

One Media Publishing Group PLC

Directors report and Financial Statements

For the year ended 31 October 2009

Company No. 5799897

One Media Publishing Group PLC

Company Information

Directors

Michael Anthony Infante JP
Nigel Smethers
Scott Cohen

Secretary

Nigel Smethers

Registered Office

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Pinewood Studios
Pinewood Road
Iver Heath
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Corporate Advisors

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3rd Floor, Henry Thomas House
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EC2A 2BH

Solicitors

Marriott Harrison
12 Great James Street
London
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Bankers

Barclays Bank Plc
Media centre
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London
W1D 3QR

Registrars

Share Registrars Ltd
9 Lion and Lamb Yard
Farnham
Surrey
GU9 7LL

Auditors

James Cowper LLP
3 Wesley Gate
Queen's Road
Reading, Berkshire
RG1 4AP

One Media Publishing Group PLC

Contents

	Page
Chairman's statement	1 - 2
Directors' report	3- 5
Independent auditors' report	6 - 7
Consolidated profit and loss account	8
Consolidated balance sheet	9
Company balance sheet	10
Consolidated cash flow statement	11
Notes to the consolidated cash flow statement	12
Notes to the consolidated financial statements	13 - 22

One Media Publishing Group PLC

Chairman's Statement

For the year ended 31 October 2009

Since the half year announcement your Group has continued to acquire more content and strike even more strategic industry relationships within the emerging digital markets. In addition to this I am delighted to announce the Groups first positive EBITD and Profit before Tax for the year ended 31 October 2009.

In what can only be described as the world's hardest trading year ever, our business model has proven to be on track and grown despite market forces and is delivering profit. I am convinced that the future of music distribution is as One Media predicted in 2006 wholly residing within the digital market place.

For the twelve months to 31 October 2009 the Group's reported turnover is £794,728 up 29% on the equivalent twelve months figure for 2008 of £615,667. The profit of £65,841 compares favourably with twelve months loss for 2008 of £89,350, with an EBITDA profit of £145,083 for 2009 compared to the 2008 EBITDA loss of £35,131.

The last twelve months has seen the Group acquire four music content catalogues, sign representation deals with EMI Music Publishing, Sony ATV Music Publishing and Universal Music Publishing. We have increased turnover by 29% and have over 5500 albums now listed on all major downloading sites such as iTunes, Amazon, Emusic, Spotify, Tesco's and HMV to name a few.

Review of Activities

In February 2009 the Group signed a deal with EMI Music Publishing to supply EMI with a selection of One Media's music recordings for the purpose of film and TV usages. Additionally, in the same month, we signed three new contracts for three diverse music catalogues, being:

1. One thousand two hundred hours of classical music performed by a variety of worldwide known orchestras, covering all of the best known movements and classical greats
2. A contract to exploit the works from selected recordings of the Sex Pistols, Marc Bolan, Lou Reed, Iggy Pop and other New Wave music from the 1970s; and
3. A catalogue of world music and easy listening music with over 5,000 individual recordings contained within.

In August 2009 I reported a deal whereby One Media made available to Sony ATV Music Publishing all of its (One Media's) music that is published by Sony for the use in synchronisation (music for film or TV)

In September 2009, a similar deal for all One Media's music published by Universal Music Publishing was agreed for use in synchronisation (music for film or TV)

One Media Publishing Group PLC

Chairman's Statement (continued)

For the year ended 31 October 2009

The digital market place has its own challenges with a reliance on consumers becoming internet literate and all homes achieving a decent broadband connection. As the current retail high street becomes ever more under pressure due to the recession we are experiencing continued growth via our online digital distribution model. One Media is a Business to Business supplier, we have no downloading site of our own and are free to supply all of the 450 plus legitimate digital stores worldwide. We are not dependent on any one store's marketing strengths as we supply our content to all.

Financial Overview

The Group achieved a consolidated turnover of £794,728 in the twelve months to 31 October 2009, an increase of 29% on the equivalent twelve months of the previous year reflecting the growing success the Group is achieving in building on the digital download business and continued activity in traditional music sales and the licensing markets. As at 31 October 2009, cash balances were £210,177 with shareholders' funds of £1,039,994.

