OMiP

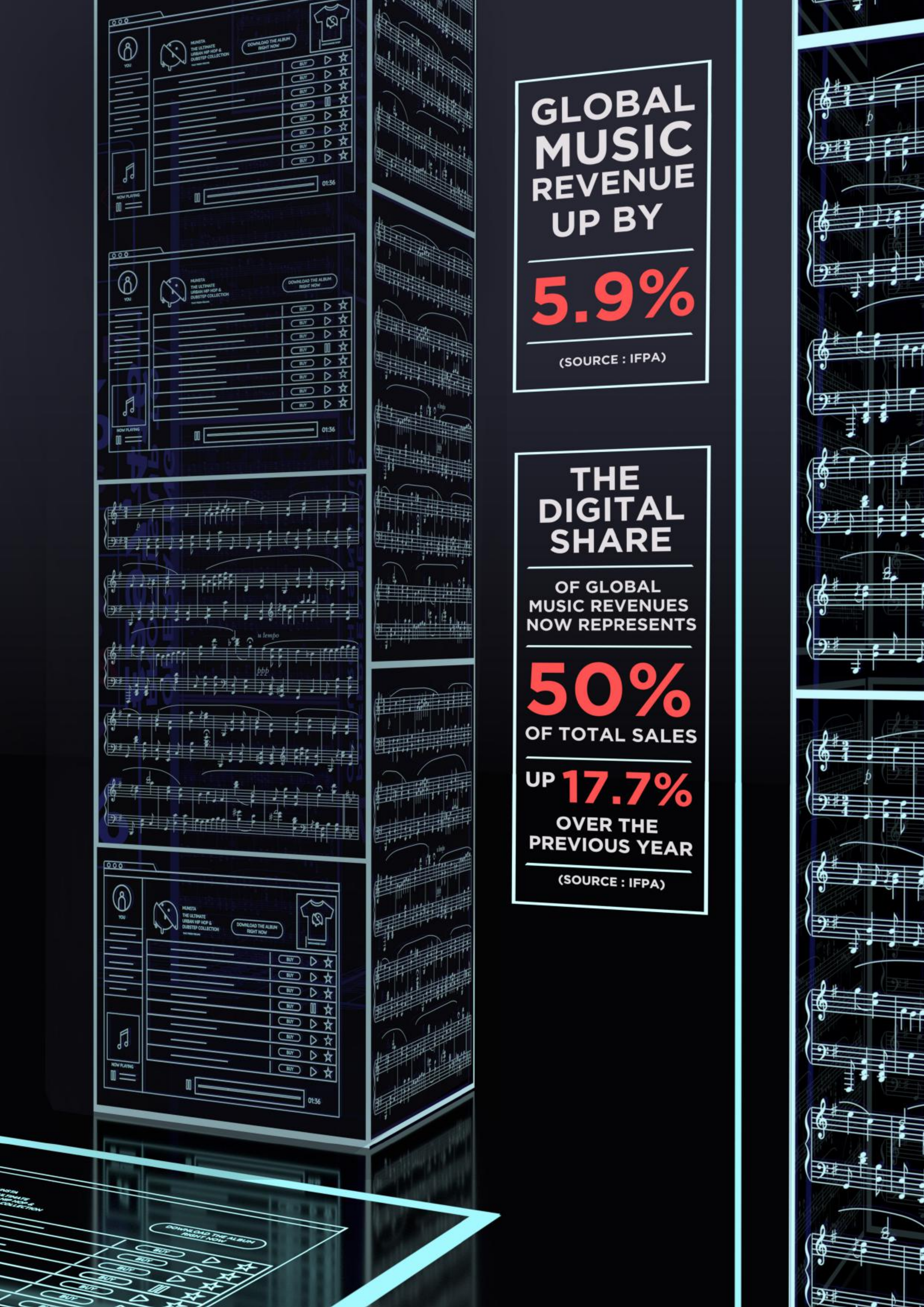
One Media iP PLC

Annual Reports and Accounts

For the year ending
31st October 2017

2017
THE GROWTH
OF UK MUSIC
CONSUMPTION


STREAMING CONTINUES THE MARCH FOR THE CONSUMER-PREFERRED METHOD OF PURCHASING MUSIC
2017
REVENUE UP
14%
ON 2016
EBITDA
INCREASED TO
£535,678
UP BY
121%
OPERATING PROFITS UP TO
£297,416


GLOBAL MUSIC REVENUE UP BY
5.9%
(SOURCE : IFPA)
THE DIGITAL SHARE
OF GLOBAL MUSIC REVENUES NOW REPRESENTS
50%
OF TOTAL SALES
UP 17.7%
OVER THE PREVIOUS YEAR
(SOURCE : IFPA)

Company Information

Directors	Michael Antony Infante Scott Cohen Philip Miles
Secretary	Steven Gunning
Registered Office	Pinewood Studios 623 East Props Building Pinewood Road Iver Heath Buckinghamshire SL0 0NH
Nomads	Cairn Financial Advisers LLP 61 Cheapside London EC2V 6AX
Brokers	Panmure Gordon (UK) Limited One New Change London EC4M 9AF
Solicitors	Marriott Harrison Staple Court 11 Staple Inn Buildings London WC1V 7QH
Bankers	Coutts & Co 440 Strand London WC2R 0QS Barclays Bank Plc Level 27, 1 Churchill Place London E14 5HP
Registrars	Share Registrars Ltd 9 Lion and Lamb Yard Farnham Surrey GU9 7LL
Auditors	James Cowper Kreston Reading Bridge House George Street Reading, Berkshire Berkshire RG1 8LS

ONE MEDIA iP Group Plc

Contents

Executive Chairman's Statement
For the year ended 31 October 2017

I left off last year by stating that I was beginning to sound like a worn out record being played at the wrong speed. Well I am pleased to report that like the music we sell, we are back on track. The music industry is reporting growth and the press have been bullish in their analysis on music streaming. Album and track downloading is giving way to the subscription based and advert-funded method of consumer music buying. We have experienced the green shoots of recovery and are positioning ourselves to meet the new demands of a more fully rounded copyright business. As we approached our year-end, strategic changes in both our systems and personnel supported our continued growth. We have engaged in further system development with TCAT and employed additional 'software developers'. We have rationalised our management team to have the right skill sets in place to take us forward and kept a firm grip on financial control. Over the year under review we have continued to invest in system and sales development for the Company, which is always hard to bear in a downward trend, but has proven to be the correct route. We have managed this situation without any borrowing or additional equity funding. Yes, it has meant a suspension of our dividend program and has been reflected in rigorous control measures, but we are now better positioned to meet the new challenges. What are the Group's new challenges?

Firstly we have aligned ourselves with the predicted growth path of the music and video industry over the next five years. Our core business is still audio based but as we grow we can fully expect to see an increase in revenues coming from a proactive sales initiative from the Group's video library into emerging territories such as Russia, India and China. Our Men & Motors back catalogue and newly formatted show initiative has found a partnership with industry specialists Global Genesis Group, a TV & Film distributor based in North America, who are tasked with finding the sponsorship and broadcasters for a new Men & Motors show format developed in the UK. Meanwhile TCAT is making progress with the major record distributors and post year-end has signed its second international record label as a key account. We anticipate further progress with TCAT, as its service becomes a recognised industry standard in copyright enforcement and protection.

As confidence returns into our sector we anticipate further acquisitions in keeping with our original buy and build strategy. Music, video and publishing opportunities, will all be on our radar. At the half year I stated that the music industry's trade revenues were expected to grow by 5.1% (source BPI Official Charts Company) and the Group is pleased to say that we surpassed that benchmark achieving 14% growth over the year under review. In the financial overview below are further industry statistics.

Currency still impacts our profitability. Shifts in both the US Dollar and the Euro continue to affect both our revenue and profits and we continue to anticipate a fluctuating currency exchange rate.

The market overview below will provide a greater in-depth look at the state of the global music market. We maintain a 'measured pace' on rights acquisitions whilst the market place stabilises and multiples adjust accordingly. Most acquisitions are based on the 'targets' previous financial performance, so a return to music industry growth should benefit our rights acquisition initiative.

Our in-house team of Creative Technicians that manage our metadata, design our digital artwork and are all 'YouTube accredited' by the YouTube annual exam programme, have adapted their skillsets to include digital audio publishing. The Group has introduced a series of 'digital on-demand' printed books, uploaded to Amazon's 'Print on Demand' service. The original sound master to many of our 'spoken word' recordings has been transliterated and presented as paperback books or 'ebooks'. This necessitates no stock holding and no print runs. Basically a digital file is uploaded and acts as 'master' to each 'printout' on a one-off basis. The service is fully automated and operated by our distribution partner, Amazon.

Our music library continues to be used for synchronisation purposes. This is the use of our audio behind film, TV or advertising. In the year under review we have had placements in shows such as Nashville, Hawaii Five-0, Marvel's The Flash, Ghosted, Bad Moms and American Gods to name a few.

We are pleased to report that TCAT has been successfully trialled with one major international music aggregator and subsequently we have entered into a commercial arrangement monetising the service. Post year-end we are pleased to confirm that another major international record company has contracted with TCAT and started using our service. We are now offering TCAT as a 'Software as a Service' (SAAS) analysis tool to the wider major record industry with a variety of bespoke services. Each new client requires a varying rights management service and undertakes to an exacting 'brief' prior to the service being activated. We anticipate, as our experience grows and in-house developers create

Executive Chairman's Statement
For the year ended 31 October 2017

'industry-first' data sets for our TCAT clients, that the value of TCAT will be fully realised as we roll out the service. For more information on TCAT please visit www.tcat.media.

Review of Activities

Financial Overview

The year under review has been encouraging and we have seen revenues grow by 14% up to £2,337,624 and our EBITDA up by 121% to £535,678 (2016: £242,326). Our operating profit is up to £297,416, a significant increase over our 2016 figure of £28,959. Despite our cash investment into our new technologies, rights investments, exhibitions and the cost of certain staff realignments, our year-end cash balance is up by 14% at £383,051. Our Gross margin is stable at 45%. Overheads for the year, after the strict administrative controls implemented by the Group in reaction to the previous year's drop in revenues, are reported at £758,311 compared to 2016 at £876,742.

A profit after tax attributable to equity shareholders of £266,772 is reported for the financial year. Increased from the £62,871 in 2016 and due to the combined effects of increased revenues, a reduced foreign exchange charge and maintained margins. The corporation tax expense of £30,829 in the period (2016: credit of £32,852) includes Research and Development allowances available to the Group (£38,812 prior year and £35,315 current year). At the end of the year our cash position is reported at £383,051 (2016: £335,664). Due to the uncertainties in our business, mentioned elsewhere in this report, we have been careful over the investment in content and rights with this year showing a spend of £228,543, reduced from the £280,176 in 2016.

