

**Zinc Media Group plc**  
**Preliminary results**  
**for the year ended 30 June 2017**

Zinc Media Group plc, the TV and multimedia content producer, today announces its preliminary unaudited results for financial year ended 30 June 2017 and provides an update on the Group's current trading.

**Financial performance**

- Group revenues from continuing operations of £19.76m (2016: £22.62m)
- Adjusted EBITDA\* profit of £0.44m (2016: loss of £0.43m)
- Operating loss for the year of £0.03m (2016: loss of £3.75m)
- Basic loss per share from continuing activities 0.01p (2016: loss per share 0.91p)
- Total assets £12.55m (2016: £15.23m)
- Cash of £2.97m (2016: £3.54m) and net debt at £0.40m (2016: net cash £0.76m)
- £1.27m fundraising and debt restructuring carried out during the year

\* Adjusted EBITDA represents earnings before interest, tax, depreciation, amortisation and exceptional items.

**Operational highlights**

- Restructuring completed, with profitability achieved for the first time in several years, growth in revenues and increased profitability is now the objective
- Company renamed Zinc Media Group plc during the year, representing a break from the past and a new strategy and rejuvenated business model
- Decisive action taken to return the Group to profitability with a significantly simplified product offering
- Majority of the Group's loss-making publishing business now exited, all remaining divisions are now expected to operate profitably
- Main focus of the Group now on its award winning TV division, with a complementary digital communications business alongside
- Strategy is to become one of the UK's leading independent factual TV producers, with both an organic growth strategy and acquisitions
- Senior management team in TV division strengthened during the year with several senior hires to position the division for growth and to satisfy demands of a fast changing landscape
- Strategic shift in TV programming, with a move towards higher value series for international broadcasters
- Successful year for the digital communications division, with improved level of profitability and continuing to serve a blue chip client roster with an increased suite of products, including short form video
- Strong order book in the TV division, 76 per cent. higher at year end than the previous financial year

**Outlook**

The level of activity in the TV division is higher than in previous years at this stage in the financial year, with the current TV commissioned order book at £8.00m, circa. 35 per cent. of budgeted TV revenues for the year. This gives us a basis for confidence in the outlook for the full year, given the strong development slate and multiple programme ideas which are at an advanced stage with commissioners.

Whilst the TV business tends to be second half weighted, due to the quieter summer months in this sector, it has started this year with a strong order book, and the division has a high level of production activity

scheduled during the first half of the year. Given this trend we anticipate that H1 2018 will produce strong results which will follow through into the second half.

The level of commissioned programmes gives management confidence in the outlook for the full year, with significantly increased profits expected in FY18. The Group's focus over the coming months will be to ensure that there is a spread of production work across the different TV divisions. Our overriding aim is to secure bigger budget long running series and formats, but at the same time we are mindful of ensuring that there is also a mix of fast turnaround 'one off's' that can drive smaller short term revenues and help to smooth out the peaks and troughs of the sales process in winning the bigger budget commissions.

The Digital and Publishing divisions continue to trade in line with management expectations.

We remain committed to our growth strategy, both organically through the hiring of new executive TV talent and by seeking acquisitions of carefully selected complementary TV businesses to achieve scale in our sector of the market.

**Chairman, Peter Bertram commented:**

*"In this transitional year we have seen a very welcome return to profitability. The decisions taken in the last twelve months mean that the business is now well placed to grow and deliver the substantially higher profits we know it is capable of, reflecting the high quality and well regarded creative engine that is our business.*

*The TV industry is fast evolving and innovative content producers are in much demand. We believe we have the best talent in place to be at the forefront of the changing industry and play a part in what we see as the inevitable consolidation of the independent producers into 'super indies'.*

*We are seeing multiple deal opportunities for consolidation and are seeking to acquire smaller independent TV production companies that are profitable and specialise in factual programming.*

*We are extremely grateful to all our stakeholders, including our talented and dedicated employees, and our shareholders for their continuing support."*

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## Chairman's Statement

The past year has been one of much change. The business has returned to profitability and we are focussed on a clear strategy of growing our TV business, both organically through hiring new talent and through acquisition of carefully selected complementary TV businesses. We have invested heavily in people during the past year, as key to growth is having a team of the best talent in the industry. Where we felt we had gaps and weaknesses in the senior management team across the different TV businesses we have recruited and reorganised to put the right structure in place.

Although we have three divisions post the restructuring, the largest segment and focus is TV production, which is split across five different TV production brands. In the past year TV accounted for 77 per cent. of the business by revenue, with digital communications at 13 per cent. and publishing at 10 per cent.

The continuing integration of Reef Television Limited ("Reef") has helped scale and improve the commerciality of our TV operation and we intend it to be the first of several deals in our scale-up strategy. Reef continues to be profitable, although it did not quite reach the demanding earn-out target set for the second year of the three year earn-out. Therefore there is no liability due to the Reef vendors in respect of the second year earn-out. Increased profitability in Reef is expected in the current financial year, which should see earn-out payments due in respect of this financial year.

The Board is pleased to report the successful restructuring of its debt obligations and an equity placing, which completed in December 2016. We raised new funds of approximately £1.2 million (gross); £0.4 million as a new long term loan and £0.8 million through an equity placing. Furthermore we have restructured the repayment dates on all of the Group's short and long-term debt with a bullet payment due on 31 December 2020. This has a significant positive effect on the working capital profile of the Group.

The Board is appreciative of our major shareholders and debt-holders for facilitating the restructuring and to the new investors who have shown confidence in the planned trajectory of the business.

We are delighted to welcome Nicholas Taylor who joined as new non-executive Board member in April 2017. Nicholas' experience in working with growing companies, particularly in the TMT sector, will be a valuable resource for the business. I have been spending more time within the business on an operational basis, working closely with David Galan. David has taken on responsibility for the COO role, alongside his role as CFO. The split of responsibilities between myself and David has worked well and we believe we have the right senior management structure in place to facilitate our strategy. Each division and TV brand has its own managing director, so David and myself are supported by a strong and semi-autonomous operational team. Due to his numerous other time consuming commitments in other businesses, Luke Johnson stepped down from the Board in March 2017. Luke has played a pivotal part in the Group turnaround and the rest of the Board is very grateful for his involvement and wise counsel over the last two years.

