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ANNUAL REPORT
& ACCOUNTS **2015**

WEDNESDAY

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A16 30/03/2016 #196

COMPANIES HOUSE

Avesco Group plc
Registered in England and Wales
Company Number: 01788363

Turnover by Region

UK
£45 1M TURNOVER

> BIRMINGHAM
> EDINBURGH
> GLASGOW
> LONDON
> MANCHESTER

UNITED STATES OF AMERICA
£62 6M TURNOVER

> ATLANTA
> BOSTON
> CHICAGO
> LAS VEGAS
> LOS ANGELES
> SAN FRANCISCO

MIDDLE EAST & ASIA PACIFIC
£15 2M TURNOVER

> DOHA
> DUBAI
> HONG KONG
> SHANGHAI
> SINGAPORE

MAINLAND EUROPE
£10 8M TURNOVER

> BARCELONA
> HILVERSUM
> MADRID
> ROOSENDAAL
> STUTTGART
> VALENCIA

Record Breaking Year

In May 2015, CT's US operation helped their client shatter the Guiness World Record for highest light output projection by turning the iconic Hoover Dam into a colossal 420,000 square foot projection screen

Breaking records has been a bit of a theme for 2015, not just for CT, but for the Avesco Group as a whole with operating profits exceeding the Olympic year of 2012 The fact that this has been achieved in an odd year, is especially pleasing

CT's US business continues to be the Group's biggest profit contributor, while last year's restructure in Germany has resulted in a near elimination of losses with the promise of improved results there going forward CT s London operation has benefited from the first European Games held in Baku, Azerbaijan

Our Full Service and Broadcast Services divisions have had a mixed year but are expected to improve in 2016

The Avesco Group

CREATIVE TECHNOLOGY	CREATIVE TECHNOLOGY Leading international supplier of specialist audio visual services and equipment to the live events broadcast and entertainment industries
mclcreate	FULL SERVICE Full technical support for conferences sports music, corporate events and television programmes
PRESTEIGNE BROADCAST HIRE FOUNTAIN STUDIOS	BROADCAST SERVICES Broadcast equipment systems, services and television studio facilities

Strategic Report 2015

Avesco Group plc ("Avesco") is a long established AIM listed, international media services group which provides specialist audio visual ("AV") equipment, lighting equipment and services to the live events, broadcast and entertainment industries The Group boasts a wide, international structure of offices through which we are able to meet our customers' needs around the world

THE GROUP'S BUSINESSES

The Group comprises three divisions sharing a common service quality, culture and approach Our largest division, Creative Technology ("CT") generally (but not exclusively) is engaged for larger projects than mcl**create**, our Full Service business and our Broadcast Services division (comprising Presteigne and Fountain Studios which act mostly for broadcast television customers) On 12 January 2016 we announced the disposal of the Wembley studios site owned by our subsidiary Fountain Television Ltd and the leaseback of the site until at least 31 December 2016 This disposal will enable us to focus more clearly on our remaining businesses whilst realising a substantial net profit and significantly reducing debt

CT which accounted for 80% of the Group's revenue in the 12 months ended 30 September 2015 (2014 76%) provides audio visual services mainly for live events, including concerts, sports events, product and press launches exhibitions and television productions In the run up to each event, CT assists directors, designers and producers with technical advice support and assistance to ensure that the event exceeds the client's expectations whilst being on time and on budget The high end equipment that CT provides includes indoor and outdoor LED screens, plasma and LCD displays high definition multi-imaging, digital camera systems, lighting equipment, high power video projection, LED scenic video and the latest digital audio facilities

10% of our revenue in the 12 months ended 30 September 2015 (2014 11%) came from mclcreate, our UK based Full Service business Offering national coverage for events of all sizes, mcl**create** can provide complete technical support for sports music and corporate events, conferences and television programmes Although these events tend to be smaller in size than the events that CT might support, they are often far broader in the range of the services provided The customer base spans the corporate, venue and agency and exhibition sectors serviced from offices in London, Birmingham, Manchester Edinburgh and Glasgow mcl**create** also regularly delivers events at venues overseas

The operating results of our Broadcast Services division comprise two separate businesses the supply of broadcast equipment through Presteigne Broadcast Hire (5% of 2015 revenue compared to 9% in 2014) and the television studio facilities at Fountain Television (5% of 2015 revenue, compared to 4% in 2014) The studios provide full service television facilities for shows with audiences of up to 1,000 people

THE GROUP'S BUSINESS MODEL

The Group generates revenue by offering a mixture of AV and lighting equipment and services to customers At one end of the spectrum is the hire of equipment without services attached ("dry hire") while at the other end is pure technical consulting work However the vast majority of our work sits somewhere in between, with the precise blend of equipment versus services (which frequently involve highly skilled technical personnel) being different for each job

Our revenues are derived from a wide range of corporate events, motor shows, concerts, TV shows, sporting events and exhibitions Consequently the scheduling of these events has a direct impact on the timing of revenues for the Group Many major international sporting events such as the Olympics and

