DCD MEDIA PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

Company number 03393610

Contents

DCD Media Plc

("DCD Media" or the "Company")

Audited results for the year ended 31 December 2014

DCD Media and its subsidiaries, the independent TV production and distribution group (the "Group"), today report results for the year ended 31 December 2014.

Financial Summary

Continuing operations:

• Revenue	£9.7m (2013: £12.3m)
• Gross profit	£2.5m (2013: £4.3m)
• Operating loss	£0.9m (2013: £2.7m)

Discontinued operations:

• Revenue	£1.3m (2013: £1.9m)
• Gross profit	£0.3m (2013: £0.2m)
• Operating loss	£0.0m (2013: £0.3m)
• Gain on sale	£0.3m (2013 : £nil)

Group results:

• Operating loss	£0.6m (2013: £3.0m)
• Adjusted EBITDA	£(0.2m) (2013: (£0.9m))
• Adjusted loss before tax	£(0.5m) (2013: (£1.1m))

Please refer to the table within the Performance section below for an explanation of the profit adjustments.

Business highlights

- Focus on our rights business yields results and provides a platform for further growth
- DCD Rights wins the tender to represent the prestigious **Open University** catalogue for two years and starts dialogue to acquire a library of programmes from the administrators of **Electric Sky**
- September Films' production **Celebrity Squares** airs on ITV
- Negotiations with The CW network and co-producers 117 Productions lead to the commission of a US version of the magic competition show **Penn & Teller: Fool Us** which will be aired in 2015
- Loss making subsidiary Matchlight is sold to management
- Sequence Post expands its client base
- Coutts term loan is repaid in November 2014
- Largest shareholders agreed to lend further £0.8m in the form of new convertible loan notes
- Actions taken in previous years yield savings in both personnel and operational expenses in 2014

David Craven, Executive Chairman and Chief Executive Officer, commented: "This year saw further consolidation for the Group and notably, the Board was pleased to see a cleaner balance sheet as a consequence of the repayment of the long-term debt facility.

"The Executive and Board took the decision last year to drive growth through the Rights business whilst operating a more streamlined and manageable cost base through the Production businesses. We are delighted to be able to report that this strategy is succeeding and delivering reduced losses and a more predictable revenue stream going forward.

"The business reports a relatively modest adjusted EBITDA loss of £0.2m compared to £0.9m loss in 2013. This is a consequence of the consolidation work undertaken in the last 18 months. The Board believes that it has the platform now for a sustainable business with a solid contribution from the Rights business and strong output from the Production companies.

“The financial performance therefore reflects a more cohesive business at a revenue level, with EBITDA losses narrowing with the reasonable expectation that the Group will report adjusted EBITDA positivity next year.

“Following the consolidation of the Production businesses, the team has won some exciting commissions including a US network co-production of the Jonathan Ross hosted the magic competition show **Penn & Teller: Fool Us** for the CW network**.** Elsewhere, September Films secured a major new ITV commission for a seven-part 60 minute series of **Celebrity Squares** hosted by Hollywood star Warwick Davis. The primetime comedy game-show premiered in July 2014 and was subsequently re-commissioned for a second eight-part, 45 minute series for transmission in 2015.

“We are particularly pleased that the development of the successful and highly-respected international Rights business continued. Under the strong leadership of Nicky Davies Williams, DCD Rights won the tender to represent the prestigious **Open University** catalogue for two years and began a dialogue to acquire a library of programmes from the administrators of Electric Sky. The library was subsequently acquired by DCD Media after the year end.

“We are confident we can see further expansion from the Rights division in the new financial year. While there are challenges sourcing the best quality content, we look forward to the Rights business driving sustained growth in the coming years.

“The Board is confident that with the term-debt paid down and rationalisation of the business divisions, that the future for DCD Media looks exciting and promising.”

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Executive Chairman's review

The financial year to 31 December 2014 was progressive if not fruitful for both the Production and Rights divisions.

The stated ambition for the Group last year was to focus more intensely on the future growth for the Rights business and we are pleased to report the expansion plan has succeeded with a modest 5% growth in revenue from the previous year with further expansion planned in the next financial year.

DCD Rights consolidated its position as one of the world's top independent TV rights distributors in 2014 with considerable success in award-winning new dramas and factual programming as well as building its music library. The company continued to remain profitable and is poised for further growth in the next financial year.

Key to the growth story in Rights has been the acquisition of new content. Securing the licence to represent The Open University library was pivotal as was the acquisition of the Electric Sky library, the process for which began during the year. The team believe the Open University and Electric Sky deals are game-changers and significantly increase the footprint by creating greater depth in the sales catalogue. The Open University deal alone boosted the company's portfolio with more than 188 hours of BBC-produced, high-calibre and entertaining factual content as well as a further 40 hours of programming over a two-year period.

The Rights' team enjoy continued support from shareholder Timeweave which has provided a fund for the acquisition of third-party distribution rights. While the Rights team has built a reliance on the Timeweave fund to finance advances for third party content acquisition, the executives have engagement at an advanced stage with additional funders who can provide financial support for content acquisition, further extending the reach of the Rights division.

DCD Rights has continued to expand its sales team which has now been split into more focused geographies enabling further growth from new markets. The most significant challenge however remains the acquisition of high quality factual and drama content.

We believe we are now well placed for the Rights division to drive forward and deliver on the target of double digit sales growth in the forthcoming years.

We remained committed as a Board to the creative teams in Production and we are delighted to report that the London based Production businesses, September Films and Rize USA struck significant commissions during the year.

September Films prevailed with a major new ITV commission for a seven-part 60 minute series of **Celebrity Squares** hosted by Hollywood star Warwick Davis. The primetime comedy game-show premiered in July 2014 and was subsequently re-commissioned for a second eight-part, 45 minute series for transmission in 2015.

And for Rize USA, the acclaimed three-part behind-the-scenes series **Liberty of London,** which first aired in 2013, was re-commissioned by Channel 4 in a new four-part format and the second series premiered in October.

While the Production teams delivered on immediate opportunities, they have also been working on a number of broadcaster engagements and these are showing promise with some strong development prospects in the pipeline. We believe that a number of short-term production opportunities are within the grasp of the London based Production development teams.

Post-production house, Sequence Post ("Sequence") continues to assert itself in the post-production marketplace, securing a number of key contracts with the UK's foremost programme makers including programming for a variety of channels such as **Celebrity Squares** for ITV, **Liberty of London** for Channel 4, crime drama **Suspects** for Channel 5, **Young Fathers: Return to Love** for Channel 4's Random Acts and Australian travel adventure competition series **RV Rampage** for Travel Channel. Notably Sequence post-produced One Direction's **Where We Are** live concert album film premiered for an exclusive weekend in October and was Sequence's first ever cinema-release project, paving the way for potential lucrative future big-screen projects.

Corporate highlights of the year

The most notable Group achievement of the year was certainly the repayment of the remaining £0.48m of long-term debt to Coutts & Co, the Group's principal bankers. The Group had been hampered with the cash drain of over-borrowing and we are delighted that the current Executive and Board have delivered on the pledge to pay down this long-term loan.

In May 2014, the Group's largest shareholders agreed to lend a further £0.8m in the form of new convertible loan notes, having an interest rate of 10% and a conversion price of £1 following the resolutions approved by the shareholders at the AGM on 30 June 2014. These notes are due for repayment on 30 May 2016 if not previously converted.

D Craven
Executive Chairman and Chief Executive Officer
1 June 2015

Strategic report

Strategic outlook

We believe the Executive team focus on a highly regarded Rights business and streamlined Production entities is a stable platform for future profitable growth. We also believe the market will remain highly attractive in both these sectors in the coming years.

The current demand for compelling TV content and for returnable franchises is a first-class environment for both divisions to thrive. It is fair to say, the Group remains vulnerable to a lack of scale particularly in the Production area, but we are addressing this.

We are obviously delighted that the Group's bank debt burden is lifted; the Board can now focus more on taking advantage of the many opportunities being presented to the businesses.

As mentioned, DCD Rights is showing growth potential with a scalable model. The Board believes the team, continuously led by the highly-experienced Nicky Davies Williams, has demonstrated its capability supported by the Timeweave Rights acquisition fund. At the same time, the creative teams look to, and act in, highly competitive markets delivering acclaimed content broadcasters can rely on.

The Board recognises the benefits of running both Rights and Productions in an integrated manner and will continue to target investment in whichever direction the Board feels will maximise shareholder value.

Review of divisions for the year to 31 December 2014

Rights and Licensing

DCD Rights
DCD Rights continued to expand its catalogue of programming available for the world markets and during the year was able to launch award-winning new dramas and factual programming as well as building its music library. The business continued to remain profitable and delivered an increase in turnover of 5%.

In April 2014, DCD Rights won the tender to represent the prestigious **Open University** programming catalogue around the world. This significant deal boosted the company's extensive portfolio with more than 188 hours of BBC-produced, high calibre and entertaining factual content as well as a further 40 hours of programming over a two-year period.

Many **Open University** programmes are primetime ratings winners with well-known presenters, including two series of **Coast**, the award-winning BBC Two series which celebrates Britain's dramatic coastline, and **Bang Goes The Theory**, a magazine-style series which makes sense of the science behind headline discoveries.

In drama, the company launched new Australian series **The Code,** which was successfully sold to BBC Four, who premiered the thriller in October, as well as numerous other major broadcasters around the world including Arte for France and Germany, DirecTV for Audience Network in USA and Sundance Channel Latin America, Middle East and Iberia.

Following another successful MIPTV, DCD Rights sold its new, award winning 13-part cookery series **Bitten: Sarah Graham Cooks Cape Town** to over 35 international channels and is building a strong strand of food programming.

The very popular music library continued to be in demand from buyers and the library grew with new specials from **George Michael, Santana, Jessie J**, as well as a prestigious new **Jimi Hendrix** film from the Experience Hendrix estate.

From the US, the company benefitted from revenue from the format deal with NBC International for **The Slap**, which premiered on NBC starring Uma Thurman, Zachary Quinto and Emmy-winner Brian Cox whilst the **Penn and Teller** series that DCD Rights sold to the CW Network became the network's second most rated show over the summer and spawned a significant commission for an American version of the series.

DCD Publishing
DCD Publishing represents a wide range of properties and talent across all media including television, book publishing, DVD, licensed consumer products, product endorsement and monetised social media.

In 2014, the company's talent division represented a broad range of clients including Burberry's make-up artist Wendy Rowe, Kara Rosen of the Plenish Cleanse brand, journalist Kate Spicer, adventurer Simon Mann, Jack Monroe (A Girl called Jack), Deborah Lickfett (Metropolitan Mum), dancers Vincent and Flavia, William Banks-Blaney (William Vintage), The Shard, photographer Grace Vane Percy, chef Yuki Gomi, 'London's pop-up restaurant king' Jimmy Garcia and The Meek Family who are travelling for two years educating their children at home.

Following on from the successful release of dance fitness DVD Zalza with Russell Grant and Falvia Cacace in 2013, DCD Publishing secured the release of a second DVD instalment and a profitable QVC deal for a Zalza box-set in 2014.

Strategic report (continued)

In 2014, Penguin books sold the Italian rights to Yuki Gomi's **Sushi at Home** and Jack Monroe's number one best-selling frugal food cook book **A Girl Called Jack** to Newton Compton Editori. A second book from Jack Monroe **A Year in 120 Recipes** was subsequently secured by DCD Publishing and published by Michael Joseph in October along with Montezuma's **Chocolate Cook Book**, published by Kyle Books.

Additional book deals include **25 Dresses by William Vintage**, published by Quadrille Publishing in 2015, **Plenish: Juices to Boost, Heal and Cleanse**, published by Mitchell Bleazely and a two-book deal for the Meek family: **100 Family Adventures** and **Learning Outdoors With The Meek Family**, published by Frances Lincoln. DCD Publishing also secured a successful regular column for the Meeks with Green Parent magazine.

Productions

The DCD Media Productions division comprises the following UK and US-based brands:

Rize USA	London, UK	**September Films UK**	London, UK
September Films USA	Los Angeles, California	**Prospect Pictures**	London, UK
Prospect Cymru	London, UK		

The Group's results include those of **Matchlight**, its Glasgow based production company, until its point of disposal in September 2014.

These well-established, independent production companies have a strong track record in producing high-quality viewing covering a broad spectrum of programming including Entertainment, Factual, Current Affairs, Reality and Daytime (Lifestyle and Cookery).

The output of each organisation is overseen by DCD Media and complimented by the Group's Post-Production and Rights and Licensing divisions.

September Films UK
Following the Group's investment into development activity in 2013, September Films secured a major new ITV commission for a seven-part 60 minute series of **Celebrity Squares** hosted by Hollywood star Warwick Davis. The primetime comedy game-show premiered in July 2014 and was subsequently re-commissioned for a second eight part, 45 minute series for transmission in April 2015.

September Film's London-based development team continues to focus on winning new commissions, building important foundations and has since received significant broadcaster engagement regarding a proposed taster for an entertainment series for ITV.

September Films USA
In 2013 the Group invested resources into development activity which failed to deliver commissions across a range of funded projects.

It was also reported that the team was pursuing 'two significant projects', one of which we are pleased to report was secured by the DCD Media Rights team which delivered the US network co-production of the Jonathan Ross hosted magic competition show **Penn & Teller: Fool Us.** This is a major commission on a highly regarded US network, and while not related to the September Films USA team, it is nonetheless a major initiative in the North American market, which may lead to further developments in that market.

Rize USA
Rize USA, a joint-venture between Founder and Creative Director Sheldon Lazarus and DCD Media, launched in 2011 as a factual and reality producer with offices in London and Los Angeles. It has since provided a catalogue of hard-hitting shock-docs and behind-the-scenes observational documentaries for UK and US audiences including BBC Two, ITV, Channel 4, Science Channel, Discovery Fit & Health and TLC.

In 2014, the acclaimed three-part behind-the-scenes series **Liberty of London** which first aired in 2013 was re-commissioned by Channel 4 in a new four-part format and the second series premiered in October.