The profit before tax for the twelve months ended 31 October 2009 was £65,841 (2008: loss £89,350) after providing £16,950 for bad debts (2008 : £59,300), with a basic and fully diluted profit per share of 0.07 pence (2008: loss 0.10pence). The Group is well aware of the likelihood of bad debts occurring in this current economic climate and I remind our shareholders that, as primarily an intellectual copyright provider, our ability to recover physical product when faced with an unpaid debt is limited.

Outlook

The Directors continue to be satisfied with the performance of the Group's business to date. Further, whilst digital music and video distribution markets are themselves growing, the Group continues to explore digital content acquisitions under license or by straight purchase.

We continue to be active members of the BPI ("British Phonographic Industry") and fully support all anti piracy initiatives tabled by the association which, in the long term serves to protect One Media's copyright interests.

Once again the team at One Media is ready to tackle 2010 with renewed enthusiasm buoyed by the performance in 2009 and determined to succeed in these very difficult and changing market conditions

Again my thanks to all the staff at One Media and to our loyal shareholders.



Michael A Infante
Chairman
25 February 2010

One Media Publishing Group PLC

Directors' Report

For the year ended 31 October 2009

The directors have pleasure in presenting their report and financial statements for the year ended 31 October 2009.

Principal activities

The principal activities of the group throughout the year were the acquisition and licensing of audio-visual intellectual copyrights and publishing for distribution through the new emerging digital downloading medium and through traditional media outlets. The group is a B2B content supplier to the major downloading music retailers, a traditional music licensor to the record industry and a supplier of music to the film and TV industries. The group continues to believe that the creation of its own dedicated consumer website is not yet of interest as that is the primary activity of its major customers. The group outsources digital content through The Orchard its strategic partner for downloading services.

Business review and future developments

A detailed review of the business in the year and future developments is given in the Chairman's statement on pages 1 and 2.

Whilst the group focuses on downloading the traditional routes to market are not being ignored. But with the ever changing retail scene being accelerated by the much publicised national and global economic problems there is risk as well as great potential.

The risk of piracy and abuse to copyright are ever present in the music industry. Piracy of music is more prevalent in the pop/chart sectors but with the groups music aimed primarily at a different buying market the risks are less. The last year has seen significant changes in the market for trading music catalogues, making valuations more difficult and increasingly subjective, and with the "credit crunch" restricting the ability to raise additional funds for development capital growth through catalogue acquisition may be restricted. The traditional risk associated with customer insolvency, and inability or unwillingness to pay debts continues to be a threat which the group constantly monitors. This has not however prevented the results for the year being adversely affected by bad debts as reported elsewhere.

The group has continued to enter into representative deals with independent record labels and content owners to market their rights in the digital arena and to invest in copyrights and intellectual property that are considered to attract a suitable and sustainable rate of return.

The key performance indicators the directors use to monitor the performance of the group include :

Costs and number of tracks "ingested".

Growth in the customer base and margins achieved on sales activity.

Overhead to turnover growth.

Value and volume of "downloads".

Share price movements and changes in shareholders are constantly monitored as a major contributor to long term planning.

Directors' liability insurance

The Group provides professional indemnity insurance for its directors and key staff.

Results and dividend

A profit of £65,841 (2008:loss of £89,350) after providing £16,950 for bad debts (2008: £59,300).

The directors do not recommend the payment of a dividend.

One Media Publishing Group PLC

Directors' Report (continued)

For the year ended 31 October 2009

Directors

The following directors held office during the year :

Michael Anthony Infante JP

Scott Cohen

Nigel Smethers

Paul John Evans (resigned 3 March 2009)

Directors and their interests

The directors' interests (including family interests) in the shares of the company were as follows

	Ordinary share of 0.5p each	
	At 31 October 2009	At 31 October 2008
	Nos	Nos
Michael Anthony Infante JP	17,966,737	15,800,000
Nigel Smethers	265,000	-
Scott Cohen	-	-
Paul John Evans (resigned 3 March 2009)	500,000	500,000

Warrants in Ordinary shares of 0.5p each

	At 31 October 2009	At 31 October 2008
	at 2p each	at 2p each
	Nos	Nos
Michael Anthony Infante JP	4,000,000	4,000,000
Nigel Smethers	500,000	-
Scott Cohen	500,000	-
Paul John Evans (resigned 3 March 2009)	-	500,000

	at 1p each	at 1p each
	Nos	Nos
Michael Anthony Infante JP	8,000,000	8,000,000

The warrants expire on 25 September 2012.