The board has considered the year under review and has recommended that no dividend be paid (2016: £100,896). As always this will be a matter for review by the board semi annually. We continue to operate a steady, considered approach with our acquisition programme. We will broaden our search for IP content, technical development, publishing and live events. We will consider all methods of rights exploitation outside of the traditional music platforms.

Acquisition and RNS Updates Nov 2016 to Oct 2017

We have taken a consolidative view of the market whilst the buying trends shift. We are preserving our resources regarding content acquisition until the merry-go-round settles. However as certain opportunities present themselves we are ready to make acquisitions where bargains may exist. I believe there will be some such deals on the horizon. We are underpinning existing contracts by extending existing rights and ensuring that our library of rights remains robust.

On 25 January 2017 we announced that we had renewed the exclusive rights to the MD Production music catalogue for a recoupable advance of $18,000 (eighteen thousand US Dollars). The MD catalogue comprises over 1,000 original recordings from the 1960s to the 1980s. With performances from artists such as Don Fardon, The Cockerel Chorus, Dando Shaft, Gill Scott-Heron, Greyhound, Roy Harper, Johnny Kidd & the Pirates, Kenny and Python Lee Jackson to name just a few. The tracks have been marketed exclusively by One Media since 2007 on a royalty-sharing basis. MD Productions has been a long-term music provider and has received three advances and on-going royalties from One Media throughout the term. One Media is pleased to report that it has always fully recouped its advances throughout the relationship.

On 30 January 2017 we started work on reorganising the Group's websites. Five new websites were created promoting the Group's expanded activities. Firstly we have the new site; One Media iP Group Plc (www.omip.co.uk). Here you will find all the investor relation information and dedicated summaries of the Group's subsidiaries. The day-to-day activities, artist information and social media activities of our audio and video businesses is now housed under www.onemediaip.com. Our Technical Copyright Analysis Tool (TCAT) is at (www.tcat.media/). Here you will find our informational video on the 'Software as a Service' (SaaS) technology. Men & Motors can be found on (www.menandmotors.com) a new and exciting style for this site showing the links to the archive of over 3,400 shows and information on our initiative for a new format of TV show still being presented to various broadcasters. Point Classics, our classical collection of over 3,000 recordings (www.pointclassics.com) is now the new home for this collection. Music supervisors use this site to sort, search and compile classical recordings for film and

Executive Chairman's Statement
For the year ended 31 October 2017
Review of Activities – continued

TV. We are pleased to report that all of the work in creating the new sites was completed on time and within budget.

It is the Group's intention to maximise the value on its brand ownership and to more clearly define their individuality within the market place, as demonstrated on our new corporate website (www.omip.co.uk). Men & Motors by way of example has already been registered (albeit dormant), as a stand-alone subsidiary company in preparation for broadcast and trading demand. The same applies for TCAT and the Group has registered TCAT Ltd should this be required in the future.

On 1 February 2017 we announced that we had moved our banking services to Coutts & Co ("Coutts") of 440 Strand, London. We commenced the orderly handover from Barclays to Coutts during February 2017. The Group confirmed at the time that it has no debt and is cash generative. Coutts experience within media and content, with many focussed services and seminars should prove invaluable to the Group with its expansion programme into varying media and technology activities.

On 30 April 2017 the Group announced that One Media had signed an exclusive exploitation deal with Getty Images for 'clips' from the Group's moving image library rights. The deal will involve One Media supplying 'clips' from its growing video content library to Getty Images for representation and exploitation to Getty's worldwide client base for multiple use in documentaries, advertising and all moving image usages. Getty Images is one of the most esteemed sources of visual content throughout the world, with over 200 million assets available through its industry-leading sites www.gettyimages.com and www.istock.com. The distribution deal will see the Group create thousands of clips from its archive to be made available to Getty Image's clients on their web-based platforms. The Group's video archive has grown by acquisition over that last few years and we are now able to further exploit the content via a 'clipping' service and to supply the world leader in image hire. The Group's Creative Technicians are already trained and equipped to perform this function in-house and have been successful in building billions of views with the Company's content for sites like YouTube. Content from Men & Motors, Alien Autopsy and the HiBrow film catalogue together with our cleared music video content will spearhead the service.

On 25 May 2017 we announced that we had signed our first major music distributor to utilise the services of the Group's Technical Copyright Analysis Tool ("TCAT"). The global music distributor started using the TCAT services from June 2017 to monitor its weekly release schedules, monitor music conflicts and potential copyright infringements. Following two years of development the deal will see the commercialisation of TCAT on an annual contract basis. Confidentiality clauses in the agreement prevents us from disclosing the identity of our client at this time and any of the commercial terms but the Group is very excited by having TCAT deployed as a technical resource to an international major record aggregator & distributor.

On 12 September 2017 The Company accepted the resignation of Mr Poplawski a Non-Executive Director (NED). This had been originally tended in February 2017 and we thank him for his input over the years. It is the Company's intention to announce new NED appointments during 2018.

Post Year end on 18 December 2017 and to much national press, it was announced that an equity investment totalling £375,000 gross in the Company was made by Lord Michael Grade and Ivan Dunleavy, and their proposed appointments as Non-Executive Directors.

Lord Grade said: "I firmly believe the music industry has turned a corner – led by streaming services, which are seen as the basis of future growth by content owners. One Media is a very accomplished business with strong credentials, and we share the management team's view of the music business' development. I look forward to working closely with them and using my experience to add value and expedite the scale up of the business."

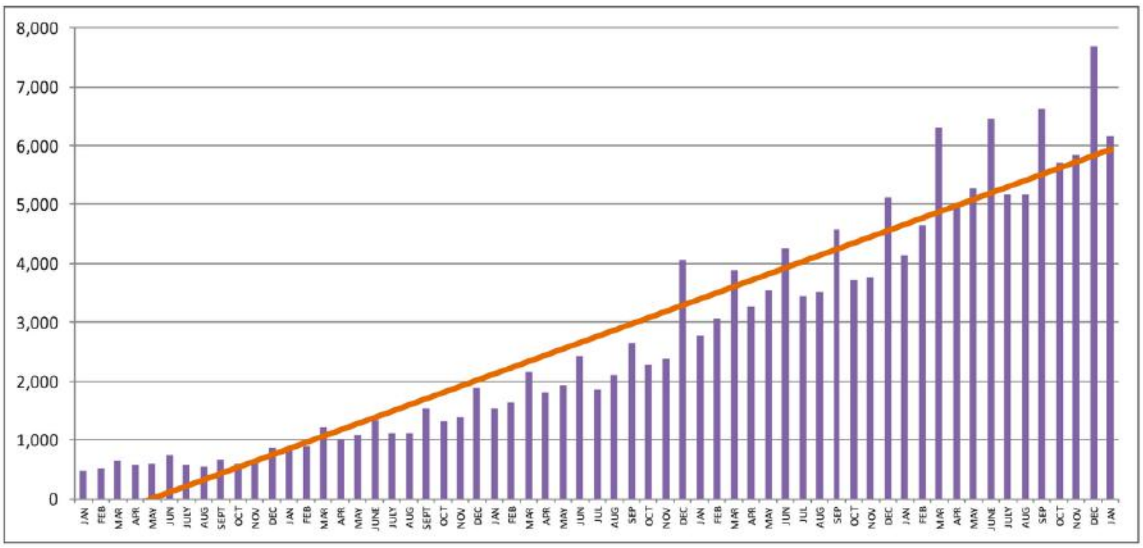
"Our investment is a gesture of our firm commitment and a demonstration of our belief in One Media's future prospects," added Ivan Dunleavy. "We have a long-established relationship with Michael Infante and are impressed with how he has run this company and developed an excellent reputation in this industry. With music streaming set to grow, not only will this company benefit from sales of its portfolio of digital content, it is also able to provide a vital service to copyright owners through its in-house developed proprietary software, TCAT, which tracks and monitors where their music is made available for sale. We look forward to working with the One Media's team to build on the strong foundations and advancing to the next stage of development."

Executive Chairman's Statement
For the year ended 31 October 2017
Review of Activities – continued

Market Overview

The market has seen more turns in the last five years than Brands Hatch. It has taken (in market terms) a very short period of time for downloading to become the poor relation to streaming. All the major international record labels report a return to growth and most headlining industry news amplifies this. The key figures published to April 2017 (source IFPI report) puts global revenue growth up by 5.9%. The digital share of global revenues now represents 50% of total sales up 17.7% over the previous year and a staggering growth in streaming revenues up 60.4% over 2016. Physical (CDs & Records) revenues dropped despite the great hope of vinyl, falling by 7.6% and download digital (the iTunes model) sales revenues fell by 20.5%. Many of the major labels do not disclose detailed music sales information however the Warner Music Group (WMG) announced its headline growth at 10.2% in total revenues. WMG saw its revenues grow from $3.25bn in the year ended 30 September 2016 to $3.58bn in the year ended 30 September 2017. Within that, WMG's digital revenues grew by 24.7% to £1.87bn being 52.3% of the group's total revenues. Overall, WMG reported a net profit of $149m for its latest fiscal year, up from $30m the previous year (source Musically). Royalty bearing artists and publishers alike will be benefiting as profits return to the industry. Streaming continues the march for the consumer-preferred method of purchasing music as intuitive technology enables the user to engage with content legitimately and meets commercial requirements for rights owning music businesses. A kind of West meets East. As more territories are commercialised, we are seeing for the first time in many years, a happier music industry. Still to be addressed is the 'The Value Gap'. The value gap describes the growing mismatch between the value that user uploaded services, such as YouTube, extract from music, and the revenue returned to those who are creating and investing in music. The value gap is the next 'bridge' to be built. But Rome was not built in a day.

MONTHLY UK STREAMS FROM AUDIO SERVICES (MILLIONS) 2013-2018



Source: Official Charts Company

Over the last four years we have seen streaming grow from very low monetisation to being the consumer-preferred method of buying music.

For the year ended 31 October 2017
Review of Activities – continued

Employees

Our headcount as of 31 October 2017 was 12 including all staff and executive and non-executive directors (Group and Subsidiaries). On the 7th September 2017 Alice Dyson-Jones (managing director of One Media IP Ltd (a Group subsidiary) was appointed as a director of the British Phonographic Industry (BPI) as an independent music label representative. The Company has had history in the past with both Michael Infante and Scott Cohen representing 'the Indies' over the last ten years at the BPI in similar roles. It is a great achievement and we congratulate her.

I would also like to thank Scott Cohen, Philip Miles and Steve Gunning for their individual contributions at board level especially in such a challenging year.