Rize USA proved its creativity and diversity, winning three separate commissions for fascinating one-off 60 minute documentaries to air in 2015. **How to Remember Everything** for ITV followed three British hopefuls to the World Memory Championships in China in December and Channel 4 commissioned a documentary exploring the phenomenal rise of dating apps for their Cutting Edge documentary: **The Secret World of Tinder**. Building on the success of **Liberty of London** which was sold worldwide by DCD Rights as a seven-part series, Rize USA went behind-the-scenes once more to Dubai's most opulent hotel, the Burj Al Arab Jumeirah, producing observational documentary **The Billion Pound Hotel** (titled the Billion Dollar Hotel for international distribution) which premiered in March 2015 and received a 10.5% audience share, trending 2nd in the UK and 6th in the world on social media.

Rize USA's productions have consistently generated valuable IP to be exploited worldwide by the Group's distributer, DCD Rights and in 2014, Rize USA continued to develop new and entertaining series proposals for a variety of audiences in the UK and US, one of which is expected to come to fruition in 2015 and will be a significant series commission for the Group.

Matchlight
Since inception in 2009, Matchlight produced documentary, history, arts, current affairs and popular factual programmes for all major UK channels including BBC One, Two, Three and Four, ITV, Channel 4, Channel 5, and BBC Scotland.

Prior to its sale, Matchlight had a number of new commissions.

In January, a one-off 60 minute documentary **The Commonwealth of Burns** transmitted on Burns Night on BBC Scotland and was closely followed by a three part 60 minute series presented by historian Amanda Vickery**, The Story of Women and Power** which aired on BBC Two in February.

In April, **Jockey School**, a one-off 60 minute documentary following three jockey hopefuls transmitted on Channel 4 and in May, a one hour documentary presented by Stephanie Flanders **The Battle to Beat Polio**, transmitted on BBC Two – it went on to secure a Royal Television Society (Scotland) nomination for Best Documentary/Factual Series. In the same month, **The Story of Women and Art**, also presented by Amanda Vickery was selected by BBC Director General Tony Hall to premier on iPlayer and transmitted on BBC Two. The three-part 60 minute series was nominated for Best Factual Series at the British Academy (BAFTA) Scotland Awards 2014.

In addition, in 2014 and while still part of the Group, Matchlight won three commissions which aired after its departure: a four-part 30 minute series **Viva Variety** commissioned by BBC Scotland**,** a one hour documentary **Russell Brand: End The Drugs War** which aired in November and in December, **Darcey Bussell's Looking for Audrey**, a one-off special transmitted on BBC One.

The Commonwealth of Burns, The Story of Women and Art and **Darcey Bussell's Looking for Audrey** were sold internationally by DCD Rights which also represents subsequent Matchlight productions in secondary markets.

Despite this activity, Matchlight remained loss making and was sold to management, with DCD Rights retaining a long-term option over Matchlight's distribution rights.

Post-Production - Sequence Post

This London based post-production house was acquired by DCD Media in February 2012 in a strategic move to drive synergies from production-related activity provided by the Group. The acquisition improved Group profitability and profile (working for high profile third-party clients across all television, film and commercial genres), and in-house capabilities as an effective high-end service provider to DCD's production arms. Sequence Post ("Sequence") has equally benefitted from this synergy, experiencing a sharp increase in business through an expanded client base.

In 2014, Sequence secured work for companies such as Lemonade Money, Newman Street (part of Freemantle Media), Waddell media, JA Digital, Firecracker Films, Rize USA, September Films and Tuesday's Child.

Projects included programming for a variety of channels including **Celebrity Squares** for ITV, **Liberty of London** for Channel 4, crime drama **Suspects** for Channel 5, **Young Fathers: Return to Love** for Channel 4's Random Acts, online shorts for the **Vodafone #Firsts** series, and Australian travel adventure competition series **RV Rampage** for Travel Channel.

In addition, Sequence forged an important relationship with Grammy award winning director Paul Dugdale and producer Jim Parsons who commissioned Sequence to post-produce a series of ground-breaking live concert film music videos including Bafta-nominated **Coldplay: Ghost Stories** which premiered in May 2014 and was accompanied by a 60 minute behind-the-scenes documentary for Sky Arts (also post-produced by Sequence).

Michael Flatley's **Lord of the Dance: Dangerous Games** began post in 2014 for release the following year and One Direction's **Where We Are** live concert album film premiered for an exclusive weekend in October and was Sequence's first ever cinema-release project, paving the way for highly lucrative future big-screen projects.

Following investment from the Group, Sequence has continued to expand its facilities with the development of suites and an equipment upgrade. The division has seen its client base develop to encompass high-end documentary and music projects in addition to the Commercial and Corporate work that was once their staple.

Performance

At a turnover level, the Group delivered £11.0m in revenue compared with a comparative of £14.2m in 2013, of which £9.7m related to continuing operations (2013: £12.3m). The increase in turnover from productions in the UK was not sufficient to match the reduction in US productions that resulted from the loss of the Bridezillas franchise. However, restructuring within Productions in 2013 and early 2014 has reduced costs and generated an overall reduction in EBITDA loss in that division. In addition savings on central overheads have reduced losses at head office.

The Group made an operating loss for the year of £0.9m (2013: loss of £2.7m), which is stated after impairment and amortisation of intangible assets, including goodwill and trade names.

Adjusted EBITDA and Adjusted LBT are the key performance measures that are used by the Board, as they more fairly reflect the underlying business performance by excluding the significant non-cash impacts of goodwill, trade name and programme rights amortisation and impairments.

The headline Adjusted EBITDA in the year ended 31 December 2014 was a loss of £0.2m (2013: loss of £0.9m).

Adjusted loss before tax for the Group was £0.5m in 2014 against an adjusted loss of £1.1m for the year to 31 December 2013.

The following table represents the reconciliation between the operating loss per the consolidated income statement and adjusted Loss Before Tax (LBT) and adjusted Earnings Before Interest Tax Depreciation and Amortisation (EBITDA):

	Year ended 31 December 2014 £m	**Year ended 31 December 2013 £m**
Operating loss per statutory accounts (continuing operations)	(0.9)	(2.7)
Add: Discontinued operations (note 11)	0.3	(0.3)
Operating loss per statutory accounts	**(0.6)**	**(3.0)**
Add Amortisation of programme rights (note 13)	0.9	4.2
Add: Impairment of programme rights (note 13)	0.0	0.2
Add: Amortisation of trade names (note 13)	0.4	0.5
Add: Impairment of goodwill and related intangibles (note 13)	0.0	1.2
Less: Capitalised programme rights intangibles (note 13)	(0.9)	(4.2)
Less : Gain on sale of subsidiary	(0.3)	-
Add: Depreciation (note 14)	0.1	0.1
EBITDA	**(0.4)**	**(1.0)**
Add: Restructuring costs (legal and statutory) (note 6)	0.3	0.1
Add : Stock and other provisions	0.1	-
Deduct : Write back of creditor	(0.2)	-
Adjusted EBITDA	**(0.2)**	**(0.9)**
Continuing adjusted EBITDA	*(0.2)*	*(0.6)*
Discontinued adjusted EBITDA	*(0.0)*	*(0.3)*
Less: Net financial expense (notes 8 & 9)	(0.2)	(0.1)
Less: Depreciation	(0.1)	(0.1)
Adjusted LBT	**(0.5)**	**(1.1)**
Continuing adjusted LBT	*(0.5)*	*(0.8)*
Discontinued adjusted LBT	*(0.0)*	*(0.3)*

Intangible assets
The Group's consolidated income statement and consolidated statement of financial position has again this year been impacted by the amortisation and impairment of intangible assets, see note 13.

The Group has seen amortisation and impairment of goodwill and trade names for the year of £0.4m (2013: £1.7m) and a net amortisation and impairment of programme rights of £1.0m (2013: £4.4m).

The accounting implications, in terms of the effect of reporting impaired intangible assets under International Financial Standards, are explained below.

Goodwill
September Films UK has now successfully produced two series of ***Celebrity Squares***, co-produced a series of ***Penn & Teller Fool Us*** in the USA, and has several developments in the pipeline. Management now consider the forecast cash flows and profitability of the business support the carrying value of the goodwill and as a result, no impairment was booked in 2014.

Trade names
Trade names are amortised over ten years on a straight line basis and a non-cash expense of £0.4m was expensed in the year relating to trade names. The carrying value of trade names after the amortisation was £1.0m (2013: £1.5m).

Restructuring costs

Restructuring costs of £0.3m have been disclosed in the consolidated statement of comprehensive income and relate largely to redundancy payments.

Earnings per share

Basic loss per share in the year was 177p (year ended 31 December 2013: 656p loss per share) and was calculated on the loss after taxation of £0.7m (year ended 31 December 2013: loss £2.7m) divided by the weighted average number of shares in issue during the year being 414,281 (2013: 414,281).

Balance sheet

The Group's net cash balances have increased to £1.3m at 31 December 2014 from £0.5m at 31 December 2013. A substantial part of the Group cash balances represent working capital commitment in relation to its rights business and is not considered free cash. The increase in the year is largely due to temporary movements in receivables and payables in working capital.

During the year, repayments of £0.5m against bank debt were made. The bank term loan was fully repaid on 30 November 2014.

In the year, the Group's largest shareholders agreed to lend a further £0.8m in the form of new convertible loan notes, having an interest rate of 10% and a conversion price of £5. These notes are due for repayment on 30 May 2016 if not previously converted. At the AGM on the 30 June 2014, following the approval of the capital re-organisation, the conversion price became £1.

At the year end, the Group had an available gross overdraft facility of £0.75m and a net facility of £0.5m.

Shareholders' equity

Retained earnings as at 31 December 2014 were £(58.5m) (2013: £(57.7m)) and total shareholders' equity at that date was £2.6m (2013: £3.2m).

Amounts attributable to non-controlling interests

At the year end, the Group held an 80% stake in Rize Television Ltd. An amount of (£0.1m) (2013: (£0.1m)) as equity representing the non-controlling interest of the Group is reported as at the year end.

Current trading

2015 has got off to a good start for all of the Group's divisions. Within Productions, September Films produced a further series of **Celebrity Squares** for ITV and co-produced a series of **Penn and Teller: Fool Us** for The CW network in the US. Rize USA delivered three programmes. Both companies have several developments in the pipeline.

DCD Rights bolstered its catalogue with the acquisition of approximately 253 hours across 50 titles of Electric Sky owned productions, including the long running Fat Doctor series as well as recent productions Sky High Scrapers and How Cities Work, alongside a significant number of hours in a wide ranging factual catalogue of licensed titles from third party producers.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Group, its cash position and borrowings are set out in the Performance section of the statement. In addition note 20 sets out the Group's objectives, policies and processes for managing its financial instruments and risk.

The Group's day-to-day operations are funded from cash generated from trading and the use of an overdraft facility with other activities funded from a combination of equity and short and medium term debt instruments. The overdraft facility is reducing by £0.25m throughout 2015 and is scheduled for review by the Group's principal bankers, Coutts & Co ("Coutts"), on 30 June 2015. The Directors have a reasonable expectation that the overdraft facility will continue to be available to the Group for a period in excess of 12 months from the date of approval of these financial statements.

In considering the going concern basis of preparation of the Group's financial statements, the Board have prepared profit and cash flow projections which incorporate reasonably foreseeable impacts of the ongoing challenging trading environment. These projections reflect the management of the day to day cash flows of the Group which includes assumptions on the profile of payment of certain existing liabilities of the Group. They show that the day to day operations will continue to be cash generative. The forecasts show that the Group will continue to utilise its overdraft facility provided by its principal bankers for the foreseeable future.

Strategic report (continued)

The Directors' forecasts and projections, which make allowance for potential changes in its trading performance, show that, with the ongoing support of its shareholders, lenders and its bank, the Group can continue to generate cash to meet its obligations as they fall due.

The Directors have regular discussions with the Group's main shareholders and its principal bankers and have a reasonable expectation that the Company and the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Key Performance Indicators (KPIs)

	Year ended 31 December 2014	Year ended 31 December 2013
Revenue from continuing operations (£m)	9.7	12.3
Operating from loss continuing operations (£m)	(0.9)	(2.7)
Adjusted EBITDA (£m)	(0.2)	(0.9)
Adjusted loss before tax (£m)	(0.5)	(1.1)

Principal risks and uncertainties

General commercial risks
The Group's management aims to minimise the risk of over-reliance on individual business segments, members of staff, productions or customers by developing a broad, balanced stable of production and distribution activities and intellectual property. Clear risk assessment and strong financial and operational management is essential to control and manage the Group's existing business, retain key staff and balance current development with future growth plans. As the Group operates in overseas markets it is also subject to exposures on transactions undertaken in foreign currencies.

Production and distribution revenue
Revenue is subject to fluctuations throughout the year. As the business grows, a broader range of customers and activities is expected to smooth out these fluctuations.

Funding and liquidity
Costs incurred during production are not always funded by the commissioning broadcaster. The Group policy is to maintain its production cash balances to ensure there is no financial shortfall in the ability to produce a programme. It is inherent in the production process that the short-term cash flows on productions can sometimes be negative initially. This is due to costs incurred before contracted payments have been received, in order to meet delivery and transmission dates. The Group funds these initial outflows, when they occur, in two ways: internally, ensuring that overall exposure is minimised; or, through a short term advance from a bank or other finance house, which will be underwritten by the contracted sale. The Group regularly reviews the cost/benefit of such decisions in order to obtain the optimum use from its working capital.

The Group's cash and cash equivalents net of overdraft at the end of the period was £1.3m (31 December 2013: £0.5m) including certain production related cash held to maintain the Group policy. The Group debt consists primarily of an overdraft and conventional bank debt. Details of interest payable, funding and risk mitigation are disclosed in notes 9, 18 and 20 to the consolidated financial statements.

Exchange rate risk
The Group's exposure to exchange rate fluctuations has historically been small. Management initiate cash inflows and outflows in source currency and when required, take out forward options to protect against any short-term fluctuations.