One Media Publishing Group PLC

Directors' Report (continued)

For the year ended 31 October 2009

Supplier payment policy

The group's policy is to agree the terms of payment with each supplier when agreeing purchasing terms and to settle each transaction in accordance with those terms. Group trade payables at the year end amounted to 47 days purchases (2008: 74 days)

Financial risk management

The group's policy with regard to financial risk management is disclosed in note 16.

Charitable and political donations

The group made no charitable or political donations during the year (2008 :£nil).

Auditors

James Cowper LLP were appointed as auditor during the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Directors' responsibilities

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (united Kingdom Accounting Standards and applicable law). 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 profit or loss of the company for that period. In preparing these 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements ;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

Each director of the company has confirmed that, in fulfilling their duties as a director, they have:

- taken all necessary steps in order to make themselves aware of any information relevant to the audit and to establish that the auditors are aware of that information: and
- so far as they are aware there is no relevant audit information of which the auditors have not been made aware.

On behalf of the board



Michael Infante

Director

25 February 2010

Independent Auditors' Report to the Shareholders of One Media Publishing Group PLC

We have audited the group and parent company financial statements of One Media Publishing Group PLC for the year ended 31 October 2009, which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and 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 Group, the Company and the Company's members as a body, for our audit work, for the report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As explained more fully in the Statement of Directors' responsibilities, 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 the 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group and the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion

In our opinion the financial statements :

- give a true and fair view of the state of the Group and the Company's affairs as at 31 October 2009 and of its profit for the year then ended ;
- 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 matters prescribed by the Companies Act 2006

On our opinion the information given in the Chairman's and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report to the Shareholders of One Media Publishing Group 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, or returns adequate for our audit have not been received from branches not visited by us ; or
- the 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; or
- the directors were not entitled to prepare the financial statements and the Directors' report in accordance with the small companies regime.



Mr Alexander Peal (Senior Statutory Auditor)
for and on behalf of

James Cowper LLP

Statutory Auditor and Chartered Accountants
3 Wesley Gate
Queen's Road
Reading, Berkshire
RG1 4AP

26 February 2010

One Media Publishing Group PLC
Consolidated Profit and Loss account
For the year ended 31 October 2009

	Note	Year ended 31 October 2009 £	Year ended 31 October 2008 £
Turnover	2	794,728	615,677
Cost of sales		(325,370)	(274,732)
Gross profit		<u>469,358</u>	<u>340,945</u>
Administration expenses		(404,887)	(439,041)
Operating profit/(loss)	3	<u>64,471</u>	<u>(98,096)</u>
Interest payable	4	(1,109)	(660)
Interest receivable	4	2,479	9,406
Profit/(loss) on ordinary activities before taxation		<u>65,841</u>	<u>(89,350)</u>
Taxation	5	-	-
Profit/(loss) for the year	18	<u><u>65,841</u></u>	<u><u>(89,350)</u></u>
Basic and fully diluted profit/(loss) per share	8	<u><u>0.07p</u></u>	<u><u>(0.10)p</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing activities.

There are no recognised gains or losses in either year other than those presented in the Profit and Loss Account.

One Media Publishing Group PLC
Registered Number : 5799897 (England and Wales)
Consolidated Balance Sheet at 31 October 2009

	Notes	£	2009 £	£	2008 £
Fixed assets					
Intangible assets	9		727,764		692,086
Tangible assets	10		<u>29,953</u>		<u>27,124</u>
			757,717		719,210
Current assets					
Debtors	12	311,887		278,921	
Cash at bank and in hand		<u>210,177</u>		<u>174,573</u>	
		522,064		453,494	
Creditors : amounts falling due within one year	13	<u>(238,112)</u>		<u>(193,859)</u>	
Net current assets			283,952		259,635
Total assets less current liabilities			<u>1,041,669</u>		<u>978,845</u>
Creditors : amounts falling greater than one year	14		(1,675)		(4,692)
Total assets less current liabilities			<u>1,039,994</u>		<u>974,153</u>
Net assets			<u><u>1,039,994</u></u>		<u><u>974,153</u></u>
Capital and reserves					
Called up share capital	17		456,857		456,857
Share premium account	18		663,000		663,000
Profit and loss account	18		(79,863)		(145,704)
Shareholders' funds	20		<u><u>1,039,994</u></u>		<u><u>974,153</u></u>

The notes on pages 13 to 22 form part of these financial statements.