Litigation

On the 12 April 2017, we announced that further to our announcement of 20 February 2017 that we had reached an amicable settlement to the on-going Middle District of Tennessee dispute with HHO Licensing Ltd, Henry Hadaway Organisation Ltd and Henry Hadaway personally. The terms of the settlement are confidential. The matter is now closed.

On the 1 November 2017 we announced that further to the Company's announcement on 27 June 2017 the Company can confirm an end to the 'action' in which it was involved in the Southern District of Florida Court USA. One Media has settled its involvement for a non-material amount in the case brought by Kemar McGregor.

Outlook

I am delighted to welcome Ivan Dunleavy and Lord Grade as investors into One Media. I am also excited by the wealth of experience that this will bring to the Company following their proposed appointments as non-executive directors. They have an exceptional track record, both individually and combined, with their partnership at Pinewood Studios overseeing a more-than fivefold increase in the value of that business. In 2018, the music industry and One Media are both poised to benefit from uplifts in the monetisation of content through streaming and we will also extend our reach with exciting initiatives such as TCAT and future acquisitions into new areas of our industry. My team of directors (both main board and subsidiary) and I remain committed to delivering value and will continue to meet the challenges that our industry faces. Thank you for your continued support.

Michael Infante
Chairman and CEO
23 February 2018

Report of the Directors
For the year ended 31 October 2017

The Directors present their annual report together with the audited Consolidated financial statements of the Group for the year ended 31 October 2017.

Principal activities

The principal activities of the Group throughout the year were the acquisition and exploitation of mixed media intellectual property rights including music, video, spoken word and digital books for distribution through the digital medium and to a lesser extent through traditional media outlets. The Group also licenses its music content for use in TV and film, advertising, video games and corporate websites. The Group is a B2B and B2C content supplier. 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 the supply of its digital content to this market primarily through The Orchard, its strategic partner for digital music and spoken-word services, and for video product via YouTube and other emerging visual market places.

Directors

The following Directors held office during the year:

Michael Antony Infante
Scott Cohen
Roman Poplawski (resigned 12 September 2017)
Philip Miles

Directors and their interests

The Directors' interests (including family interests) in the shares of the Company were as follows:

		Ordinary shares of 0.5p each
	At 31 October 2017	**At 31 October 2016**
	Nos	**Nos**
Michael Antony Infante	25,577,862	25,577,862
Scott Cohen	500,000	500,000
Roman Poplawski	n/a	3,793,377
Philip Miles	438,340	438,340

	Share Options in Ordinary shares of 0.5p each	
	At 31 October 2017	**At 31 October 2016**
	at 2.75p each Nos	**at 2.75p each Nos**
Michael Antony Infante	500,000	500,000
Scott Cohen	500,000	500,000
Roman Poplawski	n/a	500,000
Philip Miles	-	-

The options are exercisable at 2.75p per share on or by 6 March 2018.

Report of the Directors
For the year ended 31 October 2017 – continued

Directors and their interests continued

	Options in Ordinary shares of 0.5p each	
	At 31 October 2017	At 31 October 2016
	at 9p each Nos	at 9p each Nos
Michael Antony Infante	500,000	500,000
Scott Cohen	500,000	500,000
Roman Poplawski	n/a	500,000
Philip Miles	500,000	500,000

The options are exercisable at 9p per share on or by 20 April 2022.

	Options in Ordinary shares of 0.5p each	
	At 31 October 2017	At 31 October 2016
	at 14.5p each Nos	at 14.5p each Nos
Philip Miles	100,000	100,000

The options are exercisable at 14.5p per share on or by 4 June 2021.

Future Developments

Likely future developments in the company's business have been included within the Executive Chairman's Statement on pages 1 to 5.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Report of the Directors 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 Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. 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 the Group and of the Profit or Loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union and 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 and Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Directors
For the year ended 31 October 2017 - continued

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

So far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

Auditors

James Cowper Kreston have expressed their willingness to continue in office. A resolution to re-appoint James Cowper Kreston in accordance with section 489 of the Companies Act 2006 will be proposed at the Annual General Meeting.

On behalf of the Board

Michael Antony Infante
Director
23 February 2018

Corporate Governance Report
For the year ended 31 October 2017

Directors

The Group supports the concept of an effective Board leading and controlling the Group, supported by a Management Team responsible for the operating subsidiaries. The Group Board is responsible for approving Group policy and strategy. It meets formally, at least quarterly, with regular face to face weekly contact maintained between most members as well as the dissemination of information using the most up to date electronic communication methods. All Directors have access to independent professional advice at the Group's expense.

Relation with shareholders

The Group values the views of its shareholders and recognises their interest in the Group's performance and strategy. Regular updates on performance and significant events are provided through the AIM Market platform, using the medium of the RNS, and through specially arranged investor updates with institutions and representative shareholder groups.

The Annual General Meeting is used to communicate with private investors who are encouraged to participate. The Directors are available to answer questions. Separate resolutions will be proposed on each issue so that they can be given proper consideration and there will be a resolution to approve the annual report and accounts.

Internal control

The Board is responsible for maintaining a strong system of internal control for safeguarding shareholders' investment and the Group's assets and for reviewing effectiveness. The system of internal financial control is designed to provide reasonable, but not absolute assurance against material misstatement or loss.

In addition to the traditional financial internal controls the Group seeks to protect our licenses by a well structured and controlled process of drafting, reviewing, approving and then subsequently monitoring. This process applies to both the purchase of our music rights and the distribution of our products to all our customers.

The Audit Committee is chaired by Philip Miles supported by Scott Cohen, a Non-Executive Director. The Committee is responsible for ensuring that the financial performance of the Group is properly monitored and reported on. The Audit Committee meets with the auditors at the audit planning stage and for the final audit meeting prior to Board approval of the accounts.

Corporate Governance Report
For the year ended 31 October 2017 continued

Report on Remuneration

Directors' remuneration

The Board recognises that Directors' remuneration is of legitimate concern to shareholders. The Group operates within a competitive environment where performance depends on the individual contributions of the Directors and employees and the Group believes in rewarding vision and innovation.

Policy on Executive Directors' remuneration

The Remuneration Committee is chaired by Scott Cohen, a Non-Executive Director supported by Steven Gunning who is Group Company Secretary. The Remuneration Committee met with the Executive Chairman at the beginning of the financial year to discuss, and subsequently agreed, his recommendations for Executive Directors remuneration for the year.

Remuneration of the Directors for the year ended 31 October 2017 is as follows:

	Fees and emoluments Year ended 31 October 2017	**Fees and emoluments Year ended 31 October 2016**
	£	**£**
Michael Antony Infante	112,245	109,253
Philip Miles	97,580	60,258
Scott Cohen	19,271	20,521
Roman Poplawski	67,919	51,141
	297,015	241,173

Bonuses and Performance Conditions

Included in the Fees and Emoluments for Michael Anthony Infante are taxable benefits in respect of Health Insurance of £5,371 (2016: £4,082), taxable benefit for a company car of £7,280 (2016: £6,720), attributable share option cost of £4,271 (2016: £4,271) and pension contributions of £4,323 (2016: £3,180). Michael Infante did not receive a bonus in the year (2016: £nil). Fees and Emoluments for Philip Miles include taxable benefit for a company car of £5,358 (2016: £3,827), attributable share option cost of £4,326 (2016: £2,523) and pension contributions of £6,296 (2016: £nil). Philip Miles did not receive a bonus in the year (2016: £nil). Scott Cohen received £15,000 (2016: £16,250) for his role as non-executive director and £4,271 (2016: £4,271) attributable to share option costs. Roman Poplawski Fees includes £12,500 (2016: £16,250) for his role as Non-executive Director, £32,500 (2016: £30,620) in respect of his role as Business Affairs Adviser providing advice on legal and contractual matters, £21,921 (2016: £nil) relating to loss of office and £998 (2016: £4,271) attributable share option costs.

Directors’ contracts do not include any specific performance criteria but implicit within their terms of their engagements is that at all times they will seek to enhance shareholder value. Apart from share options granted there are no other specific long term incentive plans for any of the Directors. The Company received qualifying services from 4 (2016: 5) Directors under long term incentive qualifying schemes.

Notice periods

The Directors have contracts which are terminable on twelve months’ notice on either side for Michael Infante and three months on either side for all the other Directors.

Strategic Report
For the year ended 31 October 2017

Business review and future developments

The results of the Group are shown within the financial statements and a detailed review of the business for the year and future developments is given in the Executive Chairman's statement on pages 1 to 5.

Whilst the Group focus is primarily on the digital market place, traditional routes to market are not being ignored. Changes in the retail sector continue to accelerate and there are still both national and global economic problems. The Directors consider, however, that there are substantial opportunities and potential whilst recognising that risks exist.

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.

A dividend of £nil (2016: £100,896) was paid in the year.

The key financial and non-financial performance indicators the Directors use to monitor the performance of the Group are as follows:

Financial and non-financial key performance indicators

Cost of catalogue acquisition and number of tracks "ingested"
Management are continually searching to acquire additional music, video, spoken word and digital book catalogues to exploit through the digital medium and other routes to market. The costs of catalogue acquisition “ingestion” are constantly monitored to ensure that a safe and adequate return on investment is made. During the year £80,152 (2016: £121,422) was spent on catalogue and intangible asset additions.

Rate of commercialisation of licences and intellectual property
Measured by the growth in value and volume of digital revenues, license deals and sales contracts signed. During the year revenue rose to £2,337,624 (2016: £2,045,652) a 14.3% year on year increase. Progress assessment includes regular updates on key partners, distribution outlets and market segments.

Overhead
Management closely monitors overheads, carefully balancing the need to reward people properly based on both performance and external market factors, and other overhead expenditure. Where a step change in overheads is predicted this must be justified in both financial and strategic terms. During the year overheads decreased to £758,311 (2016: £876,742) a 13.5% decrease.

Share price movements and changes in shareholders are constantly monitored as a major contributor to long term planning
The Board constantly review share price movements both for the impact of Regulated News Service announcements and trading in shares on the AIM Market. This indicator is a major contributor to medium and long term decisions. Share price as at 31 October 2017 was 3.50p (2016: 3.50p).

Management of capital
The Group has no external financing and is not therefore currently subject to any external constraints on its management of working capital. Dividend policy is determined by the availability of profit and reserves from which to pay dividends, the Group’s policy and cost of acquiring additional music catalogues and the desire to reward shareholders for their investment in the Group.

Financial reporting
Financial reporting is monitored monthly against budgets and forecasts, by both the main Board and the Board of the principal operating subsidiary. Profit and Loss and Cash Flow projections are updated as significant changes to performance and operating conditions occur.

Strategic Report
For the year ended 31 October 2017 - continued

Business risks

Reliance on key personnel
The Group is dependent on the knowledge, expertise and experience of its key personnel. In total, the Group employs fewer than 15 people. In the event that a key member of the team was to leave the employment of the Group this could lead to significant disruption and could have a material impact on the future profitability of the Group.