We continue to review the management function of the Group, but are confident that the current structure is well positioned to lead the renamed Zinc Media as it moves into this new phase of growth.

The Group has signed a new lease on its London premises to 2020. The TV and digital communications businesses are in one premises and this cements our desire and ability to act as a unified and consistent business with clear aims and strategy.

Finally, the Board would like to thank all our employees for their professional and dedicated work across the Group.

Peter Bertram

Chairman

## Business Review

The first quarter of the year saw the final stages of the restructuring, which closed down the vast majority of the various publishing operations of the Group. With the TV production and digital communications businesses strategically housed together in the same office, and the stand alone remaining publishing business based in Macclesfield, the business is in the shape we want it, to grow and prosper.

The directors believe that there is a clear opportunity for the Group to expand its position as one of the UK's leading independent television production businesses. Furthermore, there is the opportunity to capitalise on this position in the more lucrative international marketplace. The Group is known and recognised for being a leader in the production of factual television content, spanning heavily formatted daytime TV series to single high production value landmark documentaries, supplying its content to the majority of broadcasters in the UK and now also a preferred supplier to certain key international broadcasters.

We aim to grow by producing higher revenue programmes; this means focussing on securing larger budgets for higher quality productions and longer running series, which have the capacity to deliver a strong royalty stream through international distribution. We aim to grow organically, through focussing more on the Group's relationships with international broadcasters who are able to commission or co-produce higher value series and through recruiting more executive talent to push new ideas and expand our traditional content boundaries into new factual genres and formats. The directors also believe that there exists an opportunity to grow through carefully selected acquisitions. The independent television production market is consolidating as there is a drive towards scale, in what is a cyclical industry which is dependent upon a relatively small number of customers / broadcasters. We are making progress on discussions with certain acquisition targets and hope to update on our progress in this regard in due course.

The key driver of organic growth is the Group's ability to attract, grow and retain commercial and creative talent. The past year has seen a focus on senior hires in the TV division, bringing new creative talent and management into the Group. Key hires include Roy Ackerman as the new Managing Director of Films of Record and a newly created role as Director of International Strategy. His ambitions are to help grow Films of Record, whilst working with the rest of the senior management team to build on and accelerate the good work that has already started growing the Group's business in the US and the wider global market. Roy has a track record as a successful leader of three independent television companies and has had recent breakthroughs with major commissions in the US including as Managing Director at Pulse Films, where he rapidly rebooted its TV division with a slate of big commissions. Prior to that he led the transformation of Jamie Oliver's Fresh One Productions from a celebrity vehicle into a global multi-genre independent production company, creating award-winning content in commercials, drama, factual formats and documentaries. Emma Hindley also joined as Creative Director of Brook Lapping. A former creative director at Silver River, Emma has specialised in documentaries, arts and history programmes. Her credits include: *'Great Ormond Street 2'*; *'Dancing Cheek To Cheek'*; *'Confessions'*; *'Rape: The Unspeakable Crime'* as well as *'Six Wives With Lucy Worsley'*, *'Back In Time For Brixton'*, *'Extraordinary Dream Homes'* and *'David Beckham: For the Love of the Game'*. Emma was previously Joint Chair of the Grierson Trust.

Our first major TV acquisition, as part of our new strategy, Reef Television, continues to perform well and to operate profitably. The integration continues and we are delighted to have Reef's management team on board playing a major role within the senior management of the Group. Reef's focus on popular factual and specialist factual programming, both for daytime and peak time viewing slots, has helped to diversify our TV business. Although Reef is operating profitably, it did not reach the challenging earn-out target set as part of the acquisition and therefore there is no liability payable by the Company to the Reef vendors in respect of the second year of the earn-out.

## **Television – delivering engaging, intelligent and entertaining content**

### **Core television**

The core television division (Blakeway, Brook Lapping and Films of Record) produced better results in comparison to a poor prior year. The highlights included very strong performances from Brook Lapping and Blakeway North. The year was impacted by significant changes made to the core TV management team: two managing directors left the Group and were replaced with an internal hire for Blakeway (Lucy van Beek) and an external hire for Films of Record (Roy Ackerman). Whilst we strongly believe these changes will drive growth and increased profitability, there was some inevitable hiatus whilst these changes were implemented. There was a mixed set of results between the brands but the core television division was profitable as a whole. The benefit of having multiple TV brands is that risk is diversified as different factual genres come in and out of favour with commissioners and individual commissioners move between channels. This underpins our belief that scale is necessary to build a consistently profitable and valuable business.

TV activity is encouraging, with a good spread of programming across the different factual television genres, including daytime and long running popular factual series. This is a positive trend away from the narrow specialisation in current affairs programming that characterised the past Ten Alps TV businesses. Current affairs programming still plays an important part in our product offering and while all core TV companies have produced either 'Panoramas' or 'Dispatches' during the year it is now only one part of our business across the factual spectrum. Our ability to deliver excellence in our TV product and our journalistic integrity has meant that we are now pitching ideas and being commissioned by international broadcasters such as National Geographic, Smithsonian and HBO and, for the first time, we are in paid development for a series for A & E Networks.

Domestically, we are in strong business relationships with all the main UK broadcasters and have produced programmes this year for BBC One, Two, Three and Four, CBBC, ITV, Channel 4 and Channel 5. In line with our objectives, we have successfully focussed on higher budget singles and series. Blakeway North has taken full advantage of the regional quotas now demanded by all broadcasters and won long running series from Channel 5 and Channel 4 plus high end singles from ITV. Their continuing success means they have already had 79 per cent. of their FY18 budget commissioned.

We have upheld our award winning reputation across the Group. We received a BAFTA nomination for 'Inside Obama's White House' (Brook Lapping), an RTS North West award for Blakeway North's '1966: A Nation Remembers' and Films of Record picked up Best Documentary Series for 'The Murder Detectives' at the Grierson Awards. Blakeway has received two Emmy (US) Nominations for their two films on Ebola for HBO.

Our strong reputation for quality programme making and integrity has meant we have been able to attract top talent both on and off screen this past year, including award winning directors such as Kevin Sim and Ursula MacFarlane and also presenters such as Jeremy Paxman, Lucy Worsley and Stephen Hawking. In a competitive market place, the ability to attract such talent has given us an edge over rivals in winning commissions and it is a strategy that we intend to build on in the coming year.