FIFA World Cup, which historically have provided significant business for the Group, are held in the "even years" (that is 2010 2012, 2014 etc) although during 2015 we have benefited from the first European Games held in Baku, Azerbaijan Within each 12 month period, there are also peaks (January) and troughs (December) of business, depending on when other major events fall

In considering Group capital expenditure requirements, the Board seeks to maintain a level of equipment and staff that is required to service an average level of work, thus optimising our fixed cost base and mitigating the risks of technical obsolescence

In addition to new items of capital expenditure, potential sales of existing assets are also considered as part of this strategy Any additional requirements are sub-hired in as necessary In 2015 these sub-hire costs amounted to approximately 14% of revenue (2014 29%)

The Group's other main cost areas are equipment depreciation and personnel costs which amounted to 14% and 29% respectively of revenue in 2015 (2014 14% and 29%)

The Key Performance Indicators used to manage the business comprise revenue, margin, trading EBITDA, trading profit and net debt Margin is the percentage derived by dividing the gross profit by the revenue Trading EBITDA and trading profit are Alternative Performance Measures that better reflect our underlying trading performance by removing various non trading items from earnings before interest, taxation, depreciation and amortisation and from operating profit, respectively

CORPORATE STRATEGY AND INDUSTRY TRENDS

The Group has a long established reputation as an independent business providing high quality, innovative and reliable video and latterly audio and lighting services to a broad range of national and international clients

Over the last few years a number of our major international competitors have sought economies of scale through a series of leveraged mergers and acquisitions When this is combined with the cost of equipment, particularly Chinese produced LED being kept low, pricing levels have remained under pressure, as our customers become more price sensitive Our own cost reduction programme began in 2013 with the closure of some loss making overseas businesses and was continued during the year ended 30 September 2014 when each of the Group's three divisions was subject to a restructuring of various degrees resulting in further staff reductions to our workforce, which is now down to an average of 685 This also reflected the Board s desire to de-risk the business and reduce the variability in profitability between odd and even years

During 2015 it became apparent that the assets tied up in our Fountain Television business were not producing the level of returns that were potentially achievable if applied elsewhere in the Group The opportunity was further magnified by the recent upsurge in land prices in the Wembley area, which have been closely monitored by the Board

The Board therefore decided to realise this asset and announced the details of the transaction on 12 January 2016 As a result, when completed there will be a net benefit to shareholders' funds of approximately £6m and a £13m reduction in net Group debt to less than £10m

BUSINESS RISKS

The Group's business is subject to many different risk factors which will have varying degrees of significance at any particular time Although not an exhaustive list, the Board consider the most important risks and uncertainties to the business to be as follows

Economic and business cycle The Group s customers are principally corporates whose expenditure on services provided by the Group can be discretionary in nature and may therefore be affected by changes in the economic and business cycle Some of the possible actions that the Group may take to counteract a sudden downturn could take time to have effect However, we have sought to minimise the impact of any economic slowdown by seeking, wherever practicable, to match major items of capital expenditure to expected significant future revenue streams and by limiting infrastructure obligations and other capital commitments to a level appropriate to the foreseeable needs of the business after taking account of market trends and developments

Dependence on key personnel The Group's future success will be dependent on key employees and their on-going relationships with clients and suppliers It is believed that the Group is of a size that no one individual represents a significant risk to the Group The Group also encourages client or supplier contacts to be maintained by more than one individual Key staff are incentivised through a mixture of sales commission and profit related bonuses Main Board Directors are incentivised as detailed in the Directors' Remuneration Report

Equipment failure or loss The Group's hire stock comprises technical, high value equipment which is subject to the risk of electronic or mechanical failure as well as physical loss, damage or theft The Group endeavours to minimise these risks through rigorous quality control measures, security precautions and insurance cover The geographical spread of the Group's businesses further reduces the potential risk which might arise from any one loss or failure

New and emerging markets The Group may operate and supply services to events in countries where customs practices and tax regulations are different to those in established Western markets The Group seeks to conduct all of its business in an honest and ethical manner and to comply with all laws rules and regulations, including those governing anti-bribery and anti-corruption, in all countries in which it operates The Group seeks to minimise risk in this area by ensuring that all relevant staff are aware of their legal obligations through internal policies, briefings and seminars

Future funding The Group's capital requirements will depend on numerous factors, including its ability to operate successfully to its business plan If funding requirements vary materially from plan we may require further financing, in addition to our existing bank facilities sooner than anticipated In order to minimise this risk, the Group endeavours to build in contingencies to its financial forecasting In addition, the Group will often have the ability to re-direct cash inflow intended for capital expenditure to other uses

Exposure to counterparty credit risk It is believed that no one client represents a material risk to the Group Where there may be a credit concern or where significant up-front costs will be incurred in relation to a client s event the Group will endeavour to obtain a deposit or other security for payment