Reliance on The Orchard – concentration of distribution risk
In the financial year ending 31 October 2017 approximately 71% (2016: 68%) of the Group's turnover was channeled via The Orchard, the distribution aggregator that the Group uses to sell its content to end-user download and streaming sites such as iTunes and Spotify. In the event that The Orchard agreement was terminated or that The Orchard ceased to operate, this could have a material impact on the Group's operations and profitability, whilst the Group changed its systems to work either with a new aggregator or trade directly with the end-user distribution sites.

Rights acquired may not be wholly exclusive
The Group has acquired a large number of catalogues of music, video and spoken word since its formation. It is not uncommon for rights attached to such catalogues to have been previously transferred prior to the Group's acquisition of such rights. A risk exists that the title to such rights may be challenged in which event, the Group may have to forego potential revenue and/or incur legal costs whilst securing exclusive title.

Sales of digital content
Digital stores may at their discretion delist or remove tracks, albums or content from their store, without any prior notice to the Group. If this was to occur it could have a detrimental effect on the Group's revenue growth.

Piracy
Piracy or the illegal download of content from the internet could have a detrimental impact on the Group's growth plans.

Currency – revenues received in US$
In the financial year to 31 October 2017 approximately 83% (2016: 80%) of the Group's revenue was generated in US dollars, whilst the majority of the Group's costs are denominated in Sterling. The Group is therefore exposed to the US$/£ exchange rate and so any material adverse movement in this exchange rate can have a material financial impact on the Group.

Market dominance of Big 3
The Group operates in a market dominated by established traditional companies such as Universal, Warner and Sony (the "Big 3"). The Big 3 own or have the rights to a vast amount of content, a large amount of which may be similar to that owned or exploited by the Group. There is a risk that the Big 3 could exploit their recognised brands and use their marketing budgets to compete with the Group's targeted market, the consequence of which could lead to reduced sales and profitability for the Group.

Digital retailers' terms of business
The Group is dependent upon digital retailers such as iTunes and Spotify in order to sell its products in the digital market place. Changes in their terms of business and type of content they will distribute, as defined in their "style guides", can affect the performance of the Group.

Bad Debts
The traditional risk associated with customer insolvency, and inability or unwillingness to pay debts continues to be a threat which the Group constantly monitors.

Strategic Report
For the year ended 31 October 2017 - continued

Digital route to market

The digital market place has its own challenges with a reliance on consumers becoming internet literate and homes achieving a decent broadband connection. OMiP is a B2B and B2C supplier. We have no digital site of our own but supply over 200 legitimate digital stores worldwide through our key business partner. We are not dependent on any one store's marketing strengths as we supply our content to all.

Financial risk management objectives and policies

The Group's principal financial instruments comprise cash and cash equivalents. The Group has various other financial instruments such as trade receivables and trade payables, which arise from its operations.

The Group is exposed to a variety of financial risks which result from its operating activities. The Directors are responsible for co-ordinating the Group's risk management and focus on actively securing the Group's short and medium term cash flows. Long term financial investments are managed to generate lasting returns. The Group does not actively engage in the trading of financial assets and has no financial derivatives. The most significant risks to which the Group is exposed are described below:

Currency risk

The Group is exposed to foreign exchange risk in connection with its digital business where the revenue is transacted largely in US$ and the settlement of royalty and other liabilities arising from this revenue is partly denominated in US$.

Credit risk

The Group's credit risk is primarily attributable to its trade receivables and other debtors. The amounts presented in the Consolidated Statement of Financial Position are net of any allowances for doubtful receivables. The Group has a significant concentration of credit risk associated with its distributor of digital income.

Liquidity risk

The Group seeks to manage risks to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash and assets safely and profitably. Short term flexibility is achieved by the use of money markets to deposit excess cash which is not required in the short term. The Directors prepare cash flow forecasts on a regular basis to identify at an early stage any short term funding difficulties.

Significant shareholding

Apart from the Directors' shareholdings above the Company has been notified that there are five holdings in excess of 3% of the issued share capital of the Company at 23 February 2018. Helium Special Situations Fund is holding 10.7 % (9,300,000 ordinary shares of 0.5p each), Lord Michael Grade is holding 8.7 % (7,500,000 ordinary shares of 0.5p each), Ivan Dunleavy is holding 8.7 % (7,500,000 ordinary shares of 0.5p each), Canaccord Genuity Group Inc (formerly Hargreave Hale Limited) 8.1% (7,000,000 ordinary shares of 0.5p each) and Livingbridge VC LLP 5.7% (4,925,000 ordinary shares of 0.5p each).

Employee involvement

The Group has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the Group. This is achieved through regular formal and informal updates and open access between all employees of the Group.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their aptitudes and abilities. In the event of an employee becoming disabled, every effort will be made to retain them in order that their employment within the Group may continue. It is the policy of the Group that training, career development and promotion opportunities are available to all employees.

Technology

The Group takes a progressive view on the impact of technological developments. Changes to technology and related systems are openly embraced with the aim of giving the Group the most up to date platforms to work on and exploit its assets.

Strategic Report
For the year ended 31 October 2017 - continued

Research and development
The Group, in developing its internal technology based systems, undertakes Research and Development work the outcome of which may be uncertain. Work proven to have an on-going value is capitalised all other costs are expensed to the Profit and Loss account.

Key accounting policies
Principal accounting policies are included on pages 25 to 31, including critical accounting estimates and judgements on page 29.

Cash flows
Full details of cash flows generated by the business are disclosed within the Consolidated Cash Flow Statement on page 24. The group generates sufficient cash flows through its ordinary operations, in combination with funds generated by company's listing on AIM, to achieve its objectives set out in the Executive Chairman's Report on pages 1 to 5.

On behalf of the Board

Michael Antony Infante
Director
23 February 2018

Independent Auditors' Report to the Members of One Media iP Group Plc

Opinion

We have audited the financial statements of One Media IP Group Plc (the 'Company') for the year ended 31 October 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated and Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the Group and of the parent company's affairs as at 31 October and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and, as regard the parent company's financial statements, 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.

Basis for opinion

We conducted our audit in accordance with International Standards of Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further discussed in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standards as applied to listed entities, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group and parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

An overview of the scope of our audit

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ('ISAs (UK and Ireland)'). Our audit approach was based on a thorough understanding of the company's business and is risk-based. We obtained an understanding the internal controls as required by Auditing Standards and carried out appropriate substantive and analytical procedures. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on our assessment of general and specific audit risks.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of

Independent Auditors' Report to the Members of One Media iP Group Plc

material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We determined that there were no key matters applicable to the parent company to communicate in our report.

Revenue recognition

Risk description

In common with most trading businesses, there is a risk of revenue being materially misstated, either by error or fraud.

How the scope of our audit responded to the risk

To assess the appropriateness and completeness of revenue recognised in the year we performed the following procedures:

- examined a sample of revenue transactions by reference to underlying source documentation;
- examined on a sample basis the different types of revenue recognised during the year and around the period end;
- reviewed manual journals posted to the revenue account in the period and subsequent to year-end gaining an understanding of the appropriateness of these;
- reviewed accrued income at the balance sheet date and assessed its accuracy by reference to underlying commercial agreements and subsequent events;
- considered the appropriateness and application of the Group’s accounting policy for revenue recognition; and
- considered the disclosures in the financial statements regarding revenue.

Key observations

The results of our testing were satisfactory.

Completeness of royalty accrual

Risk description

The Company has a number of royalty agreements in place. Royalties are payable based on sales figures at certain rates. There is a risk that the royalty accrual may be understated or overstated.

How the scope of our audit responded to the risk

To assess the appropriateness and completeness of royalty accrual recognised in the year we performed the following procedures:

- gained an understanding through walkthroughs performed and discussions with management of the process in place for recognising royalty accruals;
- examined the calculation of the royalty accruals; and
- examined a sample of royalty accruals and preformed a recalculation of the accrual.

Key observations

The results of our testing were satisfactory.

Independent Auditors' Report to the Members of One Media iP Group Plc

Valuation and existence of intangible assets

Risk description

The Company has a number of intangible assets of varying types. There are various risks associated with these assets including accurate capturing of costs to be capitalised, ensuring capitalised amounts meet the recognition criteria, and impairment risk.

How the scope of our audit responded to the risk

To assess the appropriateness of the application of accounting standards and the assumptions and judgements made by management in the recognition and measurement of intangibles we performed the following procedures:

- gained an understanding on how management recognise intangible assets of various classes;
- examined the assets recognised and considered their recognition against the criteria detailed in IAS 38;
- examined a sample of assets capitalised in the year to supporting evidence;
- reviewed amortisation calculations and considered the appropriateness of the rates applied;
- considered impairment risk and reviewed the impairment reviews prepared by management ;and
- considered the disclosures in the financial statements regarding intangibles.

Key observations

The results of our testing were satisfactory.

Our application of materiality

We define materiality as the magnitude of misstatement or omission in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgment we determined overall materiality for the financial statements as a whole to be £23,000 (2016: £17,500), based on one per cent of turnover. As the company is in a growth phase and management's focus is on increasing the turnover of the Group, a turnover benchmark was considered appropriate. Performance materiality of £17,000 (2016: £13,000) was applied for testing and it was agreed with the board that we would report on all audit differences in excess of £1,000 (2016: £1,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Materiality in the prior year was based on an average of a revenue based benchmark and a profit based benchmark.

Other information included in the annual report

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit of otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement in the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors' Report
to the Members of One Media iP Group Plc

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for the 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
- 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors' either intend to liquidate the Group and parent company or to cease operating, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statement.

Independent Auditors' Report
to the Members of One Media iP Group Plc

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk. This description forms part of our auditors' report.

Alan Poole BA (Hons) FCA (Senior Statutory Auditor)
For and on behalf of
James Cowper Kreston
Chartered Accountants and Statutory Auditors

Reading Bridge House
George Street
Reading
RG1 8LS

23 February 2018

Registered Number: 05799897
Consolidated Statement of Comprehensive Income
For the year ended 31 October 2017

	Note	Year ended 31 October 2017	Year ended 31 October 2016
		£	£
Revenue	1	2,337,624	2,045,652
Cost of sales		(1,281,897)	(1,139,951)
Gross profit		1,055,727	905,701
Administration expenses		(758,311)	(876,742)
Operating profit	2	297,416	28,959
Finance income	3	185	1,060
Profit on ordinary activities before taxation	4	297,601	30,019
Tax (expense) / credit		(30,829)	32,852
Profit for period attributable to equity shareholders and total comprehensive income for the year		**266,772**	**62,871**
Basic earnings per share	7	**0.38p**	**0.09p**
Diluted earnings per share	7	**0.35p**	**0.08p**

The Consolidated Statement of Comprehensive Income has been prepared on the basis that all operations are continuing activities.