### **Reef Television**

Reef has achieved success this year with a multitude of titles and has managed to create new formats to help refresh its catalogue. Whilst there has been some investment in this process, we expect that these formats will ensure enduring success for the company over a number of years ahead. Key new format titles include; 'Village of the Year', a 24-episode new series for Channel 4, 'Flying High', a four part series for Channel 4 and 'Getting the Builders In', a 15-episode series for BBC One.

Returning shows and one-offs have also played their part and these include a new landmark commission for BBC Music, a further series of Penelope Keith's 'Hidden Villages' and a previously announced second series with star baker Paul Hollywood.

Reef has cemented its reputation for dealing with leading factual talent including Paul Hollywood, Penelope Keith and Lucy Worsley.

The television division as a whole delivered revenues of £15.17m (2016: £16.33m) and adjusted EBITDA of £0.41m (2016: £0.82m).

### ***Digital Communications – creating content that counts***

Zinc Communicate Limited (“Zinc Communicate”), the digital communications division of the Group, traded strongly over the past year, delivering revenues of approximately £2.57m and adjusted EBITDA of £0.31m.

Zinc Communicate rebranded during the year, changing its name from Ten Alps Communicate to Zinc Communicate and in July 2017 launched a new website with a redefined focus on its credentials as a ‘Change’ agency. Zinc Communicate works predominantly with blue chip companies and organisations to design, create and execute ‘change’ campaigns that engage, educate and activate wider audiences, pushing their clients’ branded content and storytelling through digital communications and short-form film.

Zinc Communicate achieved major industry recognition during the past year, with wins at the EVCOM Screen Awards 2017, held at BAFTA in June 2017 where it collected gold, silver and bronze awards for Best Drama, Best Health & Safety Film, Best Direction and Best Training Film. Zinc Communicate also won a bronze award for Best Drama for ‘Get Real with Money’, a series of films on money management for Nationwide Building Society.

### ***Publishing***

#### ***Continuing Publishing Operations - Macclesfield based LABC contract (home and build consumer content)***

The remaining publishing unit is Ten Alps Communications Limited (“Ten Alps Communications”), which is based in Macclesfield. The restructuring of Ten Alps Communications is now complete, with the business having exited many unprofitable titles and contracts; it now primarily consists of the LABC (Local Authority Building Control) publishing business, which is operating profitably. Whilst Ten Alps Communications is a non-core business of the group, we do see small scale growth opportunities for the business.

Progress is being made in securing new contract publishing clients and we are pleased to announce that we have been awarded a contract by the Royal Institute of British Architects (“RIBA”) to publish certain of their annual directories. We have also secured a contract to sell trader advertising and provide content to the Planning Portal. The Planning Portal is a joint venture between the Department for Communities and Local Government and a private company which works in partnership with every local authority across England and Wales focused on providing an online portal that is intended to be the national home of planning and building regulations information and the national planning application service.

It is early days with these new clients, but we are hopeful that they will further cement the good progress made by the publishing division towards becoming a consistently profitable and cash generative business.

Revenue from continuing publishing operations for the year was £1.96m (2016: £4.00m) and adjusted EBITDA from continuing publishing operations was £0.28m (2016: loss of £0.64m).

#### ***Closed / Exited Publishing Operations***

The decision taken by management during the prior financial year to exit from loss making publishing operations, rather than invest more funds and management time in continuing efforts to turn these businesses around, was implemented during the first half of the year.

## Highlights of the year:

### Television

Zinc Media produces television programming under the Blakeway, Brook Lapping, Films of Record and Reef TV brands:

- *'The Murder Detectives'* – a series following a real murder investigation in Bristol, won Best Documentary Series at the prestigious Grierson Awards
- *'Spy in the IRA'* – a one hour Panorama investigation with journalist John Ware, was longlisted for Best Current Affairs in the Grierson Awards
- *'Secrets of a Deathly Tomb'* – a landmark drama documentary on the First Emperor of China was commissioned by BBC and National Geographic. This was one of the largest ever commissions produced by Brook Lapping and rated extremely highly both on the BBC and National Geographic. This commission highlights the success of our strategy to seek commissions from international broadcasters for higher budget productions. Blakeway and Brook Lapping are now considered preferred suppliers to National Geographic. We are now in paid development for two big follow up projects for Nat Geo
- *'Bargain Loving Brits in the Sun'* – an eight part series for Channel 5 was commissioned as a follow up to the highly successful 20-part series Benidorm ER and has been swiftly followed by another 8 part series – *'Bargain Brits in Blackpool'*
- *'The People's Vet'* – a 20 part series commission for Blakeway North from C4 Features
- *'Julian Clary's Greatest Ever Christmas Ads'* – a 90 minute film from Blakeway North for Channel 5
- *'9/11 Truth, Lies and Conspiracies'* – 9pm special for ITV from Blakeway, which delivered higher than average audiences for current affairs
- *'Inside Obama's White House'* – a four part series including an exclusive interview with President Obama, originally commissioned for BBC Two, ARTE and Al Jazeera US was rebroadcast on National Geographic in the week of the inauguration of Donald Trump and was BAFTA nominated
- Following the success and critical acclaim of *'Inside Obama's White House'*, Norma Percy, the executive producer responsible, has secured another major documentary commission to make a three part series about Europe for the BBC and international co-production partners from around the world
- *'The Search For a New Earth'* – a landmark space exploration 90 minute documentary special commissioned by BBC and Smithsonian and France 5, presented by the eminent scientist Stephen Hawking, about the challenges and possibilities involved in the human race colonising the planet Mars
- *'Diana: 7 Days that Shook the Windsors'* – 90 minute anniversary film for Channel 5 from Blakeway delivered high audiences and critical acclaim
- *'Lord Lucan: My Husband, the Truth'* – an ITV Special commission for Brook Lapping which achieved high audiences and critical acclaim
- 2 x 60 minute films on President Trump presented by Jeremy Paxman for BBC One through Brook Lapping delivered higher than average audiences
- *'Origins of Violence'* – 90 minute documentary about ISIS with eminent historian Tom Holland and award winning director Kevin Sim for Channel 4, longlisted for Best Presenter and Best Documentary in the Grierson Awards