D Craven
Executive Chairman and Chief Executive Officer

1 June 2015

Report of the Directors for the year ended 31 December 2014

The Directors present their report together with the audited financial statements for the year ended 31 December 2014.

Principal activities

The main activities of the Group continued to be content production, distribution and rights exploitation. The main activity of the Company continued to be that of a holding company, providing support services to its subsidiaries.

Business review

A detailed review of the Group's business including key performance indicators and likely future developments is contained in the Executive Chairman's Review and Strategic Report on pages 5 to 11, which should be read in conjunction with this report.

Results

The Group's loss before taxation for the year ended 31 December 2014 was £0.9m (2013: £3.1m). The loss for the year post-taxation was £0.7m (2013: £2.8m) and has been carried forward in reserves.

The Directors do not propose to recommend the payment of a dividend (2013: £nil).

Directors and their interests

	At 31 December 2014			At 31 December 2013		
	Ordinary shares of £1 each		**Deferred shares of £1 each**	**Ordinary shares of £5 each** (2)		**Deferred shares of 0.5p each**
D Green	12,373		503,428	12,373		100,685,666
N Davies Williams (1)	781		69,317	-		-
D Craven	-		-	-		-
N McMyn	-		-	-		-
A Lindley	-		-	-		-

1. N Davies Williams was appointed on 30 June 2014.
2. See note 21 for information on the capital reorganisation that took place in 2014.

Mr Lindley and Mr McMyn are Non-Executive Directors. Biographies of all the Company's Directors can be found on page 14.

Other than as disclosed in note 24 to the consolidated financial statements, none of the Directors had a material interest in any other contract of any significance with the Company and its subsidiaries during or at the end of the financial year.

Substantial shareholdings

The Company has been notified, as at 29 May 2015, of the following material interests in the voting rights of the Company under the provisions of the Disclosure and Transparency Rules:

Name	No. of £1 ordinary shares	%
Colter Ltd*	124,000	29.93%
Timeweave Ltd*	104,837	25.31%
Henderson**	87,319	21.08%

*Timeweave Ltd and Colter Ltd are under the common ownership (see note 29).
**Henderson and future references to Henderson mean together Henderson Global Investors Limited and certain funds managed by Henderson Alternative Investment Advisor Limited.

Share capital

Details of share capital are disclosed in note 21 to the consolidated financial statements.

Employment involvement

The Group's policy is to encourage employee involvement at all levels as it believes this is essential for the success of the business. There is significant competition for experienced and skilled creative staff and administrators. The Directors are aware of this and have looked to encourage and develop internal resources and to put in place succession plans. In addition, the Group has adopted an open management style to encourage communication and give employees the opportunity to contribute on business issues.

Employment Involvement (continued)

The Group does not discriminate against anyone on any grounds. Criteria for selection and promotion are based on suitability of an applicant for the job. Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes of the applicants concerned. In the event of members of staff becoming disabled, every effort will be made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be at least comparable with that of other employees.

Financial instruments

Details of the use of financial instruments by the Company are contained in note 20 of the consolidated financial statements.

CORPORATE GOVERNANCE

Statement of compliance

The Group has adopted a framework for corporate governance which it believes is suitable for a company of its size with reference to the key points within the UK Corporate Governance Code issued by the Financial Reporting Council ("the Combined Code").

DCD Media Plc's shares are quoted on AIM, a market operated by the London Stock Exchange Plc and as such there is no requirement to publish a detailed Corporate Governance Statement nor comply with all the requirements of the Combined Code. However, the Directors are committed to ensuring appropriate standards of Corporate Governance are maintained by the Group and this statement sets out how the Board has applied the principles of good Corporate Governance in its management of the business in the year ended 31 December 2014.

The Board recognises its collective responsibility for the long-term success of the Group. It assesses business opportunities and seeks to ensure that appropriate controls are in place to assess and manage risk.

During a normal year there are a number of scheduled Board meetings with other meetings being arranged at shorter notice as necessary. The Board agenda is set by the Chairman in consultation with the other Directors and Company Secretary.

The Board has a formal schedule of matters reserved to it for decision which is reviewed on an annual basis.

Under the provisions of the Company's Articles of Association all Directors are required to offer themselves for re-election at least once every three years. In addition, under the Articles, any Director appointed during the year will stand for election at the next annual general meeting, ensuring that each Board member faces re-election at regular intervals.

The Directors are entitled to take independent professional advice at the expense of the Company and all have access to the advice and services of the Company Secretary.

Board committees

The Board has established an Audit, Nomination and Remuneration Committee. All are formally constituted with written terms of reference. The terms of reference are available on request from the Company Secretary.

Relations with shareholders

The Company communicates with its shareholders through the Annual and Interim Reports and maintains an on-going dialogue with its principal institutional investors from time to time. The Board welcomes all shareholders at the annual general meeting where they are able to put questions to the Board. This assists in ensuring that the members of the Board, in particular the Non-Executive Directors, develop a balanced understanding of the views of major investors of the Company.

The Group uses the website www.dcdmedia.co.uk to communicate with its shareholders.

Internal control

The Board has overall responsibility for ensuring that the Group maintains a sound system of internal control to provide it with reasonable assurance that all information used within the business and for external publication is adequate, including financial, operational and compliance control and risk management.

It should be recognised that any system of control can provide only reasonable and not absolute assurance against material misstatement or loss, as it is designed to manage rather than eliminate those risks that may affect the Group achieving its business objectives.

Going concern

For the reasons set out in the Executive Chairman's Review, the Directors consider it is appropriate to continue to adopt the going concern basis in preparing the annual report and financial statements.

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company 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 judgements and accounting estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union and applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Group and parent company financial statements respectively; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Supplier payment policy

The Company and Group's policy is to agree terms of payment with suppliers when agreeing the overall terms of each transaction, to ensure that suppliers are aware of the terms of payment and that Group companies abide by the terms of the payment.

Share Capital

Details of the Company's share capital and changes to the share capital are shown in note 21 to the Consolidated Financial Statements.

Resolutions at the Annual General Meeting

The Company's AGM will be held on Tuesday 30 June 2015. Accompanying this Report is the Notice of AGM which sets out the resolutions to be considered and approved at the meeting together with some explanatory notes. The resolutions cover such routine matters as the renewal of authority to allot shares, to disapply pre-emption rights and to purchase own shares. In addition, the Notice of AGM also describes the resolutions that are required to authorise the Board to issue shares related to the new convertible loan notes and the proposed capital reorganisation.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website (www.dcdmedia.co.uk) in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

Charitable and political donations

Group donations to charities worldwide were £nil (2013: £nil). No donations were made to any political party in either year.

Auditors

A resolution was passed to appoint SRLV as the Company's auditors at the AGM to be held on 30 June 2015.

Disclosure of information to the Auditors
In the case of each of the persons who are Directors at the time when the annual report is approved, the following applies:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- that Director has taken all the steps that they ought to have taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Directors' Report approved by the Board on 1 June 2015 and signed on its behalf by:

D Craven
Executive Chairman and Chief Executive Officer

1 June 2015

Board of Directors

David Craven (Executive Chairman & CEO)

David Craven was appointed CEO of DCD Media in October 2012 and Executive Chairman in January 2013. He is also CEO and a Director of Timeweave Ltd, which he joined in April 2011. David brings significant sector-specific and broad commercial experience to the Group, having held senior roles with News Corporation, UPC Media and Trinity Newspapers. He was also joint MD of the Tote for six years and was closely involved in its privatisation, and has held senior executive roles at UK Betting Plc and Wembley Plc. David was also a co-founder of broadband and interactive TV media group, UPC Chello, and is a co-founder of the Gaming Media Group.

Nicky Davies Williams (Executive Director)

Nicky Davies Williams was appointed CEO of DCD Rights, DCD Media's Distribution Division, in December 2005 when she sold NBD TV, a company she founded and ran successfully for over 22 years, to the Group. An English Literature graduate from Leeds University, she began her career in the music business, moving into film and television distribution at Island Pictures, where she rose to the post of Sales Director, prior to founding her own company in 1983. She has managed DCD Rights' growth into one of the world's leading independent distributors. Her experience includes non-executive directorships on the Board of The Channel Television Group from 1991-1998, and as a founding non-executive of the Women in Film and Television in the UK.

David Green (Executive Director)

David Green joined the group in 2007 when London and LA-based TV and film production company September Films, of which he was Chairman and Founder, was acquired by DCD Media. He took on the role of Group Chief Creative Officer before becoming CEO in 2009 and Executive Chairman in 2012. In October 2012, he relinquished his corporate role to return to production while remaining an Executive Director of the Group.

Oxford educated and a veteran of the UK and US film and TV industries, David's feature film directing credits include 'Buster' and 'Wings of the Apache', and he has produced over 2,000 hours of primetime TV programming including landmark series 'Hollywood Women' and 'Bridezillas', both of which he created.

Neil McMyn (Non-Executive Director)

Neil McMyn is a chartered accountant and Chief Financial Officer for the European Investment Portfolio of Tavistock Group, an international private investment organisation. Previously Neil spent nine years with Arthur Andersen Corporate Finance in Edinburgh and six years in advisory and funds management roles at Westpac Institutional Bank in Sydney, Australia. He became a Non-Executive Director of DCD Media in September 2012.

Andrew Lindley (Non-Executive Director)

Andrew Lindley joined the Board of DCD Media in September 2012. He is a practicing solicitor and holds another non-executive role with Turf TV as well as being an executive director of Lightbulb Investments and a consultant with Axiom. Andrew was Director of the Tote for the six years up to its sale in 2011 and before that spent five years at Northern Foods Plc before that, where he focused on M&A and complex contracts.

Independent auditor’s report to the members of DCD Media Plc

We have audited the Group and parent company financial statements (the ‘‘financial statements’’) of DCD Media Plc for the year ended 31 December 2014 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity, the notes to the consolidated financial statements, the parent company balance sheet and the notes to the parent company financial statements. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors
As explained more fully in the statement of Directors’ responsibilities set out on page 12, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

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

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group’s and parent company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion
In our opinion:

- the financial statements give a true and fair view of the state of the Group’s and of the parent company’s affairs as at 31 December 2014 and of the Group’s loss and cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Executive Chairman’s Review, the Strategic Report and the Directors’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Richard Gilbert (Senior Statutory Auditor)
for and on behalf of SRLV
Chartered Accountants and Statutory Auditor
89 New Bond Street
London
W1S 1DA

1 June 2015

Consolidated income statement for the year ended 31 December 2014

	Note	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Revenue	5	**9,708**	**12,327**
Cost of sales		(7,175)	(7,812)
Impairment of programme rights	6,13	(45)	(214)
		(7,220)	(8,026)
Gross profit		**2,488**	**4,301**
Selling and distribution expenses		**(42)**	**(22)**
Administrative expenses:			
- Other administrative expenses		(2,638)	(5,177)
- Impairment of goodwill and trade names	6,13	-	(1,255)
- Amortisation of trade names	6,13	(419)	(462)
- Restructuring costs	6	(323)	(69)
		(3,380)	**(6,963)**
Other income		-	9
Operating loss		**(934)**	**(2,675)**
Finance income	8	-	1
Finance costs	9	(254)	(147)
Loss before taxation		**(1,188)**	**(2,821)**
Taxation	10	202	320
Loss after taxation from continuing operations		**(986)**	**(2,501)**
Profit/(loss) on discontinued operations net of tax	11	293	(309)
Loss for the financial year		**(693)**	**(2,810)**
Loss attributable to:			
Owners of the parent		(733)	(2,717)
Non-controlling interest		40	(93)
		(693)	**(2,810)**

Earnings per share attributable to the equity holders of the Company during the year (expressed as pence per share)

	Note	2014	2013
Basic loss per share from continuing operations		**(248p)**	**(581p)**
Basic earnings/(loss) per share from discontinued operations	11	**71p**	**(75p)**
Total basic loss per share	12	**(177p)**	**(656p)**

The notes on pages 21 to 48 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income for the year ended 31 December 2014

	Note	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Loss for the financial year		**(693)**	**(2,810)**
Prior year adjustments	2	-	(257)
Loss reported since the prior year		**(693)**	**(3,067)**
Other comprehensive income			
Exchange gains arising on translation of foreign operations		10	10
Total other comprehensive income		10	10
Total comprehensive expenses		**(683)**	**(3,057)**
Total comprehensive expense attributable to:			
Owners of the parent		(723)	(2,964)
Non-controlling interest		40	(93)
		(683)	**(3,057)**

The notes on pages 21 to 48 are an integral part of these consolidated financial statements.

Consolidated statement of financial position as at 31 December 2014

Company number 03393610

	Note	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Non-current assets			
Goodwill	13	2,789	2,789
Other intangible assets	13	1,316	1,826
Property, plant and equipment	14	79	105
Trade and other receivables	16	702	766
		4,886	**5,486**
Current assets			
Inventories and work in progress	15	49	133
Trade and other receivables	16	6,026	5,507
Cash and cash equivalents		1,948	1,108
		8,023	**6,748**
Current liabilities			
Bank overdrafts	18	(662)	(629)
Bank and other loans	18,20	(147)	(506)
Unsecured convertible loan	18	(1,216)	-
Trade and other payables	17	(7,061)	(6,021)
Taxation and social security	17	(120)	(387)
Obligations under finance leases	18	(10)	(26)
		(9,216)	**(7,569)**
Non-current liabilities			
Unsecured convertible loan	18,20	(833)	(1,072)
Other loans	18	-	(29)
Obligations under finance leases	18	(31)	-
Deferred tax liabilities	19	(220)	(315)
		(1,084)	**(1,416)**
Net assets		**2,609**	**3,249**
Equity			
Equity attributable to owners of the parent			
Share capital	21	10,145	10,145
Share premium account		51,118	51,118
Equity element of convertible loan		98	55
Translation reserve		(181)	(191)
Own shares held		(37)	(37)
Retained earnings		(58,476)	(57,743)
Equity attributable to owners of the parent		**2,667**	**3,347**
Non-controlling interest		(58)	(98)
Total Equity		**2,609**	**3,249**

The notes on pages 21 to 48 are an integral part of these consolidated financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 1 June 2015.