The notes on pages 25 to 44 form part of these financial statements.

Registered Number: 05799897
Consolidated Statement of Changes in Equity
For the year ended 31 October 2017

	Share Capital	Share redemption reserve	Share premium	Share based payment reserve	Retained earnings	Total equity
	£	£	£	£	£	£
At 1 November 2015	**355,268**	**239,546**	**1,457,645**	**43,497**	**1,348,002**	**3,443,958**
Share based payment charge	-	-	-	30,943	-	30,943
Profit for the year	-	-	-	-	62,871	62,871
Dividends	-	-	-	-	(100,896)	(100,896)
At 1 November 2016	**355,268**	**239,546**	**1,457,645**	**74,440**	**1,309,977**	**3,436,876**
Share based payment charge	-	-	-	32,758	-	32,758
Profit for the year	-	-	-	-	266,772	266,772
Dividends	-	-	-	-	-	-
At 31 October 2017	**355,268**	**239,546**	**1,457,645**	**107,198**	**1,576,749**	**3,736,406**

The notes on pages 25 to 44 form part of these financial statements.

Registered Number: 05799897
Consolidated Statement of Financial Position at 31 October 2017

	Note	At 31 October 2017	At 31 October 2016
		£	£
Assets			
Non-current assets			
Intangible assets	8	3,383,597	3,394,134
Property, plant and equipment	9	16,970	6,452
		3,400,567	3,400,586
Current assets			
Trade and other receivables	11	478,804	463,574
Cash and cash equivalents	12	383,051	335,664
Total current assets		861,855	799,238
Total assets		**4,262,422**	**4,199,824**
Liabilities			
Current liabilities			
Trade and other payables	13	491,619	756,988
Deferred tax	14	34,397	5,960
Total liabilities		526,016	762,948
Equity			
Called up share capital	15	355,268	355,268
Share redemption reserve		239,546	239,546
Share premium account		1,457,645	1,457,645
Share based payment reserve		107,198	74,440
Retained earnings		1,576,749	1,309,977
Total equity		**3,736,406**	**3,436,876**
Total equity and liabilities		**4,262,422**	**4,199,824**

The notes on pages 25 to 44 form part of these financial statements.

The Consolidated Financial Statements were approved by the Directors on 23 February 2018 and signed on their behalf by:

Michael Antony Infante
Director

Registered Number: 05799897
Company Statement of Financial Position at 31 October 2017

	Note	At 31 October 2017	At 31 October 2016
		£	£
Assets			
Non-current assets			
Investments	**10**	493,817	493,817
Current assets			
Trade and other receivables	**11**	2,980,036	2,724,346
Cash and cash equivalents	**12**	61,631	31,483
Total current assets		3,041,667	2,755,829
Total assets		**3,535,484**	**3,249,646**
Liabilities			
Current liabilities			
Trade and other payables	**13**	33,419	25,835
Deferred tax	**14**	24,995	-
Total liabilities		58,414	25,835
Equity			
Called up share capital	**15**	355,268	355,268
Share redemption reserve	**16**	239,546	239,546
Share premium account	**16**	1,457,645	1,457,645
Share based payment reserve	**16**	107,198	74,440
Retained earnings	**16**	1,317,413	1,096,912
Total equity		**3,477,070**	**3,223,811**
Total equity and liabilities		**3,535,484**	**3,249,646**

The notes on pages 25 to 44 form part of these financial statements.

The Company Financial Statements were approved by the Directors on 23 February 2018 and signed on their behalf by:

Michael Antony Infante
Director

Registered Number: 05799897
Consolidated and Company Cash Flow Statement
For the year ended at 31 October 2017

	Year ended 31 October 2017 Group	Year ended 31 October 2016 Group	Year ended 31 October 2017 Company	Year ended 31 October 2016 Company
	£	£	£	£
Cash flows from operating activities				
Operating profit before tax	297,601	30,019	245,496	262,899
Amortisation	234,911	209,365	-	-
Depreciation	3,350	4,002	-	-
Share based payments	32,758	30,943	32,758	30,943
Finance income	(185)	(1,060)	(7)	(174)
(Increase) in receivables	(15,229)	(23,320)	(255,691)	(276,743)
Increase/(decrease) in payables	(267,761)	(290,186)	7,585	4,509
Corporation tax paid	-	(57,900)	-	-
Net cash inflow (outflow) from operating activities	285,445	(98,137)	30,141	21,434
Cash flows from investing activities				
Investment in intellectual property rights	(224,375)	(280,176)	-	-
Investment in property, plant and equipment	(13,868)	(2,436)	-	-
Finance income	185	1,060	7	174
Net cash used in investing activities	(238,058)	(281,552)	7	174
Cash flows from financing activities				
Proceeds from the issue of new shares	-	-	-	-
Share issue costs	-	-	-	-
Dividends paid	-	(100,896)	-	(100,896)
Net cash inflow (outflow) from financing activities	-	(100,896)	-	(100,896)
Net change in cash and cash equivalents	47,387	(480,585)	30,148	(79,288)
Cash at the beginning of the year	335,664	816,249	31,483	110,771
Cash at the end of the year	**383,051**	**335,664**	**61,631**	**31,483**

Principal Accounting Policies
For the year ended 31 October 2017

Basis of preparation

The Company is a public limited company incorporated and domiciled in England under the Companies Act 2006. The Board has adopted and complied with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Company's shares were admitted for trading on the AIM market of the London Stock Exchange on 18 April 2013.

Basis of consolidation

The Group financial statements consolidate those of the Company and all its subsidiary undertakings drawn up to the balance sheet date. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The Group obtains and exercises control through voting rights.

Unrealised gains or losses on transactions between the Group and its subsidiaries are eliminated. Amounts reported in the financial statements of subsidiaries are adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the equity method. The equity method involves the recognition of the fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at fair values, which are also used as the basis for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Revenue

The Group follows the principles of IAS18 "Revenue" in determining the appropriate revenue recognition policies. In principle therefore, revenue is recognised to the extent that the Group has obtained the right to consideration through its performance.

Revenue, excluding VAT, represents the value of digital income, licences and goods delivered or title passed. In the case of digital income revenue is recognised when reported to the Group and where reasonable estimates can be made of digital stores income still to be reported at any point of time.

In line with normal accounting practice revenue is reported gross received and receivable.

Commercial advances

To the extent that commercial advances are un-recouped at the year end any outstanding amounts are included in Other payables. The outstanding balances are calculated in line with underlying contractual obligations.

Principal Accounting Policies
For the year ended 31 October 2017

Taxation

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable result for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred income taxes are calculated using the liability method of temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. However deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable the reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Intangible assets

Licences and other intangible assets
Licences and other intangible assets, including labour capitalised under IAS38 Intangible Assets, are valued at cost less accumulated amortisation. Capitalised labour represents costs incurred in "ingesting" products 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 24 months and 25 years). Licences and intangible assets are subject to annual impairment reviews.

Assets acquired as part of a business combination
In accordance with IFRS 3 revised “Business Combinations", an intangible asset acquired in a business combination is deemed to have a cost to the Group of its fair value at the acquisition date. The fair value of the intangible asset reflects market expectations about the probability that the future economic benefits embodied in the asset will flow to the Group. The fair value is then amortised over the economic life of the assets. Where an intangible asset might be separable, but only together with a related tangible or intangible asset, the Group of assets is recognised as a single asset separable from goodwill where the individual fair values of the assets in the Group are not reliably measurable. Where the individual fair value of the complimentary assets are not reliably measurable, the Group recognises them as a single asset provided the individual assets have similar useful lives.

Impairment of intangible assets, property, plant and equipment
For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units, other than intangible assets with an identifiable useful life, and those intangible assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered.

Principal Accounting Policies
For the year ended 31 October 2017

Impairment of intangible assets, property, plant and equipment – continued

An impairment loss is recognised in the income statement for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units are charged to the assets in the cash generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the assets recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of amortisation, if no impairment had been recognised.

Financial assets

The Group's financial assets include cash and other receivables.

All financial assets are recognised when the Group becomes party to the contractual provisions of the investment. All financial assets are initially recognised at fair value, plus transaction costs.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in the income statement when received, regardless of how the related carrying amount of financial assets is measured.

Available for sale financial assets include non-derivative financial assets that are either designated as such or do not qualify for inclusion in other categories of financial assets. Available for sale assets are measured subsequently at fair value with changes in value recognised in equity through the statement of changes in equity. Where fair value cannot be measured reliably such financial assets are held at cost. Gain or losses arising from investments classified as available for sale are recognised in the income statement when they are sold or when the investment is impaired.

Trade and other receivables are subsequently measured at amortised cost. Trade and other receivables are provided against when objective evidence is received that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated cash flows.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank deposits, together with short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value with original maturities of three months or less from the date of acquisition.

Equity

The share capital is determined using the nominal value of shares that have been issued.

The share premium account represents premiums received on the initial issuing of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Retained earnings include all current and prior period results as disclosed in the income statement.

Principal Accounting Policies
For the year ended 31 October 2017

Financial liabilities

The Group's financial liabilities include trade and other payables. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes party to the contractual provisions of the instrument.

All financial liabilities are recognised initially at fair value, net of direct issue costs, and are subsequently recorded at amortised cost using the effective interest method with interest charges recognised as an expense in the income statement.

Dividend distributions to shareholders are included in "other short term financial liabilities" when dividends are approved by the shareholders' before the year end.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Group and they can be estimated reasonably. Timing or the amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. For example, legal disputes or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of the settlement of the present obligation is recognised, if virtually certain as a separate asset, not exceeding the amount of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, long term provisions are discounted to present values, where the time value of money is material. All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of the present obligation is considered improbable or remote, or the amount to be provided cannot be measured reliably, no liability is recognised in the balance sheet. Probable inflows of economic benefits to the Group that do not yet meet the recognition criteria are considered contingent assets.

Property, plant and equipment

Measurement basis
Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use. In the case of new internally generated software creation and improvements this includes capitalised labour. Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the assets only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance are charged to the income statement during the period in which they are incurred.

When assets are sold any gain or loss resulting from their disposal, being the difference between the net disposal proceeds and the carrying amount of the assets is included in the income statement.

Principal Accounting Policies
For the year ended 31 October 2017

Property, plant and equipment - continued

Depreciation

Depreciation is calculated so as to write off the cost of property, plant and equipment, less its estimated residual value, which is revised annually, over its useful economic 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.

Foreign currency

The Consolidated Financial Statements are presented in UK Sterling which is also the functional currency of the parent Company. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the Income Statement.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Operating segments

A segment is a distinguishable component of the Group that is engaged either in a particular business (business segment) or conducting business in a particular geographic area (geographic segment), which is subject to risks and rewards that are different from other segments.