These financial statements were approved by the board of directors on 25 February 2010 and signed on their behalf by:

M Infante
Director

One Media Publishing Group PLC
Registered Number : 5799897 (England and Wales)
Company Balance Sheet at 31 October 2009

	Notes	£	2009 £	£	2008 £
Fixed assets					
Investments	11		493,817		493,817
Current assets					
Debtors	12	259,410		203,576	
Cash at bank and in hand		189,203		185,933	
		<u>448,613</u>		<u>389,509</u>	
Creditors : amounts falling due within one year	13	<u>(13,877)</u>		<u>(26,168)</u>	
Net current assets			434,736		363,341
Total assets less current liabilities			<u>928,553</u>		<u>857,158</u>
Net assets			<u><u>928,553</u></u>		<u><u>857,158</u></u>
Capital and reserves					
Called up share capital	17		456,857		456,857
Share premium account	19		663,000		663,000
Profit and loss account	19		(191,304)		(262,699)
Shareholders' funds	20		<u><u>928,553</u></u>		<u><u>857,158</u></u>

The notes on pages 13 to 22 form part of these financial statements.

These financial statements were approved by the board of directors on 25 February 2010 and signed on their behalf by:

M Infante
Director

One Media Publishing Group PLC

Consolidated Cash Flow Statement

For the year ended 31 October 2009

	Cashflow note	Year ended 31 October 2009		Year ended 31 October 2008	
		£	£	£	£
Net cash inflow/(outflow) from operating	1		156,370		(66,027)
Return on investments and servicing of finance					
Interest received		2,479		9,406	
Interest paid		<u>(1,109)</u>		<u>(660)</u>	
			1,370		8,746
Capital expenditure and financial investments					
Investments in copyrights		(102,198)		(150,596)	
Investment in fixed assets		<u>(16,921)</u>		<u>(15,092)</u>	
			(119,119)		(165,688)
Acquisition	3				
Acquisition of subsidiary		-		(11,270)	
			-		(11,270)
Financing					
Lease & HP payments			(3,017)		-
Increase/(decrease) in cash			<u>35,604</u>		<u>(234,239)</u>
Cash at the beginning of the year			174,573		408,812
Cash at the end of the year			<u><u>210,177</u></u>		<u><u>174,573</u></u>

One Media Publishing Group PLC

Note to the Consolidated Cash Flow Statement

For the year ended 31 October 2009

	Year ended 31 October 2009 £	Year ended 31 October 2008 £	
1 Reconciliation of operating profit/(loss) to net cash outflow from operating activities			
Operating profit/(loss)	64,471	(98,096)	
Depreciation and amortisation	80,612	62,965	
(Increase) in debtors	(32,966)	(101,467)	
Increase in creditors	44,253	70,571	
Net cash inflow/(outflow) from operating activities	156,370	(66,027)	
2 Analysis of net debt			
	At 31 October 2008 £	Cash flows £	At 31 October 2009 £
Net cash :			
Cash at bank and in hand	174,573	35,604	210,177
Debt :			
Hire purchase liabilities			
Debt falling due within one year	(8,719)	3,017	(5,702)
Net Debt	165,854	38,621	204,475
3 Reconciliation of net cash flow to movement in debt		Year ended 31 October 2009 £	
Increase in cash in year		35,604	
Cash effect of decrease in lease financing		3,017	
Movement in net debt in year		<u>38,621</u>	
Opening net debt		165,854	
Closing net debt		<u>204,475</u>	

One Media Publishing Group PLC

Notes to the Consolidated Financial Statements

For the year ended 31 October 2009

1 Accounting policies

Accounting basis and standards

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The consolidated accounts incorporate the accounts of the company and all of its subsidiary undertakings. Where subsidiaries are acquired or sold during the year the group profit and loss account includes the results for the part of the year for which they were subsidiaries. The company has taken advantage of section 408 of the Companies Act 2006 and consequently the profit and loss account of the parent company is not presented as part of these accounts. All subsidiaries are consolidated using the acquisition method.

Turnover

Turnover represents the value of goods and digital income generated in the accounting period and is recognised either when goods are delivered and title passed or, in the case of digital income, when reported to the company. Turnover excludes VAT. Estimates of revenue are based on the extent the group has performed its contractual obligations.

Goodwill

Goodwill is determined by comparing the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets, and is written off over its economic life estimated at 20 years.