DCM Craven
Director

Consolidated statement of cash flows for the year ended 31 December 2014

Cash flow from operating activities		Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Net loss before taxation		**(854)**	**(2,837)**
Adjustments for:			
Depreciation of tangible assets	14	56	54
Amortisation and impairment of intangible assets	13	1,373	5,075
Net bank and other interest charges	8,9	254	147
Profit on disposal of property, plant and equipment		(12)	-
Increase in stock provision		71	-
Net exchange differences on translating foreign operations		10	10
Net cash flows before changes in working capital		**898**	**2,449**
Decrease/(increase) in inventories	15	13	(60)
Increase in trade and other receivables	16	(1,072)	(1,554)
Increase/(decrease) in trade and other payables	17	1,985	(816)
Cash from continuing operations		**1,824**	**19**
Cash flow from discontinued operations			
Net loss before taxation		**(41)**	**(293)**
Adjustments for:			
Profit on disposal of undertakings		334	-
Depreciation of tangible assets		3	14
Amortisation and impairment of intangible assets		-	1,069
Net cash flows before changes in working capital		**296**	**790**
(Increase)/decrease in trade and other receivables	16	(46)	25
(Decrease)/increase in trade and other payables	17	(160)	142
Cash from discontinued operations		**90**	**957**
Cash from operations		**1,914**	**976**
Interest received		-	1
Interest paid		(51)	(71)
Income taxes received		-	229
Net cash flows from operating activities		**1,863**	**1,135**
Investing activities			
Purchase of property, plant and equipment	14	(4)	(24)
Purchase of intangible assets	13	(930)	(4,212)
Net cash flows used in investing activities		**(934)**	**(4,236)**
Financing activities			
Repayment of finance leases		(6)	(11)
Repayment of loan		(480)	(503)
New loans raised		364	1,000
Net cash flows from financing activities		**(122)**	**486**
Net increase/(decrease) in cash		**807**	**(2,615)**
Cash and cash equivalents at beginning of year		479	**3,094**
Cash and cash equivalents at end of year	27	**1,286**	**479**

The notes on pages 21 to 48 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2014

	Share capital £'000	Share premium £'000	Equity element of convertible loan £'000	Translation reserve £'000	Own shares held £'000	Retained earnings £'000	Equity attributable to owners of the parent £'000	Amounts attributable to non-controlling interest £'000	Total equity £'000
Balance at 31 December 2012	**10,145**	**51,118**	**1**	**(201)**	**(83)**	**(55,008)**	**5,972**	**(5)**	**5,967**
Loss and total comprehensive income for the year	-	-	-	-	-	(2,717)	**(2,717)**	(93)	**(2,810)**
Equity element on issue of convertible loans	-	-	54	-	-	-	**54**	-	**54**
Shares allocated from employee benefit trust	-	-	-	-	46	(18)	**28**	-	**28**
Exchange differences on translating foreign operations	-	-	-	10	-	-	**10**	-	**10**
Balance at 31 December 2013	**10,145**	**51,118**	**55**	**(191)**	**(37)**	**(57,743)**	**3,347**	**(98)**	**3,249**
Loss and total comprehensive income for the year	-	-	-	-	-	(733)	**(733)**	40	**(693)**
Equity element on issue of convertible loans	-	-	43	-	-	-	**43**	-	**43**
Exchange differences on translating foreign operations	-	-	-	10	-	-	**10**	-	**10**
Balance at 31 December 2014	**10,145**	**51,118**	**98**	**(181)**	**(37)**	**(58,476)**	**2,667**	**(58)**	**2,609**

Notes to the consolidated financial statements for the year ended 31 December 2014

The principal activity of DCD Media Plc and subsidiaries (the Group) is the production of television programmes in the United Kingdom and United States, and the worldwide distribution of those programmes for television and other media; the Group also distributes programmes on behalf of other independent producers.

DCD Media Plc is the Group's ultimate parent company, and it is incorporated and domiciled in Great Britain. The address of DCD Media Plc's registered office is Glen House, 22 Glenthorne Road, London, W6 0NG, and its principal place of business is London. DCD Media Plc's shares are listed on the Alternative Investment Market of the London Stock Exchange.

DCD Media Plc's consolidated financial statements are presented in Pounds Sterling (£), which is also the functional currency of the parent company. The accounts have been drawn up to the date of 31 December 2014.

1 Principal accounting policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The Group financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by European Union ("Adopted IFRSs"), and with those parts of the Companies Act 2006 applicable to companies preparing their financial statements under Adopted IFRSs.

Basis of preparation – going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Executive Chairman's Review and the Strategic Report. The financial position of the Group, its cash position and borrowings are set out in the financial review section of the Strategic Report. In addition, note 20 sets out the Group's objectives, policies and processes for managing its financial instruments and risk.

The Group's day-to-day operations are funded from cash generated from trading and the use of an overdraft facility of £0.5m, with other activities funded from a combination of equity and short and medium term debt instruments.

The Group's overdraft facility has been extended by its principal bankers until 30 June 2015. The facility has reduced by £0.125m since the year end and is scheduled to reduce by a further £0.125m during the remainder of 2015. The term loan facility of £1.2m was finally repaid in November 2014. The Directors have a reasonable expectation that an overdraft facility will continue to be available to the Group for the foreseeable future.

During the year, the Group raised £0.8m through the issue of convertible loan notes to major shareholders. The loan note instrument was signed on 31 May 2014, has a maturity date of 30 May 2016 and accrues interest at 10% per annum.

On 30 May 2015, the loan notes issued in 2013 along with accrued interest totalling £1.2m were due for repayment. On 28 May 2015, DCD Media agreed with Timeweave Ltd and Henderson, together being the Special Majority Noteholders, that the conversion date of the 2013 loan notes would be extended from 30 May 2015 to such further date as agreed by the Majority Noteholders.

In considering the going concern basis of preparation of the Group's financial statements, the Board have prepared profit and cash flow projections which incorporate reasonably foreseeable impacts of the ongoing challenging market environment.

The Directors' forecasts and projections, which make allowance for reasonably possible changes in its trading performance, show that, with the ongoing support of its lenders and its bank, the Group can continue to generate cash to meet its obligations as they fall due.

Through the recent negotiations with its shareholders, its loan note holders and its principal bankers, the Directors, after making enquiries, have a reasonable expectation that the Company and the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

The financial statements do not include the adjustments that would result if the Group or Company were unable to continue as a going concern.

1 Principal accounting policies (continued)

Changes in accounting policies

A number of standards and interpretations have been issued by the IASB in relation to investment entities, consolidated financial statements and disclosures on the recoverable amount for non-financial assets. Those that were effective for the year end commencing 1 January 2014 have been reviewed and no adjustments deemed necessary. Those becoming effective from 1 January 2015 have not been adopted by the Group. Management have reviewed these standards and believe none of these standards, are expected to have a material effect on the Group's future financial statements.

Revenue and attributable profit

Production revenue represents amounts receivable from producing programme/production content, and is recognised over the period of the production in accordance with the milestones within the underlying signed contract. Profit attributable to the period is calculated by capitalising all appropriate costs up to the stage of production completion, and amortising production costs in the proportion that the revenue recognised in the year bears to estimated total revenue from the programme. The carrying value of programme costs in the statement of financial position is subject to an annual impairment review.

Where productions are in progress at the year end and where billing is in advance of the completed work per the contract, the excess is classified as deferred income and is shown within trade and other payables.

Distribution revenue arises from the licensing of programme rights which have been obtained under distribution agreements with either external parties or Group companies. Distribution revenue is recognised in the statement of comprehensive income on signature of the licence agreement, and represents amounts receivable from such contracts.

Revenue from sales of DVDs and other sales is the amounts receivable from invoiced sales during the year.

All revenue excludes value added tax.

Basis of consolidation

The Group financial statements consolidate those of the Company and of its subsidiary undertakings drawn up to 31 December 2014. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests

For business combinations completed prior to 1 July 2009, the Group initially recognised any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets. For business combinations completed on or after 1 July 2009 the Group has the choice, on a transaction by transaction basis, to initially recognise any non-controlling interest in the acquiree which is a present ownership interest and entitles its holders to a proportionate share of the entity's net assets in the event of liquidation at either acquisition date fair value or, at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Other components of non-controlling interest such as outstanding share options are generally measured at fair value. The Group has not elected to take the option to use fair value in acquisitions completed to date.

From 1 July 2009, the total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests. Before this date, unfunded losses in such subsidiaries were attributed entirely to the Group. In accordance with the transitional requirements of IAS 27 (2008), the carrying value of non-controlling interests at the effective date of the amendment has not been restated.

Goodwill

Goodwill represents the excess of the cost of a business combination over, in the case of business combinations completed prior to 1 January 2010, the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired and, in the case of business combinations completed on or after 1 July 2009, the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired. For business combinations completed prior to 1 July 2009, cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus any direct costs of acquisition. Changes in the estimated value of contingent consideration arising on business combinations completed by this date are treated as an adjustment to cost and, in consequence, result in a change in the carrying value of goodwill.

Notes to the consolidated financial statements for the year ended 31 December 2014

1 Principal accounting policies (continued)

Goodwill (continued)

For business combinations completed on or after 1 July 2009, cost comprised the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, re-measured subsequently through profit or loss. For business combinations completed on or after 1 January 2010, direct costs of acquisition are recognised immediately as an expense.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

Property, plant and equipment

Property, plant and equipment are stated at cost net of depreciation and any provision for impairment. Depreciation is calculated to write down the cost less estimated residual value by equal annual instalments over their expected useful lives. The rates generally applicable are:

Short leasehold property improvements	Over the life of the lease
Motor vehicles	25% on cost
Office and technical equipment	25%-33% on cost

The assets' residual values and useful lives are reviewed at each statement of financial position date and adjusted if appropriate.

Other intangible assets

Trade names

Trade names acquired through business combinations are stated at their fair value at the date of acquisition. They are amortised through the statement of comprehensive income, following a periodic impairment review, on a straight line basis over their useful economic lives, such periods not to exceed 10 years.

Programme rights

Internally developed programme rights are stated at the lower of cost, less accumulated amortisation, or recoverable amount. Cost comprises the cost of all productions and all other directly attributable costs incurred up to completion of the programme and all programme development costs. Where programme development is not expected to proceed, the related costs are written off to the statement of comprehensive income. Amortisation of programme costs is charged in the ratio that actual revenue recognised in the current year bears to estimated ultimate revenue. At each statement of financial position date, the Directors review the carrying value of programme rights and consider whether a provision is required to reduce the carrying value of the investment in programmes to the recoverable amount. The expected life of these assets is not expected to exceed 7 years.

Purchased programme rights are stated at the lower of cost, less accumulated amortisation, or recoverable amount. Purchased programme rights are amortised over a period in-line with expected useful life, not exceeding 7 years.

Amortisation and any charge in respect of writing down to recoverable amount during the year are included in the statement of comprehensive income within cost of sales.

Leased assets

Property, plant and equipment acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other property, plant and equipment, and the interest element of the lease is charged to the statement of comprehensive income over the period of the finance lease. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability by using an effective interest rate. The related obligations, net of future finance charges, are included in liabilities.

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

Inventories

Inventories comprise pre-production costs incurred in respect of programmes deemed probable to be commissioned, and finished stock of DVDs available for resale. Where it is virtually certain production will occur, pre-production costs are capitalised in inventories and transferred to intangibles on commencement of production. Finished stock of DVDs available for re-sale is also included within inventories. Inventories are valued at the lower of cost or recoverable amount.

1 Principal accounting policies (continued)

Programme distribution advances

Advances paid in order to secure distribution rights on third party catalogues or programmes are included within current assets. Distribution rights entitle the Company to license the programmes to broadcasters and DVD labels for a sales commission, whilst the underlying rights continue to be held by the programme owner. The advances are stated at the lower of the amounts advanced to the rights' owners less actual amounts due to rights owners based on sales to date.

Impairment of non-current assets

For the purposes of assessing impairment, assets are grouped into separately identifiable cash-generating units. Goodwill is allocated to those cash-generating units that have arisen from business combinations.

At each statement of financial position date, the Group reviews the carrying amounts of its non-current assets, to determine whether there is any indication those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Goodwill is tested for impairment annually. Goodwill impairment charges are not reversed.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value and value in use based on an internal discounted cash flow evaluation.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents. Bank overdrafts are shown in current liabilities on the statement of financial position. Overdrafts are included in cash and cash equivalents for the purpose of the cash flow statement.

Assets held for sale

Non-current assets and disposal groups are classified as held for sale when:

- they are available for immediate sale;
- management is committed to a plan to sell;
- it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- an active programme to locate a buyer has been initiated;
- the asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
- a sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- their carrying amount immediately prior to being classified as held for sale in accordance with the Group's accounting policy; and
- fair value less costs to sell.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated.

Discontinued operations

The results of operations disposed during the year are included in the consolidated statement of comprehensive income up to the date of disposal.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Discontinued operations are presented in the consolidated statement of comprehensive income as a single line which comprises the post-tax profit or loss of the discontinued operation along with the post-tax gain or loss recognised on the re-measurement to fair value less costs to sell or on disposal of the assets or disposal groups constituting discontinued operations.

1 Principal accounting policies (continued)

Equity

Equity comprises the following:

- **Share capital** represents the nominal value of issued Ordinary shares and Deferred shares;
- **Share premium** represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue;
- **Equity element of convertible loan** represents the part of the loan classified as equity rather than liability;
- **Translation reserve** represents the exchange rate differences on the translation of subsidiaries from a functional currency to Sterling at the year end;
- **Own shares held** represents shares in employee benefit trust;
- **Retained earnings** represents retained profits and losses; and
- **Non-controlling interest** represents net assets owed to non-controlling interests.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or
- different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Foreign currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the statement of financial position date. Exchange differences arising on the settlement and retranslation of monetary items are taken to the statement of comprehensive income.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at the exchange rate ruling at the statement of financial position date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising are classified as equity and transferred to the Group's retained earnings reserve.