- *'Put Your Money Where Your Mouth Is'* – series 14 delivered to BBC Daytime and new 60 minute versions played to strong audiences in peak time at 7.00pm
- New BBC One Daytime format *'Getting the Builders In'* from Reef Television, commissioned and in production from a new regional satellite office in Bristol
- *'West Side Stories'* broadcast on Boxing Day on BBC Two to great acclaim
- New landmark two part opera series with Lucy Worsley commissioned by BBC Two

## Digital Communications

- *The BMW Group*  
Zinc Communicate launched the revamped BMW Group Education programme, [www.bmweducation.co.uk](http://www.bmweducation.co.uk) at London's Park Lane with a suite of new digital learning resources to help teachers bring a hands-on and smarter approach to sustainability and road safety lessons.
- *Transport for London (TfL)*  
Since the launch of The Children's Traffic Club London, a bespoke multi-media cross platform resource in September 2015, Zinc Communicate has been successful in delivering its KPIs of reaching over 85 per cent. of pre-school children living in Greater London.
- *Thames Water*  
Zinc Communicate created a fun and inspiring, eye catching and 'on-brand' animation to encourage and attract education practitioners to visit the Thames Water Education centre at a sewage works and ultimately to direct traffic to their website and social media sites, to gain traction with this very specific audience.
- *Centre for the Protection of National Infrastructure (CPNI)*  
The CPNI works in areas of national security and advises organisations on how to remain secure - in this instance, against the threat of terrorism. Zinc Communicate devised a drama documentary as a training film, *'Danger Home Made Explosives'* to make companies aware of 'the threat' and to provide them with the 'know how' to spot forged or fake ID. This film won gold awards for Best Drama and Best Health & Safety Film, silver award for Best Training Film and bronze award for Best Direction at the EVCOM event.
- *Vodafone*  
Zinc Communicate produced a short film to celebrate the 10<sup>th</sup> anniversary and highlight the success of M-Pesa – a mobile technology used throughout the developing world which allows billions of people without a bank account to pay bills, move money and get their wages via text. Vodafone used the film across social media to promote the message that their mobile technology is at the forefront of combatting financial exclusion across the world.

## Publishing

- Our Macclesfield unit has completed the third year of a 5-year contract to produce planning guidelines for local authorities across the UK and sell trader advertising. The successful transition continues from print products to e-books and digital through the 'Home & Build' website, a nationwide directory of trusted (and council endorsed) tradespeople. New initiatives and revenue streams have been developed including the production of short form films for local authorities to use



as informative and educational tools to raise awareness around building control and planning permission issues.

## FINANCIAL REVIEW

The main focus of the Group is now television production and facilitating organic and acquisitive growth. With the restructuring behind us all the remaining units are operating profitably. The challenge now is to drive margin improvements throughout the business, and particularly within the core TV unit.

Revenue from continuing operations for the year was £19.76m (2016: £22.62m) and gross profit was £6.31m (2016: £6.39m). The main variance in revenues (from continuing operations) was in the Group's publishing division, which saw a decrease of 49 per cent. or £2.04m year on year. This was predominantly due to the remaining Macclesfield publishing unit withdrawing from the vast majority of its contract publishing titles and owned titles to focus on the LABC contract. TV revenues were down £1.16m, 7 per cent., reflecting lower revenues mainly in Reef. However the prior year represented exceptional performance by Reef and was therefore a tough comparator. Zinc Communicate achieved an increase in revenue of 16 per cent. to £2.57m compared to £2.21m.

Gross margin increased from 28 per cent. to 32 per cent. in the year, with operating expenses representing 30 per cent. of revenues, consistent with FY16. The increase in gross margin was a consequence of the completion of the significant restructuring undertaken by the Group over the prior year resulting in each division trading profitably.

Adjusted EBITDA was £0.44m (2016: loss of £0.43m), representing a return to profit after several years of losses. Operating loss decreased significantly to £0.03m (2016: £3.75m) after amortisation of £0.52m, primarily relating to the amortisation of intangible assets in Reef. Exceptional items include an impairment charge of £1.00m relating to the impairment of the carrying value of goodwill in respect of Reef as a result of the lower level of profitability of Reef than in the prior year. Within exceptional items there is a £1.30m credit relating to the change in fair value of contingent consideration payable to the Reef selling shareholders due to the second year earn-out not being payable and a reduction in the fair value of the third year contingent earn-out liability as well. The taxation credit of £0.25m (2016: taxation charge of £0.05m) arose due to movements in deferred taxation.

Discontinued operations relate to Ten Alps Media and the parts of the remaining publishing company (Ten Alps Communications Limited) which were closed down. The Board attempted to sell Ten Alps Media, but a successful outcome was ultimately not achieved and the company was placed into creditor's voluntary liquidation in August 2016, therefore Ten Alps Media is accounted for as a discontinued operation.

The Board do not recommend the payment of a dividend for FY17.

### *Earnings per share*

Basic and diluted loss per share from continuing operations in the year was 0.01p on both measures (2016: loss per share of 0.91p). These measures were calculated on the losses for the year attributable to Zinc Media Group shareholders of £0.07m (2016: loss of £3.71m) divided by the weighted average number of shares in issue during the year being 544,171,445 on an undiluted basis and a diluted basis (2016: 406,760,864).

### *Statement of Financial Position*

#### *Assets*

The Group's non-current assets comprise goodwill and intangibles of £5.91m (2016: £7.33m), the reduction reflecting amortisation and the impairment of the carrying value of goodwill in Reef. Non-current assets also comprise property and plant and equipment of £0.23m (2016: £0.21m).

Inventories have remained static at £0.21m (2016: £0.20m) now reflecting the low level of inventories that the Group holds due to the much smaller size of the publishing business. Trade receivables have reduced by nearly £1m to £1.33m (2016: £2.34m), again due to the change in mix of the business to a focus on TV. Debt collection in publishing tends to be far slower than in the TV business, with publishing characterised by lots of small clients, whilst the TV business has far fewer clients but they are blue chip broadcasters from whom cash collection is relatively straight forward. Other receivables have increased to £1.90m (2016: £1.36m) reflecting an increase in accrued income in the year.