Licences and other intangible assets

Licences and other intangible assets, including capitalised labour, are valued at cost less accumulated amortisation. Capitalised labour represents costs incurred in "ingesting" product and the compilation of existing content into new and revised albums. Amortisation is calculated to write off the cost in equal amounts over the life of the licences and other intangible assets (between 26 months and 20 years).

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes an estimate of expense incurred in developing software systems with an ongoing value to the group. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Furniture and fixtures	33.33% straight line
Office equipment	33.33% straight line

Investment in subsidiary

Investment in subsidiary undertakings is shown at cost, less any provision for impairment.

One Media Publishing Group PLC

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2009

1 Accounting policies (continued)

Deferred taxation

Deferred taxation is provided for on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date. No timing differences are recognised in respect of (i) property revaluation surpluses where there is no commitment to sell the asset; (ii) gains on sale of assets where those assets have been rolled over into replacement assets; and (iii) additional tax which would arise if profits of overseas subsidiaries are distributed except where otherwise required by accounting standards. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in future is uncertain. Any assets and liabilities recognised have not been discounted.

Foreign currency

Transactions in foreign currency are recorded at the rate of exchange on the date the transaction occurs. Monetary assets and liabilities denominated in foreign currency are reported at the rate of exchange ruling on the balance sheet date.

Hire purchase

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the capital repayments outstanding.

Leases

Rentals payable under operating leases are charged against revenue on a straight line basis over the lease term.

One Media Publishing Group PLC

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2009

2 Turnover

Turnover is the amount attributable to the group's principal activity undertaken in the United Kingdom. The geographic split of group sales is as follows :

	Year ended 31 October 2009 £	Year ended 31 October 2008 £
United Kingdom	133,334	131,173
North America and Canada	502,851	332,063
Europe	114,257	144,764
Other	44,286	7,677
	<u>794,728</u>	<u>615,677</u>

3 Operating profit/(loss)

	Year ended 31 October 2009 £	Year ended 31 October 2008 £
--	------------------------------------	------------------------------------

Operating loss is stated after charging :

Directors' remuneration	68,940	72,187
Amortisation of goodwill	24,504	23,385
Amortisation of copyrights	42,016	31,734
Depreciation of fixed assets	14,092	7,846
Operating lease - office rent	20,098	22,498
Auditors' remuneration - audit fees	7,100	15,000
Auditors' remuneration - taxation	1,900	3,000
Bad debts	16,950	59,300
Difference on foreign exchange	6,067	296

Included with the amounts above for auditors remuneration is £2,300 on relation to the audit of the Parent Company and £900 for taxation.

4 Interest receivable and payable

	Year ended 31 October 2009 £	Year ended 31 October 2008 £
Bank interest payable	<u>1,109</u>	<u>660</u>
Bank interest received	<u>2,479</u>	<u>9,406</u>

One Media Publishing Group PLC

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2009

5	Taxation	Year ended 31 October 2009 £	Year ended 31 October 2008 £
	Analysis of charge for the year		
	Current tax		
	UK corporation tax at 28% (2008: 28%)	<u>-</u>	<u>-</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 28% (2008: 28%). The actual tax charge for the current year is less than the standard rate for the reasons set out in the following reconciliation :

	Year ended 31 October 2009 £	Year ended 31 October 2008 £
Reconciliation of current tax charge		
Profit/(loss) on ordinary activities before tax	<u>65,841</u>	<u>(89,350)</u>
Tax on Profit/(loss) on ordinary activities at 28% (2008: 28%)	18,436	(25,018)
Effects of :		
Non deductible expenses	3,455	-
Depreciation add back	10,806	-
Capital allowances	(3,627)	-
Group losses	(29,070)	25,018
Current tax charge	<u>-</u>	<u>-</u>

The group has estimated losses of £70,500 (2008: £148,900) available for carry forward against future trading profits.

No deferred taxation asset has been provided in respect of the losses carried forward as their future recoverability is not certain. Were deferred taxation on losses to be recognised the amount would be £22,900.

6	Employee information	Year ended 31 October 2009 £	Year ended 31 October 2008 £
	Staff costs, including directors' remuneration, were as follows :		
	Directors' emoluments	62,442	42,780
	Fees paid to directors	6,498	29,407
	Wages and salaries	159,338	157,206
	Social security costs	20,962	12,656
		<u>249,240</u>	<u>242,049</u>

One Media Publishing Group PLC

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2009

6 Employee information (continued)

The average monthly number of group employees (including executive and non-executive directors) during the year was as follows :

	Year ended 31 October 2009	Year ended 31 October 2008
Office and management	<u>8</u>	<u>8</u>

7 Parent company profit and loss account

The profit for the year to 31 October 2009 dealt within in the financial statements of the parent company was £71,395 (Loss 2008: £133,411). As permitted by section 408 of the Companies Act 2006, no separate profit and loss account is prepared for the parent company.