Financial instruments

Financial assets and financial liabilities are initially recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument at their fair value and thereafter at amortised cost.

Trade receivables
Trade receivables are recorded at their amortised cost less any provision for doubtful debts. Trade receivables due in more than one year are discounted to their present value.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are reported in a separate allowance account with the loss being

1 Principal accounting policies (continued)

Trade receivables (continued)
recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Convertible loans
Convertible loan notes are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible loan note and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the Group, is included in equity.

Issue costs are apportioned between the liability and equity components of the convertible loan notes based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity.

The interest expense of the liability component is calculated by applying the effective interest rate to the liability component of the instrument. The difference between this amount and the interest paid is added to the carrying amount of the convertible loan note.

Bank borrowings
Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the year to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. Finance charges are accounted for on an effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

Trade payables
Trade payables are stated at their amortised cost.

Equity instruments
Equity instruments issued by the Group are recorded as the proceeds received, net of direct costs.

Retirement benefits

The Group contributes to the personal pension plans for the benefit of a number of its employees. Contributions are charged against profits as they accrue.

2 Prior year adjustments

During 2013, it was noted that some accruals that had been adjusted in the 2012 prior year adjustments were actually valid and these were therefore re-instated into the comparative figures by increasing accruals and reducing retained earnings by £257k.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. Where necessary, the comparatives have been reclassified or extended from the previously reported results to take into account presentational changes.

Critical judgements in applying the Group's accounting policies
In the process of applying the Group's accounting policies, which are described in note 1, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Sale and leaseback
As explained in note 22, the Group enters into sale and leaseback arrangements to finance programme production. The obligations to the lessee are matched by deposits held with financial institutions. The Group is not able to control the deposit accounts, nor is it able to withhold payments to the investor from the accounts. Accordingly, the Group has determined that, under IAS39 'Financial instruments: Recognition and Measurement', each sale and leaseback transaction entered into by the Group has, from inception, failed to meet the definition of an asset and liability and has therefore not been recognised in these financial statements. The Group has applied guidance from SIC27 'Evaluating the substance of transactions involving the legal form of a lease'.

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition
Production revenue represents amounts receivable from producing programme/production content, and is recognised over the period of the production in accordance with the milestones within the underlying signed contract.

Recoverability of programmes in the course of production
During the year, management reviewed the recoverability of its programmes in the course of production which are included in its statement of financial position. The projects continue to progress satisfactorily and management continue to believe that the anticipated revenues will enable the carrying amount to be recovered in full.

Carrying value of goodwill and trade names
Determining whether goodwill and trade names are impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill and trade names at the statement of financial position date was £3.8m. Details relating to the allocation of goodwill to cash-generating units and potential impairment calculations are given in note 13.

Carrying value of programme rights
Determining whether programme rights are impaired requires an estimation of the value in use of the cash-generating unit to which the rights have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of programme rights at the statement of financial position date was £0.3m. Details of the impairment review calculations are given in note 13.

4 Segment information

Under IFRS 8 the accounting policy for identifying segments is based on the internal management reporting information that is regularly reviewed by the senior management team.

The Group has three main reportable segments:

- ***Production*** - This division is involved in the production of television content.
- ***Rights and Licensing*** – This division is involved with the sale of distribution rights, DVDs, music and publishing deals through the aggregate of the following reporting lines: DCD Rights, DC DVD, DCD Music and DCD Publishing.
- ***Post-Production*** – This division is involved in post-production and contains Sequence Post.

The Group's reportable segments are strategic business divisions that offer different products to different markets, while its Other division is its head office function which manages other business which cannot be reported within the other reportable segments. They are managed separately because each business requires different management and marketing strategies.

Uniform accounting policies are applied across the entire Group. These are described in note 1 of the financial statements.

The Group evaluates performance of the basis of profit or loss from operations but excluding exceptional items such as goodwill impairments. The Board considers the most important KPIs within its business segments to be revenue and segmental EBITDA and profit.

In the year, the Group changed the way it evaluates the segments and now excludes management and rent recharges from EBITDA and profit figures. The comparatives for 2013 have been adjusted to exclude these recharges to the segments.

Inter-segmental trading occurs between the Rights and Licensing division and the production divisions where sales are made of distribution rights. Royalties and commissions paid are governed by an umbrella agreement covering the Group that applies an appropriate rate that is acceptable to the local tax authorities.

Segment assets include all trading assets held and used by the segments for their day to day operations. Goodwill and trade-names are allocated to their respective segments. Segment liabilities include all trading liabilities incurred by the segments. Certain loans and borrowings incurred by the Group are not allocated to segments. Details of these balances are provided in the reconciliations below:

4 Segment information (continued)

2014 Segmental Analysis – income statement

	Production	Rights and Licensing	Post Production	Other	Total 2014
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Total revenue	4,766	6,015	609	173	**11,563**
Inter-segmental revenue	-	(310)	(142)	(128)	**(580)**
Total revenue from external customers	4,766	5,705	467	45	**10,983**
Discontinued operations	(1,275)	-	-	-	**(1,275)**
Group's revenue per consolidated statement of comprehensive income	**3,491**	**5,705**	**467**	**45**	**9,708**
Operating (loss)/profit before tax – continuing operations	**(572)**	**220**	**(9)**	**(573)**	**(934)**
Operating profit (loss) before tax - discontinued operations	**294**	**-**	**-**	**(1)**	**293**
Operating (loss)/profit before interest and tax	**(278)**	**220**	**(9)**	**(574)**	**(641)**
Capitalisation of programme rights	(930)	-	-	-	**(930)**
Amortisation of programme rights	909	-	-	-	**909**
Impairment of programme rights	45	-	-	-	**45**
Amortisation of goodwill and trade names	419	-	-	-	**419**
Gain on sale of subsidiary	(334)	-	-	-	**(334)**
Depreciation	4	10	35	10	**59**
Segmental EBITDA	**(165)**	**230**	**26**	**(564)**	**(473)**
Restructuring costs	294	-	-	29	**323**
Write back of creditor	-	-	-	(177)	**(177)**
Stock and other provisions	-	80	-	-	**80**
Results of sold subsidiary	41	-	-	-	**41**
Segmental adjusted EBITDA	**170**	**310**	**26**	**(712)**	**(206)**
Net finance expense	-	(2)	-	(252)	**(254)**
Depreciation	(4)	(10)	(35)	(10)	**(59)**
Segmental adjusted profit/(loss) before tax	**166**	**298**	**(9)**	**(974)**	**(519)**

4 Segment information (continued)

2014 Segmental Analysis – financial position

	Production	Rights and Licensing	Post Production	Other	Total 2014
	£'000	£'000	£'000	£'000	£'000
Non-current assets	269	43	30	6	**348**
Reportable segment assets	1,459	7,158	129	327	**9,073**
Goodwill	2,165	624	-	-	**2,789**
Trade-names	1,047	-	-	-	**1,047**
Total Group assets	**4,671**	**7,782**	**129**	**327**	**12,909**
Reportable segment liabilities	1,206	6,222	52	363	**7,843**
Loans and borrowings	147	41	-	2,049	**2,237**
Deferred tax liabilities	220	-	-	-	**220**
Total Group liabilities	**1,573**	**6,263**	**52**	**2,412**	**10,300**

4 Segment information (continued)

2013 Segmental Analysis – income statement

	Production	Rights and Licensing	Post Production	Other	Total 2013
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Total revenue	8,021	5,841	750	147	**14,759**
Inter-segmental revenue	-	(485)	(30)	-	**(515)**
Total revenue from external customers	8,021	5,356	720	147	**14,244**
Discontinued operations	(1,914)	-	-	(3)	**(1,917)**
Group's revenue per consolidated statement of comprehensive income	**6,107**	**5,356**	**720**	**144**	**12,327**
Operating (loss)/profit before tax – continuing operations	(1,987)	237	67	(992)	**(2,675)**
Operating loss before tax - discontinued operations	(292)	-	-	(16)	**(308)**
Operating (loss)/profit before interest and tax	**(2,279)**	**237**	**67**	**(1,008)**	**(2,983)**
Capitalisation of programme rights	(4,212)	-	-	-	**(4,212)**
Amortisation of programme rights	4,213	-	-	-	**4,213**
Impairment of programme rights	214	-	-	-	**214**
Amortisation of goodwill and trade names	462	-	-	-	**462**
Impairment of goodwill and trade names	1,255	-	-	-	**1,255**
Depreciation	15	9	35	9	**68**
Segmental EBITDA	**(332)**	**246**	**102**	**(999)**	**(983)**
Restructuring costs	-	-	-	69	**69**
Segmental adjusted EBITDA	**(332)**	**246**	**102**	**(930)**	**(914)**
Net finance income/(expense)	1	(3)	(8)	(137)	**(147)**
Depreciation	(15)	(9)	(35)	(9)	**(68)**
Segmental adjusted (loss)/profit before tax	**(346)**	**234**	**59**	**(1,076)**	**(1,129)**

Notes to the consolidated financial statements for the year ended 31 December 2014

4 Segment information (continued)

2013 Segmental Analysis – financial position

	Production	Rights and Licensing	Post Production	Other	Total 2013
	£'000	£'000	£'000	£'000	£'000
Non-current assets	503	20	63	16	**602**
Reportable segment assets	1,819	5,752	294	114	**7,979**
Goodwill	2,165	624	-	-	**2,789**
Trade-names	1,466	-	-	-	**1,466**
Total Group assets	**5,450**	**6,376**	**294**	**114**	**12,234**
Reportable segment liabilities	1,356	4,818	189	755	**7,118**
Loans and borrowings	-	-	-	1,552	**1,552**
Deferred tax liabilities	315	-	-	-	**315**
Total Group liabilities	**1,671**	**4,818**	**189**	**2,307**	**8,985**

5 Revenue

The Group's headquarters is based in the United Kingdom. Outside the United Kingdom, sales are generally denominated in US dollars.

Revenue, which excludes value added tax and transactions between Group companies, represents the sale of television production services, commissions on television and film distribution rights and the sale of television and film distribution rights on behalf of third party producers.

The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods or services:

	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
United Kingdom	5,013	3,084
Rest of Europe	1,099	1,329
North and South America, including Canada	1,687	6,514
Rest of the World	1,909	1,400
	9,708	**12,327**

6 Expenses by nature

	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Auditor's remuneration:		
Fees payable to the company's auditor:		
For the audit of the company's annual accounts	25	15
For the audit of other group companies	43	55
Operating lease rentals:		
Other	259	401
Loss on foreign exchange fluctuations	57	25
Depreciation, amortisation and impairment:		
Intangible assets - programme amortisation in cost of sales (note 13)	909	4,213
Intangible assets - programme impairment in cost of sales (note 13)	45	214
Intangible assets - goodwill impairment in administrative expenses (note 13)	-	1,105
Intangible assets – trade names impairment in administrative expenses (note 13)	-	150
Intangible assets - trade names amortisation in administrative expenses (note 13)	419	462
Property, plant and equipment (note 14)	59	68
Staff costs (note 7)	2,277	2,942
Restructuring costs (see below)	323	69

In 2014 and 2013, restructuring costs relate largely to redundancies.

7 Directors and employees

Staff costs during the year, including Directors, were as follows:

	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Wages and salaries	2,052	2,662
Social security costs	222	275
Other pension costs (note 25)	3	5
	2,277	**2,942**

The average number of employees of the Group during the year were as follows:

	Year ended 31 December 2014 No.	Year ended 31 December 2013 No.
Sales and distribution	13	10
Production	14	27
Post-production	7	9
Directors and administration	5	10
	39	**56**

Remuneration in respect of the Directors, who are the key management personnel of the Group was as follows for the year:

	Emoluments £'000	Pension Contributions £'000	Money value of non-cash benefits received £'000	2014 Total £'000
D Green	-	-	-	**-**
D Craven	200	-	1	**201**
N Davies Williams (appointed 30 June 2014)	69	-	6	**75**
N McMyn	40	-	-	**40**
A Lindley	-	-	-	**-**
		-		
	309	**-**	**7**	**316**

	Emoluments £'000	Pension Contributions £'000	Money value of non-cash benefits received £'000	2013 Total £'000
D Green	144	-	2	**146**
D Craven	150	-	5	**155**
R McGuire (resigned 15 January 2013)	-	-	-	**-**
N McMyn	-	-	-	**-**
A Lindley	-	-	-	**-**
			-	
	294	**-**	**7**	**301**

Employee Benefit Trust

In 2012, 7,218,750 shares, that had been held by the directors of Done and Dusted Ltd, were transferred into an employee benefit trust. After the share consolidation in 2013, the number of shares reduced to 7,218 and following a transfer of 4,000 to an ex-director in 2013, the number of shares at 31 December 2014 was 3,218 (31 December 2013: 3,218).

7 Directors and employees (continued)

Employee Share Option Scheme

In 2013, 18,800,000 options over the Company's 1p ordinary share capital were granted. As a result of share consolidations in the interim, the equivalent number of options would be 18,800 over the Company's £1.00 ordinary share capital. 25% of the options were due to vest in January 2014 and a further 25% in January of each of the three following years should certain share price hurdles be met. Should the price hurdle in one year not be met, the options will be available for vesting should the share price meet the subsequent hurdle. No options were vested in either January 2014 or in January 2015. If all hurdles were to be met in line with the agreement, the weighted average number of options outstanding at 31 December 2014 is 3,000. The Directors have assessed the likelihood that the future hurdle rates will be met and that any charge to the income statement in the current or future years to be immaterial and as a consequence, no charge has been booked. The Directors will reassess this on a regular basis.