The Group had a cash balance of £2.97m as at 30 June 2017 (2016: £3.54m). The balance reflects the financing activities during the year, the cash payment made during the year to satisfy the first year Reef earn-out payment and the impact of a reduction in trade creditors.

Total assets for the Group were £12.55m (2016: £15.23m).

#### *Equity and Liabilities*

Retained losses as at 30 June 2017 were £30.93m (2016: £30.55m) and total shareholders' equity at that date was of £3.00m (2016: £1.65m).

In November 2016, the Company raised £0.84m by way of a placing of 111,711,471 new ordinary shares at 0.75 pence per share (before expenses) with certain institutional and other investors. The Company also secured a long term loan of £0.43m. The Company also issued 66,666,667 new ordinary shares to the Reef sellers in line with the terms of the deferred consideration due under the Reef share purchase agreement, which was entered into in June 2015. 10,666,667 settlement shares were also issued to the former CEO and 3,333,334 new ordinary shares were issued in respect of certain adviser fees. The Company also carried out a debt variation through the amendment of the repayment dates of all the short and long term debt; the repayments now a single lump sum (of both principal and interest) due to be repaid on 31 December 2020.

Current liabilities consisting of trade and other creditors has reduced significantly with a decrease of £4.09m to £5.48m (2016: £9.57m). The decrease reflects a fall of £0.78m in trade creditors, the payment during the year of £1m in respect of deferred consideration payable to the Reef sellers for the first year earn-out and lower levels of social security and taxes owing at period end. Deferred income has also decreased to £0.84m (2016: £1.31m).

#### *Cash flows*

The Group used cash of £1.31m in the year (2016: £3.38m) in its operations. The net movement in the year was a decrease in cash of £0.56m (2016: increase of £1.62m) after financing activity cash inflow of £1.23m (2016: £5.13m) and cash used in investing activities of £0.46m (2016: £0.13m).

# Consolidated income statement

Zinc Media Group plc consolidated statement of comprehensive income  
For the year ended 30 June 2017

	Notes	2017 (unaudited) £'000	2016 (audited) £'000
<b>Continuing operations</b>			
Revenue	2	19,756	22,622
Cost of sales		(13,447)	(16,228)
<b>Gross Profit</b>		<b>6,309</b>	6,394
Operating expenses		(5,865)	(6,827)
<b>Adjusted EBITDA</b>		<b>444</b>	(433)
Depreciation and amortisation		(517)	(3,275)
Exceptional items	3	41	(44)
<b>Operating loss</b>		<b>(32)</b>	(3,752)
Finance costs		(293)	(183)
Finance income		-	279
<b>Loss before tax</b>		<b>(325)</b>	(3,656)
Taxation		253	(54)
<b>Loss for the year</b>		<b>(72)</b>	(3,710)
<b>Discontinued operations</b>			
Loss for the year from discontinued operations	4	(37)	(2,661)
<b>Loss for the year</b>		<b>(109)</b>	(6,371)
Continuing operations attributable to:			
Equity holders		(72)	(3,710)
Discontinued operations attributable to:			
Equity holders		(37)	(2,661)
<b>Retained loss for the year</b>		<b>(109)</b>	(6,371)
<b>Basic earnings per share</b>			
	5		
From continuing operations		(0.01)p	(0.91)p
From discontinued operations		(0.01)p	(0.65)p
Total		(0.02)p	(1.56)p
<b>Diluted earnings per share</b>			
	5		
From continuing operations		(0.01)p	(0.91)p
From discontinued operations		(0.01)p	(0.65)p
Total		(0.02)p	(1.56)p

# Consolidated statement of comprehensive income

Zinc Media Group plc consolidated statement of comprehensive income  
For the year ended 30 June 2017

	<b>2017</b>	2016
	<b>(unaudited)</b>	(audited)
	<b>£'000</b>	£'000
<b>Loss for the year</b>	<b>(109)</b>	(6,371)
<b>Other comprehensive income</b>	<b>-</b>	-
<b>Total comprehensive income for the year</b>	<b>(109)</b>	(6,371)
Attributable to:		
Equity holders	<b>(109)</b>	(6,371)
	<b>(109)</b>	(6,371)

# Consolidated statement of financial position

Zinc Media Group plc consolidated statement of financial position  
As at 30 June 2017

	Note	30 June 2017 (unaudited) £ '000	30 June 2016 (audited) £ '000
<b>Assets</b>			
<b>Non-current</b>			
Goodwill and intangibles	6	5,909	7,330
Investment in associate		-	100
Property, plant and equipment		231	212
		<b>6,140</b>	<b>7,642</b>
<b>Current assets</b>			
Inventories		208	202
Trade receivables		1,326	2,341
Other receivables		1,904	1,357
Assets classified as held for sale		-	147
Cash and cash equivalents		2,973	3,537
		<b>6,411</b>	<b>7,584</b>
<b>Total assets</b>		<b>12,551</b>	<b>15,226</b>
<b>Equity and liabilities</b>			
<b>Shareholders' equity</b>			
	8		
Called up share capital		5,926	5,925
Share premium account		25,013	22,671
Share based payment reserve		47	-
Merger reserve		27	696
Preference shares		2,909	2,909
Retained earnings		(30,926)	(30,549)
<b>Total shareholders' equity</b>		<b>2,996</b>	<b>1,652</b>
<b>Liabilities</b>			
	7		
<b>Non-current</b>			
Borrowings		3,375	2,007
Other non-current liabilities		700	2,000
		<b>4,075</b>	<b>4,007</b>
<b>Current</b>			
Trade payables		1,205	1,987
Other payables		4,275	6,295
Liabilities classified as held for sale		-	159
Current tax liabilities		-	89
Deferred tax		-	263
Borrowings		-	774
		<b>5,480</b>	<b>9,567</b>
<b>Total equity and liabilities</b>		<b>12,551</b>	<b>15,226</b>

# Consolidated statement of cash flows

Zinc Media Group plc consolidated statement of cash flows  
For the year ended 30 June 2017