The Group operates in one significant business segment which is the digital “net-label” market, the results of which are seen in the Consolidated Statement of Comprehensive Income.

Critical accounting estimates and judgements

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 Group makes estimates and assumptions about the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are discussed below.

Business combinations

On initial recognition, the assets and liabilities of the acquired business are included in the Consolidated Statement of Financial Position at their fair values. In measuring fair value management use estimates about future cash flows and discount rates.

Principal Accounting Policies
For the year ended 31 October 2017

Impairment of assets

The Group conducts impairment reviews of assets when events or changes in circumstances indicate that the carrying amounts may not be recoverable annually, or in accordance with the relevant accounting standards. An impairment loss is recognised when the carrying amount of an asset is higher than the greater of its net selling price or the value in use. In determining the value in use, management assesses the present value of the estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Estimates and judgements are made in respect of the potential impairment of goodwill, intellectual property, licences and other intangible assets.

Internally generated intangible assets and software systems

The Group capitalises labour in respect of intangible assets and internally generated software. Significant judgement is required in estimating the time and cost involved in these activities and distinguishing the research from the development phase. Development costs are recognised as an asset whereas research costs are expensed as incurred.

Share option and warrant policy

The Group has applied the requirements of IFRS 2 Share-Based Payment.

The Group operates both approved and unapproved share option and warrant schemes for the Directors, senior management and certain employees.

Where share options and warrants are awarded, the fair value of the instruments at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that ultimately the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted, as long as other vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of the instruments are modified before they vest, any increase in fair value of these instruments, measured immediately before and after the modification is also charged to the Statement of Comprehensive Income over the remaining vesting period.

Fair value is measured using the Black-Scholes model. 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 behavioral conditions.

Adoption of new or amended IFRS

The Group has adopted the following revisions and amendments to IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Group’s financial statements for the period beginning 1 November 2016.

- IFRS 2 Share-based Payment - Definitions of vesting conditions
- IFRS 3 Business Combinations - Accounting for contingent consideration in a business combination
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
- IFRS 7 Financial Instruments: Disclosures - Servicing contracts
- IFRS 7 Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements
- IFRS 8 Operating Segments - Aggregation of operating segments
- IFRS 8 Operating Segments - Reconciliation of the total of the reportable segments’ assets to the entity's assets

Principal Accounting Policies
For the year ended 31 October 2017

Adoption of new or amended IFRS – continued

- IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28
- IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception - Amendments to IFRS 10, IFRS 12 and IAS 28
- IFRS 11 Accounting for Acquisitions of Interests in Joint Operations - Amendments to IFRS 11
- IFRS 14 Regulatory Deferral Accounts
- IAS 1 Disclosure Initiative - Amendments to IAS 1
- IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation - Amendments to IAS 16 and IAS 38
- IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - Revaluation method - proportionate restatement of accumulated depreciation/amortisation
- IAS 19 Employee Benefits - Discount rate: regional market issue
- IAS 24 Related Party Disclosures - Key management personnel
- IAS 27 - Equity Method in Separate Financial Statements - Amendments to IAS 27
- IAS 34 Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The Directors have assessed that the adoption of these revisions and amendments did not have an impact on the financial position or performance of the Group.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

Effective date – periods beginning on or after 1 January 2017

- IAS 7 Disclosure Initiatives – Amendments to IAS 7
- IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12
- AIP IFRS 12 Disclosure of Interests in Other Entities - Clarification of the scope of the disclosure requirements in IFRS 12

Effective date – periods beginning on or after 1 January 2018

- IFRS 2 Classification and Measurement of Share based Payment Transactions- Amendments to IFRS 2
- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- AIP IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters
- AIP IAS 28 Investments in Associates and Joint Ventures - clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

Effective date – periods beginning on or after 1 January 2019

- IFRS 16 Leases

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group.

Notes to the Consolidated Financial Statements
For the year ended 31 October 2017

1. Revenue

Revenue is the amount attributable to the Group's principal activity undertaken in the United Kingdom. The geographic split of Group revenue is as follows:

	Year ended 31 October 2017	Year ended 31 October 2016
	£	£
United Kingdom	130,708	138,108
North America and Canada	1,941,944	1,622,522
Europe	264,972	285,022
	2,337,624	2,045,652

The Group considers it has one business segment with all its Profit ultimately earned from its sole activity in the United Kingdom.

Included in revenues for the year ended 31 October 2017 it is estimated that £602,000 (2016: £519,000) is from its largest ultimate customer and £402,000 from its second largest ultimate customer (2016: £346,000). Together these represent 43.0% (2016: 41.2%) of the total Group revenue for the year. In addition, the company relies on a distribution aggregator (The Orchard) who channels approximately 71% (2016: 68%) of the Group's turnover.

2. Operating profit

Operating profit is stated after charging:

Group	Year ended 31 October 2017	Year ended 31 October 2016
	£	£
Directors' remuneration	297,015	276,714
Amortisation of licences and other intangible assets	234,911	209,365
Depreciation of plant, property and equipment	3,350	4,002
Operating leases	53,862	51,442
Auditors' remuneration - audit fees	12,750	11,600
Auditors' remuneration - taxation	4,000	3,400
Bad debts	(10,969)	15,064
Difference on foreign exchange	5,507	59,081

Included in audit fees above is £5,500 (2016: £5,000) for the audit of the parent Company.

Notes to the Consolidated Financial Statements
For the year ended 31 October 2017

3. Finance cost and finance income

	Year ended 31 October 2017 £	Year ended 31 October 2016 £
Interest receivable	185	1,060

4. Taxation

	Year ended 31 October 2017 £	Year ended 31 October 2016 £
Analysis of the charge for the year		
Adjustments to tax charge in respect of prior years	(22,940)	(38,812)
UK corporation tax charge	24,833	-
Deferred tax	28,936	5,960
	30,829	(32,852)

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19.41% (2016: 20%). The actual tax charge for the periods is different than the standard rate for the reasons set out in the following reconciliation:

Reconciliation of current tax charge	Year ended 31 October 2017 £	Year ended 31 October 2016 £
Profit on ordinary activities before tax	297,602	30,019
Tax on profit on ordinary activities at 19.41% (2016: 20%)	57,765	6,004
Effects of:		
Non-deductible expenses	9,304	8,942
Adjustments to tax charge in respect of previous periods	(8,270)	(38,812)
Fixed asset timing differences	11,579	34,499
Depreciation in excess of capital allowances	(660)	(285)
Share scheme deduction	-	-
Research and development	(38,889)	(43,200)
Total tax charge / (credit)	30,829	(32,852)

At the reporting date the tax rates substantially enacted are 20% from 1 April 2016, 19% from 1 April 2017 and 17% from 1 April 2020. Deferred tax has been measured using the average rate expected to apply in the period in which the timing differences will reverse using these substantively enacted rates.

Notes to the Consolidated Financial Statements
For the year ended 31 October 2017

5. Employee information

	Year ended 31 October 2017	Year ended 31 October 2016
	£	£
Directors' emoluments - excluding applicable share option charge	195,870	193,986
Fees paid to directors	60,000	63,120
Share option charge	32,758	30,943
Wages and salaries	234,326	310,392
Social security costs	39,284	43,009
	562,238	641,450

Included within wages and salaries is £5,160 (2016: £4,380) paid to Mr C Miles, Mr P Miles son, in respect of IT consultancy.

The average monthly number of Group employees (excluding non-executive directors) during the year was as follows:

	Year ended 31 October 2017	Year ended 31 October 2016
Technical, creative technicians and management	12	11

6. Parent Company Profit and Loss Account

The profit for the year to 31 October 2017 dealt within in the financial statements of the parent Company was £220,501 (2016: £238,344). As permitted by section 408 of the Companies Act 2006, no separate profit and loss account is prepared for the parent Company.

7. Earnings per share

The weighted average number of shares in issue for the basic earnings per share calculations is 71,053,698 (2016: 71,053,698) and for the diluted earnings per share assuming the exercise of all warrants and share options is 75,653,698 (2016: 77,035,890).

The calculation of basic earnings per share is based on the profit for the period of £266,772 (2016: £62,871). Based on the weighted average number of shares in issue during the year of 71,053,698 (2016: 71,053,698) the basic earnings per share is 0.38p (2016: 0.09p). The diluted earnings per share is based on 75,653,698 shares (2016: 77,035,890) and is 0.35p (2016: 0.08p).

Notes to the Consolidated Financial Statements
For the year ended 31 October 2017

8. Intangible assets - Group

	Licences and other intangible assets
	£
Cost	
At 1 November 2015	4,107,212
Additions	280,176
Disposals	-
At 31 October 2016	4,387,388
Additions	228,543
Disposals	(5,000)
At 31 October 2017	4,610,931
Amortisation	
At 1 November 2015	783,889
Charge for the year	209,365
Disposals	-
At 31 October 2016	993,254
Charge for the year	234,911
Disposals	(831)
At 31 October 2017	1,227,334
Net book value	
At 31 October 2017	3,383,597
At 31 October 2016	3,394,134

All amortisation is included in Cost of sales in the Consolidated Statement of Comprehensive Income.

Notes to the Consolidated Financial Statements
For the year ended 31 October 2017

9. Property, plant and equipment - Group

	Office equipment	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 November 2015	45,285	10,643	55,928
Additions	2,437	-	2,437
Disposals	-	-	-
At 31 October 2016	47,722	10,643	58,365
Additions	13,868	-	13,868
Disposals	-	-	-
At 31 October 2017	61,590	10,643	72,233
Depreciation			
At 1 November 2015	38,389	9,522	47,911
Charge for the year	3,471	531	4,002
Disposals	-	-	-
At 31 October 2016	41,860	10,053	51,913
Charge for the year	2,819	531	3,350
Disposals	-	-	-
At 31 October 2017	44,679	10,584	55,263
Net book value			
At 31 October 2017	16,911	59	16,970
At 31 October 2016	5,862	590	6,452

All depreciation is included in administrative expenses in the Consolidated Statement of Comprehensive Income.

Notes to the Consolidated Financial Statements
For the year ended 31 October 2017

10. Investment in subsidiary undertakings

	Total £
At 1 November 2016 and 31 October 2017	493,817

The Company holds interests in the following subsidiary undertakings.