8 Finance income

	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Interest on short term bank deposits	**-**	**1**

9 Finance costs

	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Bank overdraft	27	28
Convertible loan interest charge	203	77
Bank loan	12	32
Other interest charges	12	10
	254	**147**

10 Taxation on ordinary activities

Recognised in the statement of comprehensive income:

	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Current tax credit/(expense):		
Continuing operations		
UK corporation tax	(16)	16
US federal and state income taxes	123	136
Current year credit	**107**	**152**
Deferred tax credit:		
Reversal of temporary differences under IFRS	95	168
Total tax in statement of comprehensive income	**202**	**320**

10 Taxation on ordinary activities (continued)

Tax credit represents:	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Loss on ordinary activities – continuing operations	(1,188)	(2,821)
Profit/(loss) on ordinary activities – discontinued operations	293	(309)
	(895)	(3,130)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	(192)	(728)
Effects of:		
Expenses not deductible for tax purposes (amortisation and impairment of intangibles)	185	566
Expenses not deductible for tax purposes (other)	14	3
Net losses in year carried forward/(brought forward losses utilised)	(12)	226
Depreciation in excess of capital allowances	13	17
Rate differential on foreign taxes	210	220
Prior year tax adjustment	(16)	16
Total tax credit	**202**	**320**

A deferred tax asset of approximately £4.0m (2013: £4.2m) arising principally from losses in the company has not been recognised. The Directors believe that it is prudent not to recognise the deferred tax asset within the financial statements. The asset has been calculated based upon the 2015 tax rate of 20% (2013 asset based on the 2014 rate of 21%).

11 Discontinued operations

On 9 October 2014, the Group announced that it had sold its interest in Matchlight Limited.

Result of discontinued operations (Matchlight)	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Revenue	1,275	1,913
Expenses	(1,315)	(2,205)
Loss from discontinued operations before tax	(40)	(293)
Tax expense	-	-
Loss from discontinued operations after tax	**(40)**	**(293)**

The entity had net liabilities of £470,000 at the date of sale (2013 - £381 000). The entity did not have any significant non-current assets at the date of disposal. The profit on disposal amounted to £334,000.

In June 2011, the Board took the decision to part company with key management at one of its subsidiaries, Done and Dusted Group Ltd ("Done and Dusted"). Done and Dusted remained within the Group, however trade names were passed to key management in consideration of key management returning their shares in the Company. Operations within Done and Dusted ceased from 1 January 2012.

Result of discontinued operations (Done and Dusted)	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Loss from discontinued operations after tax	**(1)**	**(16)**

11 Discontinued operations (continued)

	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Profit/(loss) on discontinued operations	293	(309)
Basic earnings/ (loss) per share (pence)	71p	(75p)

As mentioned in note 12 below, diluted earnings per share has not been considered for either the 2014 or 2013 figures as, due to the overall loss position of the group, this effect would be anti-dilutive.

12 Earnings per share

The calculation of the basic loss per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

	Loss £'000	Weighted average number of shares	2014 Per share amount pence	Loss £'000	Weighted average number of shares	2013 Per share amount pence
Basic loss per share						
Loss attributable to ordinary shareholders	(733)	414,281	(177)	(2,717)	414,281	(656)

If convertible loan balances held at the year-end were converted at their respective conversion prices the number of shares issued would be 2,495,234 (2013: 1,526,656 shares if all the convertible loan balances held at the prior year end had been converted at their respective conversion prices). 2013 comparatives have been restated for the 2014 capital reorganisation.

The consequence of this transaction has not been considered for either the 2014 or 2013 figures as the effect would be anti-dilutive.

13 Goodwill and intangible assets

	Goodwill £'000	Trade Names £'000	Programme Rights £'000	Total £'000
Cost				
At 1 January 2013	17,388	8,036	35,533	60,957
Additions	-	-	4,212	4,212
Disposals	-	-	(146)	(146)
At 31 December 2013	**17,388**	**8,036**	**39,599**	**65,023**
At 1 January 2014	**17,388**	**8,036**	**39,599**	**65,023**
Additions	-	-	930	930
Disposals	-	-	(2,832)	(2,832)
At 31 December 2014	**17,388**	**8,036**	**37,697**	**63,121**
Amortisation and impairment				
At 1 January 2013	13,494	5,958	34,958	54,410
Amortisation provided in year in cost of sales	-	-	4,213	4,213
Impairment provided in year in cost of sales	-	-	214	214
Amortisation provided in year in administrative expenses	-	462	-	462
Impairment provided in year in administrative expenses	1,105	150	-	1,255
Disposals	-	-	(146)	(146)
At 31 December 2013	**14,599**	**6,570**	**39,239**	**60,408**
At 1 January 2014	**14,599**	**6,570**	**39,239**	**60,408**
Amortisation provided in year in cost of sales	-	-	909	909
Impairment provided in year in cost of sales	-	-	45	45
Amortisation provided in year in administrative expenses	-	419	-	419
Disposals	-	-	(2,765)	(2,765)
At 31 December 2014	**14,599**	**6,989**	**34,428**	**59,016**
Net book value				
At 31 December 2014	**2,789**	**1,047**	**269**	**4,105**
At 31 December 2013	2,789	1,466	360	4,615

Goodwill and trade names

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units (CGUs) that are expected to benefit from that business combination.

Details of goodwill allocated to cash generating units for which the amount of goodwill so allocated is as follows:

	Segment (note 4)	Goodwill carrying amount 31 December 2014 £'000	31 December 2013 £'000
Cash generating units (CGU):			
DCD Rights Ltd	Rights and Licensing	624	624
September Films Ltd	Production	2,165	2,165
		2,789	**2,789**

13 Goodwill and intangible assets (continued)

Goodwill and trade names (continued)

	Segment (note 4)	Trade name carrying amount 31 December 2014 £'000	31 December 2013 £'000
Cash generating units (CGU):			
September Films Ltd	Production	1,047	1,466
		1,047	**1,466**

Goodwill and trade names are allocated to CGUs for the purpose of the impairment review. The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected profitability of the CGUs over the future seven years. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks inherent in the CGUs.

The Board performs an annual impairment review of all intangible assets, including goodwill and trade names. The recoverable amounts of all the above CGUs have been determined from value in use calculations. Detailed budgets and forecasts cover a two year period to December 2016. The forecasts are then extrapolated for a further three years using growth rates noted below and then a further two years to December 2021 with no growth. The Board uses this seven year period of projection as it believes it is reasonably aligned with the expected lifespan of a TV production. The impairments arising from this value in use calculation are recorded below.

Goodwill	Segment (note 4)	Impairment charge 31 December 2014 £'000	31 December 2013 £'000
Cash generating units (CGU):			
Matchlight Limited	Production	-	136
September Films Ltd	Production	-	969
		-	**1,105**

Trade names	Segment (note 4)	Amortisation charge 31 December 2014 £'000	31 December 2013 £'000	Impairment charge 31 December 2014 £'000	31 December 2013 £'000
Cash generating units (CGU):					
September Films Ltd	Production	419	419	-	-
Prospect Pictures Ltd	Production	-	43	-	150
		419	**462**	**-**	**150**

The key assumptions used for value in use calculations are the discount factor and growth rates applied to the forecasts.

The rate used to discount the forecast cash flows is 11.8% for all CGUs. If the discount rates used were increased by 3% to 14.8%, it is estimated that the recoverable amount of goodwill would have impaired by approximately £0.08m. If the discount rates were decreased to 8.8%, it is estimated that the recoverable amount of goodwill would be increased by approximately £0.54m.

13 Goodwill and intangible assets (continued)

Varying growth rates are applied dependent upon the historical growth of the CGU. These growth rates are only applied for the five years subsequent to the initial period of formally approved budgets.

	Discount factor		Growth rate	
	31 December 2014 %	31 December 2013 %	31 December 2014 %	31 December 2013 %
Cash generating units (CGU):				
DCD Rights Ltd	11.8	12.1	5	5
September Holdings Ltd	11.8	12.1	5	5
Prospect Pictures Ltd	N/a	12.1	N/a	5
Matchlight Ltd	N/a	12.1	N/a	5

Programme rights

The Board performed an impairment review of programme rights held by the business. The valuations of programme rights are based on the recoverable amounts from their value in use using a discount factor of 11.8%. The forecasts are based on historic sales of the programmes and future sales are forecast over a seven year period on a reducing basis. Seven years is used for the forecasts because the programme rights are held for periods longer than five years, but not more than ten years. If the discount rate was increased by 3% to 14.8% the carrying values would decrease by £0.005m. If the discount rate was decreased by 3% to 8.8% the carrying value of assets would increase by £0.005m.

14 Property, plant and equipment

	Office and technical equipment £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 January 2013	528	46	574
Additions	24	-	24
Disposals	(95)	-	(95)
At 31 December 2013	**457**	**46**	**503**
At 1 January 2014	457	46	503
Additions	4	47	51
Disposals	(57)	(46)	(103)
At 31 December 2014	**404**	**47**	**451**
Depreciation			
At 1 January 2013	406	19	425
Provided in year	59	9	68
Disposed in year	(95)	-	(95)
At 31 December 2013	**370**	**28**	**398**
At 1 January 2014	370	28	398
Provided in year	49	10	59
Disposed in year	(54)	(31)	(85)
At 31 December 2014	**365**	**7**	**372**
Net book value			
At 31 December 2014	**39**	**40**	**79**
At 31 December 2013	87	18	105

14 Property, plant and equipment (continued)

The net book value of property, plant and equipment includes an amount of £40,717 (2013: £17,861) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £9,562 (2013: £8,846).

15 Inventories and work in progress

	31 December 2014 £'000	31 December 2013 £'000
Pre-production costs	13	14
Finished stocks	36	119
	49	**133**

16 Trade and other receivables

	31 December 2014 £'000	31 December 2013 £'000
Trade receivables	1,447	2,384
Less: provision for impairment of trade receivables	(9)	(14)
Trade receivables – net	1,438	2,370
Taxation and social security	401	41
Other receivables	281	424
Due from related parties (note 24)	492	97
Prepayments and accrued income	3,414	2,575
Total trade and other receivables	**6,026**	**5,507**
Total financial assets other than cash and cash equivalents classified as loans and receivables	**1,719**	**2,794**

The average credit period taken on sales of goods is 84 days (2013: 82 days). No interest is charged on receivables within the agreed credit terms. Thereafter, interest may be charged.

An allowance for impairment is made where there is an identified event which, based on previous experience, is evidence of a reduction in the recoverability of the outstanding amount. The Group provides, in full, for any debts it believes have become non-recoverable. The figures shown above are after deducting a specific provision for bad and doubtful debts of £9,000 (2013: £14,000). The movement in the bad debt provision is related to a small increase in the number of debts being identified where the Directors deem recovery of amounts owed to be unlikely offset by some small debtors that had been fully provided and have now been written off. The Directors have reviewed their customer portfolio and marketplace and do not consider the risk of bad debt to be material to the business.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable set out above.

The ageing of trade receivables that have not been provided for are:

	31 December 2014 £'000	31 December 2013 £'000
Not due yet		
0-29 days	995	2,221
Overdue		
30-59 days	560	168
60-89 days	124	215
90-119 days	204	55
120+ days	257	477
	2,140	**3,136**
Trade debtors in current assets	1,438	2,370
Trade debtors in non-current assets	702	766
	2,140	**3,136**

17 Trade and other payables

	31 December 2014 £'000	31 December 2013 £'000
Trade payables	2,107	2,932
Other payables	260	296
Accruals and deferred income	4,154	2,530
Taxation and social security	120	387
Amount owed to related parties (note 24)	540	263
Total trade and other payables	**7,181**	**6,408**
Total financial liabilities, excluding loans and borrowings, classified as financial liability measured at amortised cost	**2,367**	**3,228**

18 Interest bearing loans and borrowings

Due within one year

	31 December 2014 £'000	31 December 2013 £'000
Bank overdrafts (secured)	662	629
Bank loan (secured) *	-	480
Convertible debt (unsecured)	1,216	-
Amount owed to related parties (note 24)	147	26
Obligations under finance leases	10	26
	2,035	**1,161**

The principal terms and the debt repayment schedule for the Group's loans and borrowings are as follows as at 31 December 2014:

	Currency	Nominal rate %	Year of maturity
Bank overdrafts (secured) **	Sterling	3.50 over Base Rate	2015
Convertible debt (unsecured)	Sterling	8.22	2015
Convertible debt (unsecured)	Sterling	10.00	2015
Convertible debt (unsecured)	Sterling	10.00	2016
Other debt	Sterling	7.7	2015
Obligations under finance leases	Sterling	6.7	2017

Bank borrowings

*The bank loan was repaid in November 2014.

**The bank overdraft has been extended to the 30 June 2015, but is repayable on demand. The facility is due to reduce by £0.25m in quarterly instalments throughout 2015. The Directors expect an overdraft facility to be available to the Group for the foreseeable future.

Bank overdrafts are secured by a fixed charge over the Group's intangible programme rights and a floating charge over the remaining assets of the Group.

Convertible debt

Convertible debt is unsecured and is subordinate to the bank overdraft.

In 2013, the Group's largest shareholders agreed to lend £1.0m in the form of new convertible loan notes, that had an interest rate of 10% and a conversion price of 0.5p. As a result of the share consolidation in 2013 the conversion price became £5.00 and reduced to £1.00 as a result of the resolutions approved by the shareholders at the AGM on 30 June 2014. On 28 May 2015, DCD Media agreed with Timeweave Ltd and Henderson, together being the Special Majority Noteholders, that the conversion date of the 2013 Convertible Loan Note Instrument would be extended from 30 May 2015 to such further date as agreed by the Majority Noteholders.

18 Interest bearing loans and borrowings (continued)

Convertible debt (continued)

In the year, the Group's largest shareholders agreed to lend a further £0.8m in the form of new convertible loan notes, having an interest rate of 10% and a conversion price of £1.00 following the resolutions approved by the shareholders at the AGM on 30 June 2014. These notes are due for repayment on 30 May 2016 if not previously converted.