Note	2017 (unaudited) £'000	2016 (audited) £'000
<b>Cash flows from operating activities</b>		
Loss for the year	(109)	(6,371)
<b>Adjustments for:</b>		
Taxation	(253)	192
Depreciation	96	94
Amortisation and impairment of intangibles	1,421	4,806
Finance costs	293	183
Finance income	-	(279)
Share based payment charge	98	-
Gain on revaluation of deferred contingent consideration	(1,177)	-
Gain on disposal of assets	(43)	(40)
	326	(1,415)
(Increase) / decrease in inventories	(6)	780
Decrease in trade and other receivables	415	1,080
Decrease in trade and other payables	(1,998)	(3,713)
Cash used in operations	(1,263)	(3,268)
Finance costs	1	(75)
Tax paid	(46)	(40)
<b>Net cash flows used in operating activities</b>	<b>(1,308)</b>	<b>(3,383)</b>
<b>Investing activities</b>		
Disposal of subsidiary undertakings, net of cash and overdrafts	5	19
Acquisition of subsidiary undertakings, net of cash and overdrafts	(500)	-
Purchase of property, plant and equipment	(69)	(89)
Proceeds of sale of property, plant and equipment	-	40
Disposal / (investment) in associate	100	(100)
<b>Net cash flows used in investing activities</b>	<b>(464)</b>	<b>(130)</b>
<b>Financing activities</b>		
Issue of ordinary share capital and preference shares	801	4,495
Borrowings repaid	-	(116)
Borrowings received	433	750
<b>Net cash flows from financing activities</b>	<b>1,234</b>	<b>5,129</b>
Net (decrease) / increase in cash and cash equivalents	(538)	1,616
Translation differences	(26)	7
Cash and cash equivalents at beginning of year	3,537	1,914
<b>Cash and cash equivalents at the end of the year</b>	<b>2,973</b>	<b>3,537</b>

## Consolidated statement of changes in equity

Zinc Media Group plc consolidated statement of changes in equity

For the year ended 30 June 2017

	Share capital	Share premium	Share based payment reserve	Merger reserve	Preference shares	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 July 2015</b>	<b>5,534</b>	<b>15,228</b>	-	<b>696</b>		<b>(24,178)</b>	<b>(2,720)</b>
Loss and total comprehensive income for the year	-	-	-	-	-	(6,371)	(6,371)
<b>Total comprehensive income</b>	-	-	-	-	-	<b>(6,371)</b>	<b>(6,371)</b>
Equity-settled share-based payments	26	504	-	-	-	-	530
Shares issued	365	6,939	-	-	2,909	-	10,213
<b>Balance at 30 June 2016</b>	<b>5,925</b>	<b>22,671</b>	-	<b>696</b>	<b>2,909</b>	<b>(30,549)</b>	<b>1,652</b>
<b>Balance at 1 July 2016</b>	<b>5,925</b>	<b>22,671</b>	-	<b>696</b>	<b>2,909</b>	<b>(30,549)</b>	<b>1,652</b>
Loss and total comprehensive income for the year	-	-	-	-	-	(109)	(109)
<b>Total comprehensive income</b>	-	-	-	-	-	<b>(109)</b>	<b>(109)</b>
Equity-settled share-based payments	-	165	32	-	-	-	197
Transfer to share premium account (see note 8)	-	937	-	(669)	-	(268)	-
Tax credit relating to share option scheme	-	-	15	-	-	-	15
Shares issued	1	1,338	-	-	-	-	1,339
Expenses of issue of shares	-	(98)	-	-	-	-	(98)
<b>Balance at 30 June 2017</b>	<b>5,926</b>	<b>25,013</b>	<b>47</b>	<b>27</b>	<b>2,909</b>	<b>(30,926)</b>	<b>2,996</b>

**Notes to the preliminary financial statements**  
**For the year ended 30 June 2017**

**1) ACCOUNTING POLICIES**

**1.1) General Information**

Zinc Media Group plc and its subsidiaries (the Group) is a multi-media Group which produces high quality TV together with digital communications and publishing.

Zinc Media Group plc is the Group's ultimate parent and is a public listed company incorporated in Scotland. The address of its registered office is 7 Exchange Crescent, Conference Square, Edinburgh EH3 8AN. Its shares are traded on the AIM Market of the London Stock Exchange plc (LSE:ZIN).

**1.2) Basis of Preparation**

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU) and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared primarily under the historical cost convention.

The preliminary financial information for the year ended 30 June 2017 does not constitute the company's statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's full financial accounts for the year ended 30 June 2017 are in the process of being audited.

Statutory accounts for 2016 have been delivered to the registrar of companies, and those for 2017 will be delivered in due course. The auditors have reported on the statutory accounts for the year ended 30 June 2016; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

**1.3) Going Concern**

During the year, the Group completed and implemented significant funding activities, debt refinancing and cost restructurings. On 27 October 2016, the Group announced a placing, which received shareholder approval at a general meeting on 15 November 2016, of over £800,000, a new £432,962 long term loan and a debt variation amending the repayment date for all of the Group's short and long term loans to a bullet repayment on 31 December 2020. Following these amendments the Group has only long term debt with a bullet repayment on 31 December 2020 with no financial covenants.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current financing.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.



## 2) SEGMENTAL INFORMATION

Management currently identifies the Group's three service lines as three operating segments: TV, Publishing and Digital Communications. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

In addition, items included under 'Central and plc' relate mainly to Group activities based in the UK.

	TV		Publishing		Digital Communications		Central and plc		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Continuing Operations	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Revenue	15,167	16,330	1,961	4,002	2,566	2,212	62	78	19,756	22,622
Adjusted EBITDA	406	822	276	(643)	314	191	(552)	(803)	444	(433)
Reorganisation & restructuring	-	-	(100)	(38)	25	(6)	-	-	(75)	(44)
Depreciation	(66)	(52)	(18)	(30)	(12)	(9)	-	-	(96)	(91)
Amortisation	(421)	(407)	-	-	-	-	-	-	(421)	(407)
Impairment	(1,000)	-	-	(2,777)	-	-	-	-	(1,000)	(2,777)
Exceptional items	1,300	-	(140)	-	(68)	-	24	-	1,116	-
Operating profit / (loss)	219	363	18	(3,488)	259	176	(528)	(803)	(32)	(3,752)
Segment Assets	9,977	6,932	1,078	2,459	1,430	1,246	66	4,443	12,551	15,080
Segment Liabilities	(3,462)	(4,313)	(684)	(3,267)	(227)	(667)	(5,181)	(5,114)	(9,554)	(13,361)
Other Segment Items:										
Expenditure on intangible assets	-	5,140	-	-	-	98	-	-	-	5,238
Expenditure on tangible assets	140	36	-	14	-	4	2	5	141	59

The internal reporting of the Group's performance does not require that costs and/or Statement of Financial Position information is gathered on the basis of the geographical streams.