Company	Country of incorporation	Nature of business	Class of shares	Share held %
One Media iP Limited Company number 05536271	England and Wales	Audio-visual content	Ordinary	100%
Collecting Records LLP Company number OC307927	England and Wales	Dormant	Partnership	99%
One Media Intellectual Property Limited Company number 08224199	England and Wales	Dormant	Ordinary	100%
One Media Publishing Limited Company number 082123128	England and Wales	Dormant	Ordinary	100%
OMIP Ltd Company number 10585974	England and Wales	Dormant	Ordinary	100%
TCAT Limited Company number 10586072	England and Wales	Dormant	Ordinary	100%
Men & Motors Limited Company number 10582506	England and Wales	Dormant	Ordinary	100%

The Company's investment at the balance sheet date is 100% of the share capital of the unlisted companies One Media iP Limited, One Media Intellectual Property Limited, One Media Publishing Limited, OMIP Ltd, TCAT Limited and Men & Motors Limited. One Media iP Group Plc owns 99% of the Limited Liability Partnership Collecting Records LLP with the other 1% of the Limited Liability Partnership Collecting Records LLP held by One Media iP Limited. All of the above subsidiaries principal place of business is 623 East Props Building, Pinewood Studios, Iver Heath, Bucks SL0 0NH.

All the above activities are included in the consolidated financial statements.

11. Receivables

	Year ended 31 October 2017 Group £	Year ended 31 October 2016 Group £	Year ended 31 October 2017 Company £	Year ended 31 October 2016 Company £
Amounts owed by group undertakings	-	-	2,965,945	2,706,637
Trade receivables	101,070	120,425	-	-
Other receivables	351,609	315,919	1,983	3,677
Prepayments	26,125	27,230	12,108	14,032
	478,804	463,574	2,980,036	2,724,346

Notes to the Consolidated Financial Statements
For the year ended 31 October 2017

11. Receivables – continued

Trade and other receivables are usually due within 30 to 90 days and do not bear any effective interest. A provision of £nil (2016: £12,823) was made for doubtful debts at 31 October 2017. The movement in the provision for impairment during the year is as follows:

	Total
	£
At 1 November 2015	-
Provision for impairment	12,823
At 31 October 2016	12,823
Release of provision for impairment	(12,823)
At 31 October 2017	-

12. Cash and cash equivalents

An analysis of cash and cash equivalent balances by currency is shown below:

	Year ended 31 October 2017 Group	**Year ended 31 October 2016 Group**	**Year ended 31 October 2017 Company**	**Year ended 31 October 2016 Company**
	£	**£**	**£**	**£**
GB£	323,788	198,749	61,631	31,483
US$	48,816	121,710	-	-
Euro	10,447	15,205	-	-
	383,051	335,664	61,631	31,483

13. Trade and other payables

	Year ended 31 October 2017 Group £	**Year ended 31 October 2016 Group £**	**Year ended 31 October 2017 Company £**	**Year ended 31 October 2016 Company £**
Current				
Trade payables	85,121	78,035	26,919	19,835
Social security and other taxes	7,763	19,368	-	-
Corporation tax	1,893	-	-	-
Accruals & deferred Income	73,941	409,004	6,500	6,000
Other payables	322,901	250,581	-	-
	491,619	756,988	33,419	25,835

The fair value of trade and other payables has not been disclosed as, due to their short duration, management considers the carrying amounts recognised in the balance sheet to be a reasonable approximation of their fair value.

Notes to the Consolidated Financial Statements
For the year ended 31 October 2017

14. Deferred tax liability

Group	Year ended 31 October 2017	Year ended 31 October 2016
	£	£
Opening balance	5,960	-
Origination and reversal of timing differences	14,266	34,499
Losses carried forward	-	(28,539)
Adjustments in respect of prior periods	14,171	-
Total deferred tax liability	34,397	5,960

The Group has estimated trading losses of £nil (2016: £142,694) available for carry forward against future trading profits.

Company	Year ended 31 October 2017	Year ended 31 October 2016
	£	£
Opening balance	-	-
Other timing differences	28,823	-
Unrelieved tax losses	(3,828)	-
Total deferred tax liability	24,995	-

15. Share capital

Group and Company	2017	2016
	£	£
Authorised:		
200,000,000 ordinary shares of 0.5p each	1,000,000	1,000,000
Issued:		
71,053,698 (2016: 71,053,698) ordinary shares of 0.5p each	355,268	355,268

There has been no movement in the issued share capital over the last two years.

Notes to the Consolidated Financial Statements
For the year ended 31 October 2017

15. Share capital - continued

At 31 October 2017 1,800,000 (2016: 2,300,000) share options of 2.75p, granted on 7 March 2011, were outstanding. The number of Directors holding share options at 31 October 2017 was 2 (2016: 3) and senior staff and employees 2 (2016: 2). The options are exercisable on or before 6 March 2018.

On 5 June 2014 a further 500,000 share options of 14.5p were issued to 1 director and 4 members of staff and remain outstanding at 31 October 2017 (2016: 700,000). These options are exercisable on or before 4 June 2021.

On 21 April 2015 a further 1,800,000 share options of 9p were issued to 3 directors and 2 members of staff and remain outstanding at 31 October 2017 (2016: 2,900,000). These options are exercisable on or before 20 April 2022.

On 2 September 2016 a further 500,000 share options of 5p were issued to 1 member of staff and remain outstanding at 31 October 2017 (2016: 500,000). These options are exercisable on or before 1 September 2021.

All share options issues were made to underpin key Directors and senior staff service conditions. The share based payment charge in relation to these share options is spread over the period of subscription.

The share price of the options granted on 7 March 2011 was 2.75p per share. The Fair Value of these options, based on the Black Scholes model, was 4.15p per share based on a risk free interest rate of 5% and a volatility of 40%. A share option charge of £4,591 has been made for the year ended 31 October 2017 (2016: £4,591).

The share price of the options granted on 5 June 2014 was 14.5p per share. The Fair Value of these options, based on the Black Scholes model, was 21.87p per share based on a risk free interest rate of 5% and a volatility of 40%. A share option charge of £7,368 has been made for the year ended 31 October 2017 (2016: £7,368).

The share price of the options granted on 21 April 2015 was 9p per share. The Fair Value of these options, based on the Black Scholes model, was 13.57p per share based on a risk free interest rate of 5% and a volatility of 40%. A share option charge of £18,984 has been made for the year ended 31 October 2017 (2016: £18,984).

The share price of the options granted on 2 September 2016 was 5p per share. The Fair Value of these options, based on the Black Scholes model, was 7.54p per share based on a risk free interest rate of 5% and a volatility of 40%. A share option charge of £1,815 (2016: £nil) has been made for the year ended 31 October 2017 (2016: £nil).

Notes to the Consolidated Financial Statements
For the year ended 31 October 2017

16. Company reserves

	Share redemption reserve	Share premium	Share based payment reserve	Retained earnings	Total
	£	£	£	£	£
At 1 November 2015	**239,546**	**1,457,645**	**43,497**	**934,910**	**2,675,598**
Proceeds from the issue of new shares	-	-	-	-	-
Share based payment charge	-	-	30,943	-	30,943
Release from share based payment reserve	-	-	-	-	-
Profit for the year	-	-	-	262,898	262,898
Dividends	-	-	-	(100,896)	(100,896)
At 1 November 2016	**239,546**	**1,457,645**	**74,440**	**1,096,912**	**2,868,543**
Proceeds from the issue of new shares	-	-	-	-	-
Share based payment charge	-	-	32,758	-	32,758
Profit/(loss) for the year	-	-	-	220,501	220,501
Dividends	-	-	-	-	-
At 31 October 2017	**239,546**	**1,457,645**	**107,198**	**1,317,413**	**3,121,802**

The Consolidated Statement of Changes in Equity is shown on page 21.

17. Dividends per share

The total dividend paid in the year ended 31 October 2017 was £nil (2016: £100,896).

18. Contingent liabilities

Due to the nature of the business, from time to time, claims will be made against the Group. Nonetheless, the Directors are not aware of any claims that are likely to be successful and, in their opinion, result in a material liability.

Notes to the Consolidated Financial Statements
For the year ended 31 October 2017

19. Capital commitments

There were no capital commitments at 31 October 2017 or at 31 October 2016.

20. Operating lease commitments

	Within one year	1 to 5 years	2017 Total	Within one year	1 to 5 years	2016 Total
	£	£	£	£	£	£
Rent	40,911	-	40,911	53,263	41,111	94,374
Vehicles	16,123	6,017	22,140	13,356	2,071	15,427
	57,034	6,017	63,051	66,619	43,182	109,801

The lease for rent is due to expire on 31 July 2018 and for the vehicles leases during 2018 and 2020. Management are currently negotiating a new office lease. The Company has no operating lease commitments.

21. Financial instruments

The Group uses financial instruments comprising cash and cash equivalents, other loans and various other short-term instruments such as trade receivables and trade payables which arise from its operations. The main purpose of these financial instruments is to fund the Group's business strategy and the short-term working capital requirements of the business.

Financial assets by category

Categories of financial asset included in the Consolidated Statement of Financial Position are as follows:

	Loans and receivables	Non financial assets	2017 Total	Loans and receivables	Non financial assets	2016 Total
	£	£	£	£	£	£
Licenses and other intangible assets	-	3,383,597	3,383,597	-	3,394,134	3,394,134
Property, plant and equipment	-	16,970	16,970	-	6,452	6,452
Trade receivables	101,070	-	101,070	120,425	-	120,425
Other receivables	351,609	-	351,609	315,919	-	315,919
Prepayments	26,125	-	26,125	27,230	-	27,230
Cash and cash equivalents	383,051	-	383,051	335,664	-	335,664
	861,855	3,400,567	4,262,422	799,238	3,400,586	4,199,824

Included within loan and receivables above are cash and cash equivalents of £61,631 (2016: £31,483), and trade and other receivables of £14,091 (2016: £17,710) excluding amounts owed by group undertakings in relation to the company.

Trade Debtors at 31 October 2017 of £121,288 (2016: £131,492) include £63,503 (2016: £76,055) payable in $USD and £6,948 (2016: £2,534) payable in Euro.

Notes to the Consolidated Financial Statements
For the year ended 31 October 2017

21. Financial instruments - continued

Financial liabilities by category

Categories of financial liabilities included in the Consolidated Statement of Financial Position are as follows:

	Other financial liabilities at amortised cost	Liabilities not within the scope of IAS 39	2017 Total	Other financial liabilities at amortised cost	Liabilities not within the scope of IAS 39	2016 Total
	£	£	£	£	£	£
Trade payables	85,121	-	85,121	78,035	-	78,035
Social security and other taxes	7,763	-	7,763	19,368	-	19,368
Corporation tax	1,893	-	1,893	-	-	-
Deferred tax	-	34,397	34,397	-	5,960	5,960
Accruals and deferred income		73,941	73,941	-	409,004	409,004
Other payables	322,901	-	322,901	250,581	-	250,581
	417,678	108,338	526,016	347,984	414,964	762,948

Included within other financial liabilities are trade payables of £26,918 (2016: £19,834) and other payables of £6,500 (2016: £6,000) in relation to the company.