Due after more than one year

	31 December 2014 £'000	31 December 2013 £'000
Convertible debt (unsecured)	833	1,072
Amount owed to related parties (note 24)	-	29
Obligations under finance leases	31	-
	864	**1,101**

19 Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	Liabilities		Net	
	31 December 2014 £'000	31 December 2013 £'000	31 December 2014 £'000	31 December 2013 £'000
Intangible assets	220	315	220	315
Net tax liabilities	**220**	**315**	**220**	**315**

A deferred tax asset of £4.0m, arising principally from losses in the Group of £19.9m, has not been recognised (2013: £4.2m and £19.3m). These losses can be offset against future trading profits generated. The Directors believe at this stage that it is prudent not to recognise the deferred tax asset within the financial statements as the Directors do not believe that profits will be recognised in the near future.

Movement in deferred tax during the year:

	1 January 2014 £'000	Recognised in income £'000	31 December 2014 £'000
Intangible assets	315	(95)	220
Tax value of temporary difference	**315**	**(95)**	**220**

20 Financial risk management

Financial risk factors

The Group's financial assets and liabilities comprise cash, including short term deposits, trade and other receivables and trade and other payables that arise directly from its operations, overdrafts, bank loans and convertible debt. The main risks arising from the Group's financial assets and liabilities are interest rate risk, liquidity risk, credit risk and currency risk. The Board has reviewed and agreed policies for managing each of these risks and they are summarised below. The Group has no financial assets other than trade receivables and cash at bank. The values in the Consolidated Statement of Financial Position for the financial assets and liabilities are not materially different from their fair values.

Interest rate risk

The Group finances its operations at present through equity, bank overdraft, convertible debt and production and other loan facilities provided by banks and other organisations. The Group manages its exposure to interest rate fluctuations by mixing the duration of its deposits and borrowings to reduce the impact of interest rate fluctuations. Production loan facilities are short term and secured on the licence fee payable by the commissioning broadcaster at various stages of the production, which minimises the impact of any variation in interest rates. The interest rate on the convertible loans referred to in note 18 is fixed at 10.00%.

20 Financial risk management (continued)

Liquidity risk

The Group seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Some liquidity risk arises from the nature of production income, which does not always arise in an even manner, and the Group's policy is to ensure there are sufficient cash reserves to meet liabilities during such periods.

Liquidity risk also arises from the interest charges and repayment terms of convertible debt, which the Group seeks to manage by means of periodic charges for central administration services and support to each Group entity. These are incorporated into rolling twelve month Group cash flow forecasts, which are reviewed by the Board monthly, and the cash flows are monitored at Group level by weekly cash reports from each operating entity. Short-term flexibility is provided through the availability of bank overdraft facilities.

Credit risk

The Group's principal financial assets are bank balances, cash and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables. The Group operates to ensure that the payment terms of customers are matched to the Group's own contractual obligations in terms of delivery of programmes and rights. The principal source of Group income is commissioning broadcasters, who are not considered to be a significant credit risk because of their size and financial resources. Other Group income is derived from distribution sales worldwide, and credit risk is assessed in relation to knowledge of the customer or by credit references. To minimise credit risk contractual terms may require that payment is made before delivery of materials.

Currency risk

The Group operates in overseas markets and is subject to exposures on transactions undertaken during the year. The Group's exposure to exchange rate fluctuations is small based on its revenue and cost base and its policy is not to hedge against foreign currency transactions.

The sterling equivalent of the Group's assets and liabilities denominated in foreign currencies at 31 December 2014 and 31 December 2013 was as follows:

	Assets		**Liabilities**	
	31 December 2014 £'000	**31 December 2013 £'000**	**31 December 2014 £'000**	**31 December 2013 £'000**
US dollar	3,351	3,761	(281)	(2,488)
Euros	473	301	(499)	(213)
Other	489	433	-	(335)
Total assets/(liabilities)	**4,313**	**4,495**	**(780)**	**(3,036)**

Whilst the main currency that the Group is exposed to is US dollar, a 10% movement in its rate would not have a material impact on its reported results.

Interest rate and liquidity risk

Interest rate sensitivity
The sensitivity analysis has been based on the average exposure to floating rate debt during the year. It has been assumed that floating interest rates were 200 basis point higher than those actually incurred.

The effect of such a change would be to increase the loss before tax for the year by £23,000 (2013: loss of £30,300).

Capital risk management
The capital structure of the Group consists of convertible loan note loan financing, bank loan financing and the shareholders' equity comprising issued share capital and reserves.

The capital structure of the Group is reviewed on an ongoing basis with reference to the costs applicable to each element of capital, future requirements of the Group, flexibility of capital to be drawn down and availability of further capital should it be required. Management prepare cash flow projections to plan for repayment of loan facilities used. These projections are reviewed on a regular basis to check that the Group will be able to settle liabilities as they fall due.

20 Financial risk management (continued)

Capital risk management (continued)

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted contractual maturities of the financial liabilities.

31 December 2014	Weighted average effective interest rate %	Less than 1 month or on demand £'000	1-3 months £'000	3-12 months £'000	1-5 years £'000	More than 5 years £'000	Total £'000
Fixed rate							
Finance lease obligations	6.7%	1	2	10	28	-	**41**
Trade payables	N/a	1,202	-	-	-	-	**1,202**
Convertible debt	8.2%	-	-	39	-	-	**39**
Interest on convertible debt	N/a	-	-	19	-	-	**19**
Convertible debt	10%	-	-	947	772	-	**1,719**
Interest on convertible debt	N/a		-	211	61	-	**272**
Other debt	7.7%	-	-	147	-	-	**147**
Floating rate							
Bank overdrafts	4.0%	662	-	-	-	-	**662**

31 December 2013	Weighted average effective interest rate %	Less than 1 month or on demand £'000	1-3 months £'000	3-12 months £'000	1-5 years £'000	More than 5 years £'000	Total £'000
Fixed rate							
Finance lease obligations	18.5%	1	11	14	-	-	**26**
Trade payables	0%	2,932	-	-	-	-	**2,932**
Other debt	10.9%	2	4	20	29	-	**55**
Convertible debt	8.2%	-	-		39	-	**39**
Convertible debt	10.0%	-	-	-	946	-	**946**
Interest on convertible debt	N/a	-	-	-	14	-	**14**
Interest on convertible debt	N/a	-	-	-	73	-	**73**
Floating rate							
Bank overdrafts	3.0%	629	-	-	-	-	**629**
Non-convertible debt	3.5%	480	-	-	-	-	**480**

21 Share capital

	31 December 2014 £'000	31 December 2013 £'000
Allotted, called up and fully paid		
414,281 ordinary shares of £1 each (2013 :414,281 ordinary shares of £5 each)	414	2,071
1,657,124 deferred shares of £1 each (2013 : nil deferred shares of £1 each)	9,731	-
Nil deferred shares of 0.5p each (2013 :1,522,997,160 deferred shares)	-	7,615
Nil deferred shares of 0.9p each (2013 : 50,933,729 deferred shares)	-	459
	10,145	**10,145**

Pursuant to a resolution passed on 24 July 2012 and in accordance with the provisions of the Companies Act 2006 the Company ceased to have authorised share capital.

The deferred shares are not entitled to receive a dividend or other distribution, to attend or vote at any General Meeting and on return of capital on a winding up, shall only be entitled to receive the amount paid up on the shares after holders of the ordinary shares have received £100,000 for each ordinary share.

At the AGM on 30 June 2014, the shareholders approved the sub-division each of the Company's issued ordinary shares of £5 each into one ordinary share of £1 each and four deferred shares of £1 each. In addition the shareholders approved the division of each existing 0.9p deferred share into 1.8 deferred shares of 0.5p each and together with the existing 0.5p deferred Shares, consolidated every 200 0.5p deferred Shares into one £1 deferred share.

22 Contingent liabilities – sale and leaseback agreements

Subsidiary companies have entered into sale and leaseback agreements relating to television programme rights where the obligations to pay rentals are guaranteed by amounts payable from bank deposits. These obligations have not been recognised in the financial statements because the contingent liability would only crystallise upon the failure of the bank holding the deposit. Further:

- the Group is not able to control the deposit account in pursuit of its own objectives and any payments under the lease are due out of this restricted account. The Group has neither control over the bank balance nor over any interest earned thereon;
- the risk of reimbursing the amount of fee receivable by the Group in respect of tax losses transferred and the risk of paying an amount due under the guarantee in case of collapse of the bank holding the deposit are remote; and
- other than the initial cash flows at inception of the arrangement, the only cash flows expected under this arrangement are the lease payments satisfied solely from funds withdrawn from the separate account established for this arrangement.

Given the above, the asset and the liability in respect of the sale and leaseback transactions do not represent an asset and a liability of the Group and according to SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease", and have not been recognised in these financial statements.

The liabilities from these agreements are as follows:

	Due within 1 year £'000	Due within 2 to 5 years £'000	Due after 5 years £'000	Total £'000
As at 31 December 2014	**1,777**	**2,400**	**-**	**4,177**
As at 31 December 2013	2,123	5,913	-	8,036

23 Capital commitments

There were no capital commitments at 31 December 2014 or 31 December 2013.

24 Transactions with Directors and other related parties

Loans to Directors

At 31 December 2014 and 2013 there were no loans due to Directors.

Other transactions

During the year the following amounts were charged by companies in which the Directors have an interest or share directorships:

		Amount charged		
		2014	2013	
Company	**Director**	**£'000**	**£'000**	**Description**
Polygon Productions Inc	D Green	-	144	Production services at September Films USA Inc
Timeweave Ltd	D Craven	378	43	Services as director of DCD Media Plc
Roscoe Capital Ltd	N McMyn	-	82	Provision of accounting services

The balances outstanding at the year-end were as follows:

		Amount payable		
		2014	2013	
Company	**Director**	**£'000**	**£'000**	**Description**
Polygon Productions Inc	D Green	-	30	Net trading balance
Timeweave Ltd	D Craven	-	43	Provision of director services
Roscoe Capital Ltd	N McMyn	-	93	Provision of accounting services
		-	**166**	

Other related party transactions

In 2012, DCD Rights Ltd secured a deal with Timeweave Ltd, a shareholder of DCD Media plc, to create a new fund for the acquisition of third-party distribution rights. At 31 December 2014, DCD Rights Ltd was owed £491,604 from Timeweave Ltd (31 December 2013: £96,504) and owed £540,111 to Timeweave Ltd (31 December 2013: £86,113). After the respective year ends, these amounts were settled.

In November 2014, Rize Television Ltd obtained a loan from Timeweave Ltd to the fund the production of 'How to Remember Everything' for ITV. At 31 December 2014, £146,676 was outstanding. The loan was repaid in 2015.

During the year, Timeweave Ltd provided September Films Ltd a loan facility of £2,402,877 to fund the production and recoverable VAT of Celebrity Squares for ITV. No balance was outstanding at the year end.

In December 2012, Sequence Post Ltd obtained a loan of £77,700 from Timeweave Ltd to fund the acquisition of new IT equipment. The loan and interest combined was repayable in equal instalments over three years. At the prior year end £54,523 was still outstanding. In 2014, this loan was assigned to DCD Media Plc and then converted into the convertible loan notes that were issued in May 2014.

During 2013 and 2014, the Group issued convertible loan notes to major shareholders. The balances outstanding at each year end are noted below.

2013 Convertible Loan Notes

	31 December 2014 Loan Note £'000	31 December 2014 Accrued Interest £'000	31 December 2014 Total £'000	31 December 2013 Loan Note £'000	31 December 2013 Accrued Interest £'000	31 December 2013 Total £'000
Timeweave Ltd *	676	107	783	676	40	716
Henderson *	252	40	293	252	15	267
David Green **	72	12	83	72	4	76
	1,000	**159**	**1,159**	**1,000**	**59**	**1,059**

24 Transactions with Directors and other related parties (continued)

2014 Convertible Loan Notes

	31 December 2014 Loan Note £'000	31 December 2014 Accrued Interest £'000	31 December 2014 Total £'000	31 December 2013 Loan Note £'000	31 December 2013 Accrued Interest £'000	31 December 2013 Total £'000
Timeweave Ltd *	569	33	602	-	-	-
Henderson *	217	13	230	-	-	-
David Green **	30	2	32	-	-	-
	816	**48**	**864**	**-**	**-**	**-**

*denotes shareholder
**denotes shareholder and director

Compensation of key management personnel of the Group

	31 December 2014 £'000	31 December 2013 £'000
Short-term employee benefits	785	1,391
Termination payments	-	32
Pension benefits	3	5
	788	**1,428**

Only directors and employees who attend the monthly executive meetings are deemed to be key management personnel.

The principal operating subsidiary companies are listed below:

Subsidiary	Country of incorporation	% owned	Nature of business
DCD Publishing Ltd	England & Wales	100%	Production, marketing of DVDs and brand representation
DCD Productions (UK) Ltd	England & Wales	100%	Production of programmes for television
DCD Rights Ltd	England & Wales	100%	Distribution of programme rights
September Films Ltd	England & Wales	100%	Production of programmes for television
September Films USA Inc	USA	100%	Production of programmes for television
Sequence Post Ltd	England & Wales	100%	Post production
Prospect Pictures Ltd	England & Wales	100%	Production of programmes for television
Prospect Cymru/Wales Ltd	England & Wales	100%	Production of programmes for television
Rize Television Ltd	England & Wales	80%	Production of programmes for television

Matchlight Ltd was sold to management in the year.

25 Retirement benefit schemes

The Group contributes to the personal pension plans of one employee (2013: two). Contributions in the year amounted to £2,880 (2013: £5,130)

26 Operating lease rental commitments

The Group maintains property, plant and equipment on operating leases.

The total future value of minimum lease payments are due as follows:

	31 December 2014 £'000	31 December 2013 £'000
Not later than one year	199	239
Later than one year and not later than five years	62	262
	261	**501**

27 Notes supporting the cash flow statement

Cash and cash equivalents for the purposes of the cash flow statement comprises:

	31 December 2014 £'000	31 December 2013 £'000
Cash available on demand	1,948	1,108
Overdraft	(662)	(629)
	1,286	**479**

28 Events after the reporting date

On 28 May 2015, DCD Media agreed with Timeweave Ltd and Henderson, together being the Special Majority Noteholders, that the conversion date of the 2013 Convertible Loan Note Instrument would be extended from 30 May 2015 to such further date as agreed by the Majority Noteholders.