The Group's principal operations are in the UK. Its revenue from external customers in the United Kingdom was £18.06m (2016: £19.56m), and the total revenue from external customers in other countries was £1.70m (2016: £3.06m).

## 3) EXCEPTIONAL ITEMS

An analysis of the amounts presented as exceptional items in these financial statements is given below:

	2017	2016
	£'000	£'000
Impairment of carrying value of goodwill in respect of Reef	(1,000)	-
Change in fair value of contingent consideration in respect of Reef	1,300	-
Reorganisation and restructuring costs	(75)	(44)
Other exceptional items	(184)	-
<b>Total</b>	<b>41</b>	<b>(44)</b>

## 4) DISCONTINUED OPERATIONS

The year saw the completion of the restructuring to exit from the loss making publishing operations. During the prior year ended 30 June 2016, the trade of Grove House Publishing Limited was disposed of. Following the sale, Grove House Publishing Limited, was dissolved. During the year Ten Alps Media Limited was placed into creditors' voluntary liquidation. The business activities of Ten Alps Communications Limited (the current publishing unit) were also restructured during the year and many unprofitable contract publishing activities and owned titles were terminated and closed down. Grove House Publishing Limited, Ten Alps Media Limited and the discontinued activities of Ten Alps Communications Limited have been treated as discontinued operations.

Analysis of the results of the discontinued operations is as follows:

	<b>2017</b>	2016
	<b>£'000</b>	£'000
<b>Revenue</b>	<b>321</b>	1,766
Cost of sales	<b>(180)</b>	(1,145)
<b>Gross Profit</b>	<b>141</b>	621
Operating expenses	<b>(178)</b>	(1,479)
Reorganisation and restructuring costs	-	(40)
Depreciation	-	(3)
Impairment of intangible assets	-	(1,622)
<b>Operating loss</b>	<b>(37)</b>	(2,523)
Finance income	-	-
<b>Loss before tax</b>	<b>(37)</b>	(2,523)
Taxation	-	(138)
<b>Loss for the year from discontinued operations</b>	<b>(37)</b>	(2,661)

## 5) EARNINGS PER SHARE

Basic earnings per share (EPS) for the year equals the loss after tax from continuing operations attributable to the Company's ordinary shareholders of £0.07 million (2016: loss of £3.71 million) divided by the weighted average number of issued ordinary shares of 544,171,445 (2016: 406,760,864).

When the Group makes a profit from continuing operations, diluted EPS equals the profit attributable to the Company's ordinary shareholders divided by the diluted weighted average number of issued ordinary shares. When the Group makes a loss from continuing operations, diluted EPS equals the loss attributable to the Company's ordinary shareholders divided by the basic (undiluted) weighted average number of issued ordinary shares. This ensures that EPS on losses is shown in full and not diluted by unexercised share options or awards.

	<b>2017</b>	2016
	<b>Number of Shares</b>	Number of Shares
<b>Weighted average number of shares used in basic earnings per share calculation</b>	<b>544,171,445</b>	<b>406,760,864</b>
Dilutive effect of share options	11,330,279	-
<b>Weighted average number of shares used in adjusted diluted earnings per share calculation</b>	<b>555,501,724</b>	<b>406,760,864</b>
	<b>£'000</b>	<b>£'000</b>
<b>Loss for year from continuing operations attributable to shareholders</b>	<b>(72)</b>	<b>(3,710)</b>
Amortisation and impairment of intangible assets	1,421	4,806
Restructuring costs	-	44
Change in fair value of contingent consideration	(1,300)	-
Exceptional items	41	-

<b>Adjusted profit for year attributable to shareholders</b>	<b>90</b>	<b>1,140</b>
<b>Loss for year from discontinued operations attributable to shareholders</b>	<b>(37)</b>	<b>(2,661)</b>
<b>Continuing operations</b>		
Basic loss per share	(0.01)p	(0.91)p
Diluted loss per share	(0.01)p	(0.91)p
Adjusted basic profit per share	0.017p	0.28 p
Adjusted diluted profit per share	0.016p	0.28 p
<b>Discontinued operations</b>		
Basic loss per share	(0.01)p	(0.65)p
Diluted loss per share	(0.01)p	(0.65)p

## 6) INTANGIBLE ASSETS

	<b>Goodwill</b>	<b>Brands</b>	<b>Customer Relationships</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost</b>				
At 1 July 2015	25,662	3,818	171	29,651
Additions	2,288	500	2,450	5,238
At 30 June 2016	27,950	4,318	2,621	34,889
<b>At 30 June 2017</b>	<b>27,950</b>	<b>4,318</b>	<b>2,621</b>	<b>34,889</b>
<b>Amortisation</b>				
At 1 July 2015	(18,765)	(3,818)	(171)	(22,754)
Charge for the year	-	(69)	(337)	(406)
Impairment charge	(4,399)	-	-	(4,399)
At 30 June 2016	(23,164)	(3,887)	(508)	(27,559)
Charge for the year	-	(71)	(350)	(421)
Impairment charge	(1,000)	-	-	(1,000)
<b>At 30 June 2017</b>	<b>(24,164)</b>	<b>(3,958)</b>	<b>(858)</b>	<b>(28,980)</b>
<b>Net Book Value</b>				
<b>At 30 June 2017</b>	<b>3,786</b>	<b>360</b>	<b>1,763</b>	<b>5,909</b>
<b>At 30 June 2016</b>	<b>4,786</b>	<b>431</b>	<b>2,113</b>	<b>7,330</b>

### Goodwill

Goodwill arising on acquisitions after the date of transition to IFRS is attributable to operational synergies and earnings potential expected to be realised over the longer term.

### Brands and Customer Relationships

Brand and customer relationships relate to the intangible assets arising on the acquisition of Reef Television.

## Impairment Tests for Goodwill

The carrying amount of goodwill by operating segment is:

	2017 £'000	2016 £'000
Publishing	-	-
TV	2,801	3,801
Digital Communications	985	985
<b>Total</b>	<b>3,786</b>	<b>4,786</b>

Goodwill is not amortised but tested annually for impairment with the recoverable amount being determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rate, growth rates and forecasts in income and costs.