8 Profit/(loss) per share

The calculation of the profit per share is based on the profit for the financial period of £65,841 (2008 : loss £89,350) divided by the weighted average number of shares in issue 91,371,339 (2008 : 91,371,339). The diluted loss per share is identical to that used for the basic loss per share as the exercise of options would have the effect of reducing the loss per share and therefore is not dilutive under Financial Reporting Standard 22 "Earnings per share".

9 Intangible assets - group

	Goodwill	Licences and other intangible assets	Total
	£	£	£
Cost			
At 1 November 2008	446,664	340,383	787,047
Additions	-	102,198	102,198
At 31 October 2009	<u>446,664</u>	<u>442,581</u>	<u>889,245</u>
Amortisation			
At 1 November 2008	40,590	54,371	94,961
Charge for the year	24,504	42,016	66,520
At 31 October 2009	<u>65,094</u>	<u>96,387</u>	<u>161,481</u>
Net book value			
At 31 October 2009	<u>381,570</u>	<u>346,194</u>	<u>727,764</u>
At 31 October 2008	<u>406,074</u>	<u>286,012</u>	<u>692,086</u>

One Media Publishing Group PLC

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2009

10	Tangible assets - group	Office equipment £	Furniture and fittings £	Total £
	Cost			
	At 1 November 2008	32,806	5,234	38,040
	Additions	16,921	-	16,921
	At 31 October 2009	<u>49,727</u>	<u>5,234</u>	<u>54,961</u>
	Depreciation			
	At 1 November 2008	8,008	2,908	10,916
	Charge for the year	12,347	1,745	14,092
	At 31 October 2009	<u>20,355</u>	<u>4,653</u>	<u>25,008</u>
	Net book value			
	At 31 October 2009	<u>29,372</u>	<u>581</u>	<u>29,953</u>
	At 1 November 2008	<u>24,798</u>	<u>2,326</u>	<u>27,124</u>

Hire purchase agreements

Included within the net book value of £29,953 is £5,256 (2008: £8,576) relating to assets held under hire purchase agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £3,320 (2008: £1,383).

11	Investment in subsidiary	Total £
	Cost	
	At 1 November 2008 and 31 October 2009	<u>493,817</u>

Company	Country of registration or	Nature of business	Class	Shares held %
One Media Publishing Limited	England and Wales	Audio-visual content management	Ordinary	100%
Collecting Records LLP	England and Wales	Audio-visual content management		99%
One Media Publishing Inc.	Canada	Dormant	Ordinary	100%

The company's investment at the balance sheet date is 100% of the share capital of the unlisted company One Media Publishing Limited, the unlisted company One Media Publishing Inc. and 99% of the Limited Liability Partnership Collecting Records LLP. The other 1% of The Limited Liability Partnership Collecting Records LLP is held by One Media Publishing Limited.

All the above activities are included in the consolidated financial statements

One Media Publishing Group PLC

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2009

12 Debtors	Group 2009 £	Group 2008 £	Company 2009 £	Company 2008 £
Amounts owed by group undertakings	-	-	242,264	186,910
Trade debtors	186,962	160,257	-	-
Other debtors	116,403	107,519	17,146	16,666
Prepayments	8,522	11,145	-	-
	<u>311,887</u>	<u>278,921</u>	<u>259,410</u>	<u>203,576</u>
13 Creditors : amounts falling due within one year	Group 2009 £	Group 2008 £	Company 2009 £	Company 2008 £
Trade creditors	41,924	55,819	2,411	16,550
Social security and other taxes	6,699	10,736	-	-
Accruals	75,829	18,708	11,466	9,618
Other creditors	109,633	104,569	-	-
Lease and hire purchase	4,027	4,027	-	-
	<u>238,112</u>	<u>193,859</u>	<u>13,877</u>	<u>26,168</u>
14 Creditors : amounts falling due greater than one year	Group 2009 £	Group 2008 £	Company 2009 £	Company 2008 £
Lease and hire purchase	1,675	4,692	-	-
	<u>1,675</u>	<u>4,692</u>	<u>-</u>	<u>-</u>
15 Commitments under hire purchase agreements				
Future commitments under hire purchase agreements are as follows :				
	Group 2009 £	Group 2008 £	Company 2009 £	Company 2008 £
Amounts payable within 1 year	4,027	4,027	-	-
Amounts payable between 1 and 2 years	1,675	4,027	-	-
Amounts payable between 2 and 5 years	-	665	-	-
	<u>5,702</u>	<u>8,719</u>	<u>-</u>	<u>-</u>