29 Ultimate parent company and ultimate controlling party

The Directors consider the family interests of Mr Joe Lewis to have ultimate control by virtue of their indirect beneficial ownership of the issued share capital of Timeweave Ltd, registered in England and Wales and Colter Ltd, a company incorporated in the Bahamas.

Parent company balance sheet as at 31 December 2014

Company number 03393610

	Note	31 December 2014 £'000	31 December 2013 £'000
Fixed assets			
Intangible assets	3	-	-
Property, plant and equipment	4	6	16
Investments	5	6,134	6,422
		6,140	**6,438**
Current assets			
Debtors	6	872	883
Cash at bank and in hand		12	-
		884	**883**
Creditors: amounts falling due within one year	7	**(3,440)**	**(2,449)**
Net current liabilities		**(2,556)**	**(1,566)**
Total assets less current liabilities		**3,584**	**4,872**
Creditors: amounts falling due after more than one year	8	**(833)**	**(1,072)**
Net assets		**2,751**	**3,800**
Capital and reserves			
Called up share capital	10	10,145	10,145
Share premium account	11	51,118	51,118
Equity element of convertible loan	11	98	55
Own shares held	11	(37)	(37)
Profit and loss account	11	(58,573)	(57,481)
Shareholders' funds		**2,751**	**3,800**

The notes on pages 50 to 55 are an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 1 June 2015.

DCM Craven
Director

Notes to the parent company financial statements for the year ended 31 December 2014

1 Principal accounting policies

These financial statements have been prepared in accordance with the historical cost convention and applicable accounting standards, on a going concern basis under UK GAAP. The principal accounting policies have remained consistent with those adopted in the previous year.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the CEO's statement. The financial position of the Group, its cash position and borrowings are set out in the financial review section of the statement. In addition note 20 of the Group Accounts sets out the Group's objectives, policies and processes for managing its financial instruments and risk. The Directors have adopted the going concern assumption in the preparation of the financial statements; please see note 1 of the Group accounts for more detail.

Leasing

Rentals payable under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Pension costs

The Company made contributions to the personal pension plan of one employee in the year. Contributions are charged against profits as they accrue.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or right to pay less tax in the future, have occurred by the statement of financial position date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the statement of financial position date. Deferred tax balances are not discounted.

Foreign currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the statement of financial position date. Any differences are taken to the income statement.

Intangible assets - Programme rights

Internally developed programme rights are stated at the lower of cost, less accumulated amortisation, or recoverable amount. Cost comprises the cost of all productions and all other directly attributable costs incurred up to completion of the programme and all programme development costs. Where programme development is not expected to proceed, the related costs are written off to the income statement. Amortisation of programme costs is charged in the ratio that actual revenue recognised in the current year bears to estimated ultimate revenue. At each statement of financial position date, the Directors review the carrying value of programme rights and consider whether a provision is required to reduce the carrying value of the investment in programmes to the recoverable amount. The expected life of these assets is not expected to exceed 7 years.

Purchased programme rights are stated at the lower of cost, less accumulated amortisation, or recoverable amount. Purchased programme rights are amortised over a period in line with expected useful life, not exceeding 7 years.

Amortisation and any charge in respect of writing down to recoverable amount during the year are included in the income statement within cost of sales.

Tangible fixed assets and depreciation

Property, plant and equipment are stated at cost net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over the expected useful economic lives on the following basis:

Office and technical equipment	25-33% straight line

Financial instruments

Financial assets are recognised in the statement of financial position at the lower of cost and net realisable value. Provision is made for diminution in value where appropriate. Income and expenditure arising on financial instruments is recognised on the accruals basis, and credited or charged to the income statement in the financial year to which it relates.

1 Principal accounting policies (continued)

Convertible debt

The proceeds received on issue of the Company's convertible debt are allocated into their liability and equity components and presented separately in the balance sheet.

The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert.

The difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited direct to equity and not subsequently re-measured. On conversion, the debt and equity elements are credited to share capital and share premium as appropriate.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost or net realisable value.

2 Loss for the financial year

DCD Media Plc has taken advantage of section s408 Companies Act 2006 and has not included its own income statement in these financial statements. The Company's loss for the year after tax was £1,091,960 (2013: loss £2,620,796).

3 Intangible assets

	Programme Rights £'000
Cost	
At 1 January 2014 and at 31 December 2014	**320**
Amortisation and impairment	
At 1 January 2014 and at 31 December 2014	**320**
Net book value	
At 31 December 2014	-
At 31 December 2013	-

4 Property, plant and equipment

	Office and technical equipment £'000
Cost	
At 1 January 2014 and at 31 December 2014	**32**
Depreciation	
At 1 January 2014	16
Provided in year	10
At 31 December 2014	**26**
Net book value	
At 31 December 2014	**6**
At 31 December 2013	16

5 Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost or valuation	
At 1 January 2014 and 31 December 2014	**25,294**
Accumulated amortisation	
At 1 January 2014	18,872
Provided in year	288
At 31 December 2014	**19,160**
Net book value	
At 31 December 2014	**6,134**
At 31 December 2013	6,422

The principal operating subsidiary companies are listed below. All are 100% owned, unless noted otherwise:

DCD Publishing Ltd
DCD Productions (UK) Ltd
DCD Rights Ltd
September Films Ltd
Rize Television Ltd (80%)
Prospect Pictures Ltd
Prospect Cymru/Wales Ltd
Sequence Post Ltd
September Films USA Incorporated

September Films Ltd, DCD Productions (UK) Ltd, Prospect Pictures Ltd, Prospect Cymru/Wales Ltd, September Films USA Incorporated and Rize Television Ltd are involved with the production of programmes for television and other media.

The Company holds an 80% equity stake in Rize Television Ltd, a production company that focuses on factual, factual entertainment and reality programming for the international market.

During the year, the investment in Matchlight Ltd, that was a wholly owned subsidiary held by September Films Limited and DCD Productions (UK) Ltd was sold to management. Matchlight Ltd was involved in the production of programmes for television.

DCD Rights Ltd sell programme rights worldwide to all media. DCD Publishing Ltd is an agency specialising in 360 degree brand development in all areas such as television, book publishing, consumer products, brand endorsements, public appearances and DVD sales.

Sequence Post Ltd is involved in post-production.

Box TV Ltd, DCD Drama Ltd, Done and Dusted Group Ltd, September Films NY Inc., September Films West Coast Inc. September Scripted Incorporated, Billy B Productions Limited Liability Company and Exterminator Limited Liability Company are not part of ongoing trading operations.

DCD Media USA Incorporated, Done and Dusted West Coast Incorporated and September Scripted Productions Limited Liability Company that were not part of ongoing trading operations were wound up in the year. Billy B Productions Limited Liability Company and Exterminator Limited Liability Company were wound up in 2015.

All the subsidiary companies are incorporated in England and Wales, except for:

- September Films NY Inc. which is incorporated in New York, and September Films West Coast Inc. which is incorporated in California. Both of these companies are 100% owned by Done and Dusted Group Ltd;
- September Films USA Incorporated, which is incorporated in California and is 100% owned by September Films Ltd;
- Billy B Productions Limited Liability Company and Exterminator Limited Liability Company, which were incorporated in Louisiana and were 100% owned by September Films USA Incorporated;
- September Scripted Incorporated, which is incorporated in California and is 100% owned by September Films Ltd.

6 Debtors

	31 December 2014 £'000	31 December 2013 £'000
Trade debtors	1	-
Amounts owed by group undertakings	564	805
VAT recoverable	60	-
Other debtors	171	1
Prepayments and accrued income	76	77
	872	**883**

7 Creditors: amounts falling due within one year

	31 December 2014 £'000	31 December 2013 £'000
Bank overdraft (secured)	-	73
Bank loans (secured)	-	480
Convertible debt (unsecured)	1,216	-
Trade creditors	175	127
Amounts owed to group undertakings	1,966	1,298
Taxation and social security	4	174
Other creditors	-	117
Accruals and deferred income	79	180
	3,440	**2,449**

8 Creditors: amounts falling due after more than one year

	31 December 2014 £'000	31 December 2013 £'000
Convertible debt (unsecured)	**833**	**1,072**

9 Bank and other borrowings

	31 December 2014 £'000	31 December 2013 £'000
Due within one year or on demand		
Bank loans and overdrafts - secured (a)	-	553
Convertible loan notes (b)	58	-
Convertible loan notes (c)	1,158	-
	1,216	**553**
Due after more than one year		
Convertible loan notes (b)	-	53
Convertible loan notes (c)	-	1,019
Convertible loan notes (d)	833	-
Total borrowings	**2,049**	**1,625**

a) In August 2012, DCD Media entered into a new loan facility with Coutts & Co bank. The facility was for £1.2m, incurred interest at LIBOR plus 3.5% and was repayable in quarterly instalments with the final instalment being made in November 2014.

The Group's day-to-day operations are funded from cash generated from trading and the use of a net overdraft facility of £0.5m. The facility is due to reduce by £0.25m through quarterly instalments throughout 2015 although is repayable on demand. At the time of signing the accounts the facility stands at £0.375m and has been extended by its principal bankers until 30 June 2015. The directors expect the reducing facility to remain available to the Group for the foreseeable future. Accounts with positive balances in the overall overdraft facility are reflected in bank and cash in the current assets section of the balance sheet.

9 Bank and other borrowings (continued)

The overdraft is secured by a fixed charge over the company's and group's intangible programme rights assets.

(b) The 2005 and 2008 loan notes are repayable once the Coutts facilities have been repaid.

(c) In 2013, the Group's largest shareholders agreed to lend £1.0m in the form of new convertible loan notes, that had an interest rate of 10% and a conversion price of 0.5p. As a result of the share consolidation in 2013 the conversion price became £5.00. As a result of the resolutions approved by the shareholders at the AGM on 30 June 2014, the conversion price became £1.00. On 28 May 2015, DCD Media agreed with Timeweave Ltd and Henderson, together being the Special Majority Noteholders, that the conversion date of the 2013 Convertible Loan Note Instrument would be extended from 30 May 2015 to such further date as agreed by the Majority Noteholders.

(d) In 2014, the Group's largest shareholders agreed to lend a further £0.8m in the form of new convertible loan notes that had an interest rate of 10% and a conversion price of £1.00 as approved by the shareholders at the AGM on 30 June 2014. The notes are due to be repaid on 30 May 2016 unless previously converted.

10 Share capital

See Group accounts note 21.

11 Share premium account and reserves

	Share premium £'000	Equity element of convertible loan £'000	Profit and loss account £'000	Own shares held £'000	Total £'000
				-	
At 1 January 2013	51,118	1	(54,842)	(83)	(3,806)
Loss for the year	-	-	(2,621)	-	(2,621)
Equity element on issue of convertible loans	-	54	-	-	54
Shares allocated from employee benefit trust	-	-	(18)	46	28
At 31 December 2013	**51,118**	**55**	**(57,481)**	**(37)**	**(6,345)**
At 1 January 2014	**51,118**	**55**	**(57,481)**	**(37)**	**(6,345)**
Loss for the year	-	-	(1,092)	-	(1,092)
Equity element on issue of convertible loans	-	43	-	-	43
At 31 December 2014	**51,118**	**98**	**(58,573)**	**(37)**	**(7,394)**

12 Pension costs

The Company made contributions of £500 (2013: £2,250) to the personal pension scheme of one employee (2013: one employee) for part of the year.

13 Events after the reporting date

See Group accounts note 28.

14 Transactions with Directors and other related parties

During the year the following amounts were charged by companies in which the Directors have an interest:

Company	Director	Amount paid 2014 £'000	Amount paid 2013 £'000	Description
Roscoe Capital Ltd	N McMyn	-	82	Provision of accounting services
Timeweave Ltd	D Craven	378	43	Services as director of DCD Media Plc and provision of accounting services

At 31 December 2014, £nil was due to Roscoe Capital Ltd (2013: £93,369) and £nil to Timeweave Ltd (2013: £42,675).

14 Transactions with Directors and other related parties (continued)

The company has taken advantage of the exemptions available under Financial Reporting Standard No. 8 ‘Related party disclosures’, not to disclose any transactions or balances with entities that are 100% controlled by DCD Media plc. Balances outstanding with group companies that are not 100% controlled by DCD Media plc are disclosed below.

	Balance outstanding at 31 December 2014 £	Transactions in the year to 31 December 2014 £	Balance outstanding at 31 December 2013 £	Transactions in the year to 31 December 2013 £
Amounts owed from:				
Rize Television Limited	(12,796)	62,275	(13,670)	64,257
	(12,796)	**62,275**	**(13,670)**	**64,257**

2013 Convertible Loan Notes

	31 December 2014 Loan Note £'000	31 December 2014 Accrued Interest £'000	31 December 2014 Total £'000	31 December 2013 Loan Note £'000	31 December 2013 Accrued Interest £'000	31 December 2013 Total £'000
Timeweave Ltd *	676	107	783	676	40	716
Henderson *	252	40	293	252	15	267
David Green **	72	12	83	72	4	76
	1,000	**159**	**1,159**	**1,000**	**59**	**1,059**

2014 Convertible Loan Notes

	31 December 2014 Loan Note £'000	31 December 2014 Accrued Interest £'000	31 December 2014 Total £'000	31 December 2013 Loan Note £'000	31 December 2013 Accrued Interest £'000	31 December 2013 Total £'000
Timeweave Ltd *	569	33	602	-	-	-
Henderson *	217	13	230	-	-	-
David Green **	30	2	32	-	-	-
	816	**48**	**864**	**-**	**-**	**-**

*denotes shareholder
**denotes shareholder and director

15 Ultimate parent company and ultimate controlling party

The Directors consider the family interests of Mr Joe Lewis to have ultimate control by virtue of their indirect beneficial ownership of the issued share capital of Timeweave Ltd, registered in England and Wales and Colter Ltd, a company incorporated in the Bahamas.

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