The Group assessed whether the carrying value of goodwill was supported by the discounted cash flow forecasts of operating segments based on financial forecasts prepared by management.

An impairment charge of £1.0m was made during the year in respect of the carrying value of goodwill relating to Reef Television.

## 7) NON-CURRENT LIABILITIES

An analysis of the amounts presented as non-current liabilities in these financial statements is given below:

	2017 £'000	2016 £'000
Borrowings	3,375	2,007
Other non-current liabilities	700	2,000
<b>Total</b>	<b>4,075</b>	<b>4,007</b>

The increase in long term borrowings during the year is as a result of the debt restructuring in November 2016, as a result of which all of the Company's debt was restructured to be repayable on 31 December 2020. The Company also received additional long term debt of £0.43m at that time. Other non-current liabilities relate to deferred contingent consideration payable to the Reef sellers, the fair value of which was written down during the year.

## 8) SHARE CAPITAL

	2017	2016
<b>Ordinary shares with a nominal value of:</b>	<b>0.00025p</b>	<b>0.1p</b>
<b>Authorised:</b>		
Number	<b>Unlimited</b>	Unlimited
<b>Issued and fully paid:</b>		
Number	<b>619,775,478</b>	419,397,339
Nominal value (£'000)	<b>1.5</b>	419
<b>Deferred shares with a nominal value of 1.99p</b>		
<b>Authorised, issued and fully paid:</b>		
Number	<b>276,666,012</b>	276,666,012
Nominal value (£'000)	<b>5,506</b>	5,506

**D Deferred shares with a nominal value of 0.09975p**

**Authorised, issued and fully paid:**

Number	<b>419,397,339</b>	-
Nominal value (£'000)	<b>418</b>	-

**Preference shares with a nominal value of 0.01p**

**Authorised, issued and fully paid:**

Number	<b>2,908,631</b>	2,908,631
Paid up value (£'000)	<b>2,909</b>	2,909

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

In November 2016, at a General Meeting of the Company, shareholders approved capital restructure proposals whereby each of the existing issued shares of 0.1 pence each in the capital of the Company were subdivided and converted into one new ordinary share of 0.00025 pence and one D deferred share of 0.09975 pence.

Deferred shares and D deferred shares have attached to them the following rights and restrictions:

- they do not entitle the holders to receive any dividends and distributions;
- they do not entitle the holders to receive notice or to attend or vote at General Meetings of the Company;
- they have very limited rights on a return of capital; and
- they are not admitted or listed on any stock exchange and are not freely transferable.

The principal terms of the preference shares are as follows:

- they are convertible at 2.5 pence per ordinary share at the holder's option (which would give rise to the issue of 116,345,240 new ordinary shares if the preference shares were completed in full and no dividend had accrued);
- they are redeemable at the Company's option on the date falling five years after their issue;
- they have a dividend of 4.5 per cent. per annum (which increases to 13.5 per cent. per annum if they are not converted or redeemed within five years of their issue) which is payable on 31 July each year, or accrued and repayable when the preference shares are converted or redeemed; and
- they are freely transferable.

The preference shares have been classified as equity rather than debt. The intention by all parties at the inception of the preference shares was that the preference shares would be converted to equity when the opportunity presents itself, rather than be repaid. Therefore the directors have valued the debt component of the preference shares instrument using the assumption that there will be no cash outflows, so the value is nil.

Ordinary shares	2017			2016		
	Number of Shares	Share Capital £'000	Share Premium £'000	Number of Shares	Share Capital £'000	Share Premium £'000
At start of year	<b>419,397,339</b>	<b>419</b>	<b>22,671</b>	276,666,012	5,534	15,228
Nominal value transferred to deferred share capital	-	(418)	-	-	(5,506)	-
Share consolidation (10 for 1)	-	-	-	(248,999,411)	-	-
Share placing and subscription for cash	<b>111,711,471</b>	<b>0.28</b>	<b>838</b>	225,000,000	225	4,275
Deferred consideration paid in shares	<b>66,666,667</b>	<b>0.17</b>	<b>500</b>	-	-	-
Shares issued in lieu of fees	<b>22,000,001</b>	<b>0.050</b>	<b>165</b>	26,516,660	26	504
Expenses of issue of shares	-	-	(98)	-	-	-
Shares issued in debt conversion	-	-	-	140,214,078	140	2,664
Transfer to share premium account (see note 8)	-	-	<b>937</b>	-	-	-
<b>At end of year</b>	<b>619,775,478</b>	<b>1.5</b>	<b>25,013</b>	419,397,339	419	22,671

Below is a description of the nature and purpose of the individual reserves:

- Share capital represents the nominal value of shares issued;

- Share premium includes the amounts over the nominal value in respect of share issues. In addition, costs in respect of share issues are debited to this account;
- Merger reserve is used where more than 90 per cent. of the shares in a subsidiary are acquired and the consideration includes the issue of new shares by the Company, thereby attracting merger relief under the Companies Act 1985 and, from 1 October 2009, the Companies Act 2006;
- Share based payment reserve arises on recognition of the share based payment charge in accordance with IFRS2 'Share Based Payment Transactions';
- Retained earnings include the realised gains and losses made by the Group and the Company; and
- Preference shares represents the nominal value of preference shares issued.

## **8) MOVEMENTS IN SHARE PREMIUM ACCOUNT, MERGER RESERVE AND RETAINED EARNINGS**

In order to correct an historical difference between the consolidated group share premium account and the Zinc Media Group plc share premium account, £0.669m was released from the merger reserve into the group share premium account, following the sale of the trade of the subsidiary, Grove House Publishing Limited, and subsequent dissolution. In addition, £0.268m was also transferred from group retained earnings into the share premium account to correct an historical classification error. The result of these adjustments is that the group share premium account is now correctly stated and consistent with the Zinc Media Group plc share premium account.

## **9) AVAILABILITY OF REPORT AND ACCOUNTS**

The Company's annual report and accounts for the year ended 30 June 2017 will be posted to shareholders in due course, a soft copy of which will also be available to download from the Company's website at [www.zincmedia.com](http://www.zincmedia.com).