One Media Publishing Group PLC

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2009

16 Financial instruments

The group's financial instruments comprise some cash and liquid resources and various items, such as trade debtors, trade creditors etc. which directly arise from its operations. The main purpose of these financial instruments is to provide finance for its operations. Trade and other short term debtors and creditors are not discussed further in this note.

The main risks arising from the group's financial instruments are interest rate risk, liquidity risk and foreign exchange risk. The policies for managing each of these risks, adopted during the period of the report, are summarised below. These policies have remained unchanged throughout the period covered by the report.

Interest rate risk

The group finances its operations through the cash derived from its issue of equity shares. It did not enter into any interest rate derivatives transactions to manage interest rate risk.

Liquidity risk

As regards liquidity, the group's policy has been to retain cash surpluses not required for day to day operations i interest bearing deposit accounts.

Foreign currency risk

The group operates in the UK but receives substantial portions of its income in foreign currency. Material exchange rate risks in such sales contracts will be covered as appropriate. The group had no forward currency contracts in the period.

Interest rate risk profile of financial assets and financial liabilities :

Financial assets

The group had no financial assets, excluding short term debtors, other than cash deposits, which are held as pa of the group's financial arrangements. Cash deposits are held in short term or overnight deposit accounts.

Maturity of financial liabilities

The maturity profile of the group's financial liabilities at 31 October 2009 was as follows:

	2009 £	2008 £
In one year or less on demand	238,112	193,859
Greater than one year	1,675	4,692
	<u>239,787</u>	<u>198,551</u>

One Media Publishing Group PLC

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2009

17	Share capital	2009	2008
	Group and company	£	£
	Authorised :		
	200,000,000 ordinary shares of 0.5p each	<u>1,000,000</u>	<u>1,000,000</u>
	Issued :		
	91,371,399 (2008 : 91,371,339) ordinary shares of 0.5p each	<u>456,857</u>	<u>456,857</u>

At 31 October 2009 the following warrants were outstanding :

Year of grant	Nos of shares	Period of subscription	Price per share
2009	10,000,000	3 years	1p
2009	2,000,000	3 years	1.5p
2009	<u>6,000,000</u>	3 years	2p
	<u>18,000,000</u>		

No warrants were exercised during the period.

18	Reserves	Share premium account	Profit and loss account	Total
	Group	£	£	£
	Balance at 1 November 2008	663,000	(145,704)	517,296
	Retained profit for the year	-	65,841	65,841
	Balance at 31 October 2009	<u>663,000</u>	<u>(79,863)</u>	<u>583,137</u>

One Media Publishing Group PLC

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2009

19 Reserves	Share premium account £	Profit and loss account £	Total £
Company			
Balance at 1 November 2008	663,000	(262,699)	400,301
Retained profit for the year	-	71,395	71,395
Balance at 31 October 2009	<u>663,000</u>	<u>(191,304)</u>	<u>471,696</u>
20 Reconciliation of movements in shareholders' funds			
	Group £		Company £
Profit/(loss) for the year	65,841		71,395
Opening shareholders' funds	974,153		857,158
	<u>1,039,994</u>		<u>928,553</u>

21 Pension scheme

Neither the group or company operates or contributes into any pension schemes.

22 Financial commitments

At 31 October 2009 the group was committed to making the following payments under non-cancellable operating leases in the year to 31 October 2009 :

	Land and buildings		Other	
	2009 £	2008 £	2009 £	2008 £
Group				
Operating leases which expire :				
Within one year	23,119	22,070	-	-
Within two to five years	-	-	-	-
More than five years	-	-	-	-
<hr/>				
Company				
Operating leases which expire :				
Within one year	-	-	-	-
Within two to five years	-	-	-	-
More than five years	-	-	-	-
<hr/>				

23 Related party transactions

The company has taken advantage of the exemption in FRS8 Related Party transactions in respect of disclosure of transactions with group companies.