4.65%-4.91%
Expected dividend yield		Nil

Expected volatility was determined by calculating the historical volatility of the Group's share price over the year prior to the grant date. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. The weighted average contractual life of options outstanding at 31 March 2015 was one year (2014: two years).

The Group recognised total expenses of £nil related to equity-settled share-based payment transactions (2014: £nil).

# MediaZest plc

## NOTES TO THE FINANCIAL STATEMENTS

### **28. LIST OF PUBLISHED IFRS THAT ARE NOT EFFECTIVE FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

At the date of authorisation of these financial statements, the following standards and interpretations, which are issued but not yet effective, may be relevant to the group, have not been applied:

- IAS 1: Presentation of Financial Statements (Amended)
- IFRS 9: Financial Instruments (Newly issued)
- IFRS 15: Revenue from Contracts with Customers (Newly issued)
- IAS 16: Property, Plant and Equipment (Amended)
- IAS 27: Separate Financial Statements (Amended)
- IAS 38: Intangible Assets (Amended)

Amendments to IFRSs arising from Annual Improvements Projects:

- Improvements to International Financial Reporting Standards

The directors anticipate that the adoption of these Standards and Interpretations as appropriate in future years will have no material impact on the financial statements of the Group when the relevant standards come into effect for years commencing after the statement of financial position date.