The Group is exposed to a variety of financial risks which result from its operating activities. The Board is responsible for co-ordinating the Group's risk management and focuses on actively securing the Group's short to medium term cash flows. Long term investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets and has no financial derivatives. The most significant risks to which the Group is exposed are described below:

Credit risk

The Group's credit risk is primarily attributable to its trade receivables, other receivables and cash and cash equivalents. The amounts presented in the Consolidated Statement of Financial Position are net of any allowances for doubtful receivables. The Group has a significant concentration of credit risk associated with its distributor of digital content, The Orchard. Cash at bank is all held with highly rated banks or deposit takers, the suitability of which is constantly reviewed. The maximum credit to which the Group is exposed, including Cash at bank of £383,051 is £861,855 (2016: £799,238).

Liquidity risk

The Group seeks to manage risks to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash and assets safely and profitably. Short term flexibility is achieved by the use of money markets to deposit excess cash which is not required in the short term. The directors prepare cash flow forecasts on a regular basis to identify at an early stage any short term funding difficulties.

All the financial liabilities noted above, with the exception of the liability to deferred tax of £34,397 (2016: £5,960), are expected to result in cash outflow within six months of the year end. At 31 October 2017, £415,785 (2016: £347,984) of the financial liabilities were expected to result in cash outflow within six months of the year end.

Notes to the Consolidated Financial Statements
For the year ended 31 October 2017

21. Financial instruments - continued

Currency risk

The Group is exposed to foreign exchange risk in connection with its digital downloading and streaming business where the revenue is largely transacted in US$ and the settlement of royalty and other liabilities arising from this revenue is largely denominated in US$.

Included in Cash and cash equivalents, Trade receivables and Other receivables is USD$531,198 (2016: USD$553,720) equivalent to £402,423 (2016: £453,869) and Euro 19,656 (2016: Euro 20,755) equivalent to £17,395 (2016: £17,740) payable in Euro. If the foreign exchange rate was 10% different from the rate used at the year end there would be an under/over statement of assets of £46,646 (2016: £52,401).

Included in Accruals & deferred income and Other payables is USD$32,912 (2016: USD$452,628) equivalent to £24,933 (2016: £371,007) payable in USD$. If the foreign exchange rate was 10% different from the rate used at the year end there would be an under/overstatement of liabilities of £2,770 (2016: £41,223).

22. Related party transactions

There were no related party transactions in the year under review or in the year ended 31 October 2017 nor 31 October 2016, other than transactions with the directors as disclosed in the Directors' Report and note 5 to the financial statements.

At 31 October 2017 the principal operating subsidiary One Media iP Limited owed the Company £2,965,945 (2016: £2,706,637). No formal inter-company loan agreement is in existence between the Company and its subsidiaries. During the year the Company made a management charge of £198,509 (2016: £222,851) against One Media iP Limited and received a dividend of £300,000 (2016: £300,000).

23. Post balance sheet events

As announced on the 18 December 2017 the Company has raised £375,000 gross via a subscription for 15,000,000 new ordinary shares in the Company at a price of 2.5 pence per share by Lord Michael Grade and Ivan Dunleavy.

STREAMING CONTINUES THE MARCH FOR THE CONSUMER-PREFERRED METHOD OF PURCHASING MUSIC

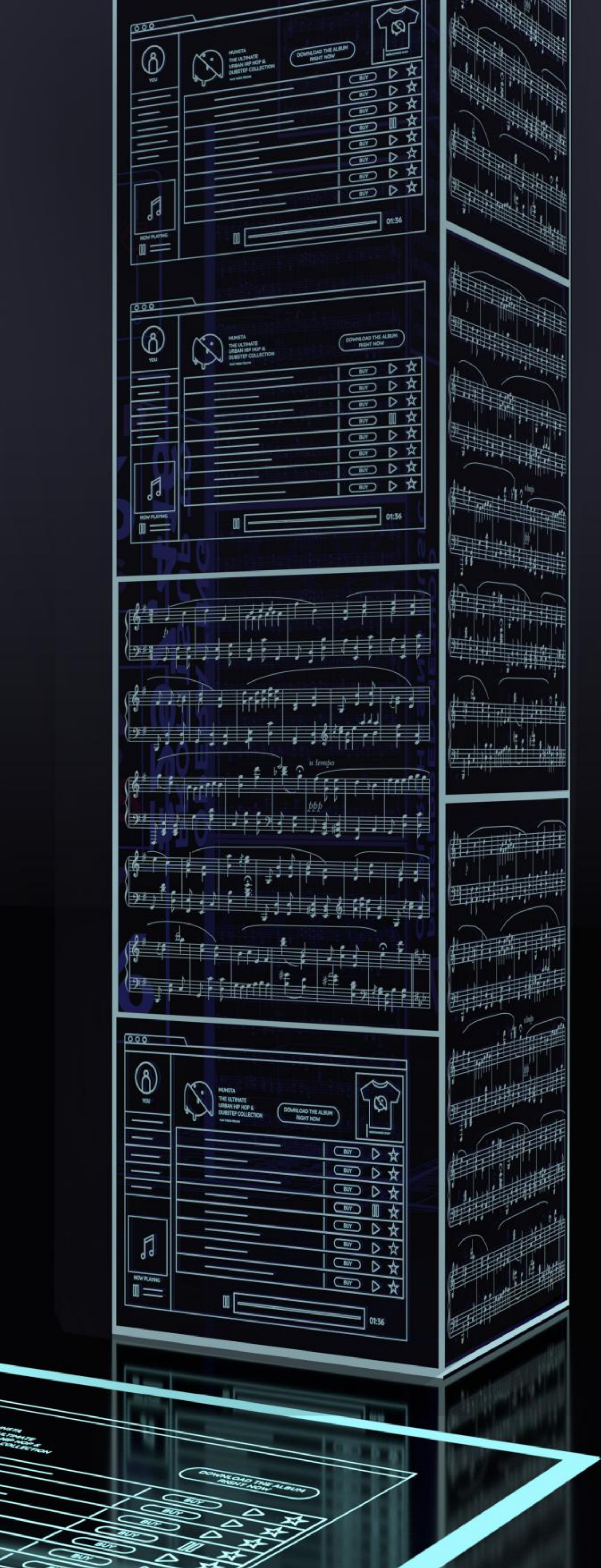
2017

REVENUE UP 14% ON 2016

EBITDA INCREASED TO £535,678

UP BY 121%

OPERATING PROFITS UP TO £297,416



GLOBAL MUSIC REVENUE UP BY

5.9%

(SOURCE : IFPA)

THE DIGITAL SHARE

OF GLOBAL MUSIC REVENUES NOW REPRESENTS

50%

OF TOTAL SALES

UP **17.7%**

OVER THE PREVIOUS YEAR

(SOURCE : IFPA)

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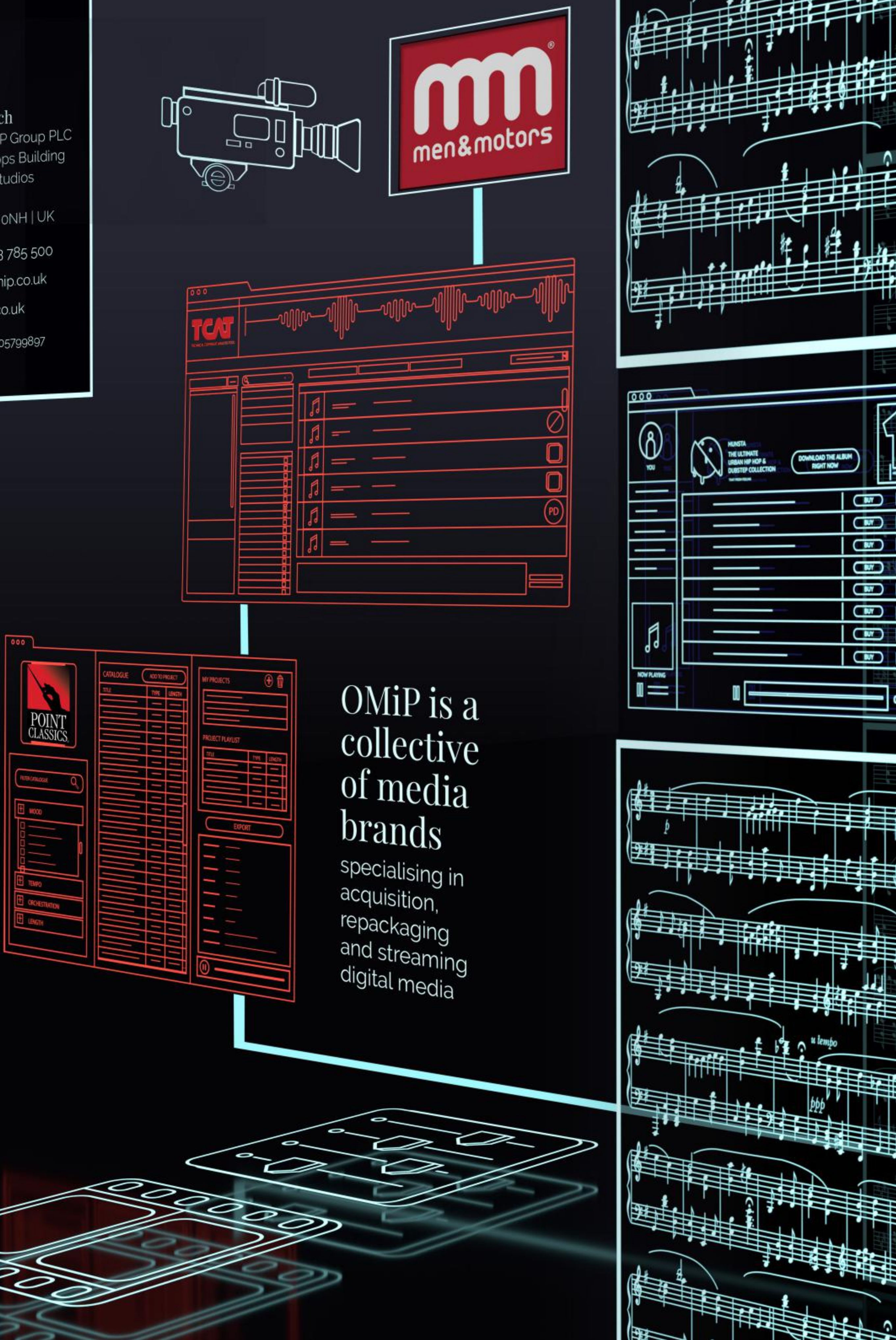
www.omip.co.uk

Company No. 05799897



OMiP is a collective of media brands

specialising in acquisition, repackaging and streaming digital media