Counterparty risk with financial institutions In order to ensure that the Group is not entirely reliant on any one single financial institution for all of its funding requirements, it is the Group's policy to maintain a range of types of borrowing facilities from a number of major financial institutions The Group is dependent upon contractual arrangements with these institutions to provide funding on agreed terms when requested to do so

Effect of foreign currency The Group in general does not hedge the foreign currency risk arising from sales by an operation denominated in a currency other than its functional currency In most cases substantial deposits on such sales are received at the time of the order and the remaining balances are to a large extent, matched by overseas costs The exceptions to this policy are generally related to the purchase of tangible assets or other large one off transactions where the currency risk is usually hedged using forward foreign exchange contracts In respect of the translation of foreign currency assets, the Group endeavours to match a significant amount of such assets by funding overseas operations through borrowings or loans denominated in the overseas currency

General risk management and internal control The Board acknowledges its responsibility for and attaches considerable importance to the Group's systems for risk management and internal control A variety of internal control procedures are in place across the Group to cover key business and control risks These procedures are reviewed by the Board on a regular basis and adjustments made, where deemed appropriate

RESULTS

2015 has been another record breaking year for the Group with operating profit even higher than in 2012 when we had the benefit of the London Olympics in our home territory The fact that this has been achieved in an odd year is particularly pleasing

The main drivers behind this strong performance were CT Europe, which had the benefit of both the first European Games in Baku in June and the near elimination of losses in CT Germany (as a result of last year's restructuring there) and CTUS which continues to be the Group's biggest profit contributor

During the 12 months ended 30 September 2015 our revenue grew by 6% to £133 7m (2014 £126 4m), whilst trading profits grew 18% to £7 4m (2014 £6 3m), trading EBITDA was up 8% to £27 0m (2014 £25 0m), and net debt was further reduced to £17 5m (2014 £21 4m)

The increase in trading profits includes a margin increase of 1% Overheads increased at a much lower rate than the rate of profit increase, aided by an overhead reduction of £1 1m resulting from our prior year restructuring in CT Germany These savings were again mainly derived from the full year effect of the 2014 reductions in staff numbers Our average staff numbers during the year were reduced by another 3% to 685 (2014 705) from a 2013 high of 765

Our operating profit was £4 9m (2014 £0 9m) and, after taking account of net interest costs of £1 7m (2014 £1 3m), the result before income tax was a profit of £3 2m (2014 £0 4m loss) The tax charge for the year was £0 9m (2014 £2 3m) and the profit from discontinued operations was £1 1m (2014 £1 2m profit) The basic earnings per share was 18 0p and the diluted earnings per share was 17 9p (2014 basic and diluted loss per share of 7 2p)

Non trading items, which have been removed from the operating results in order to calculate the trading profit, gave a net cost of £2 5m in the 12 months ended September 2015 (2014 £5 4m) Significant restructuring costs within this balance in 2015 include £1 3m for the impairment of fixtures and fittings at Fountain (due to the sale of the Wembley site) an onerous lease provision of £0 7m necessitated by the streamlining of the London branch of mc**create** and a £0 4m increase to the amount provided in the prior year in relation to the onerous lease in CT Germany Other non-recurring items in 2015 include a cost of £0 2m caused by a change in estimate of dilapidation provisions in the UK a cost of £0 2m relating to potential claims relating to prior year activities in the US and credits of £0 3m relating to prior period transactions in the South East Asian region and the UK Exceptional items in 2014 were mainly in respect of the substantial restructuring costs in CT Germany

Discontinued operations relate to the successful outcome of our litigation with the Walt Disney Company and others in 2013 In 2015, we recorded a £1 1m gain from the release of an accrual for a related indemnity that is no longer required (2014 a £1 2m reduction in our estimate of the tax payable on the gain) No further gains or losses are expected to be recognised in discontinued operations as a result of the Disney litigation

In 2016 we expect the net gain from the Fountain transaction to amount to approximately £7m after tax and related costs

CREATIVE TECHNOLOGY (CT)

The Creative Technology division saw revenues climb £11 0m to £107 1m (2014 £96 1m) and trading profit more than doubled to £9 1m (2014 £4 4m) Our main profit driver, CTUS, saw revenue grow by a further 21% on top of last year's 18% increase, and profits there rose commensurately Revenue in CT Europe was down slightly but profits were significantly increased as we reaped the benefit of our much lower cost base in Germany The European Games in Baku were also very beneficial, generating over £5m in revenue

Creative Technology Asia Pacific ("CTAP") again failed to reach its break even target but results there were on a par with last year's much improved set of numbers CTAP remains a significant asset to our other larger CT operations seeking to service their clients in the region and we continue to work towards creating a profitable business there

FULL SERVICE

mc**create**, our full service business, had a solid year Revenue fell to £14 0m (2014 £14 4m) but trading profit rose to £0 3m (2014 £0 2m) reflecting a 2% margin improvement The business lost a significant exhibition based client and has reshaped its business around fewer, larger warehouses across the UK, the benefits of which are expected to begin to flow in 2015/16

BROADCAST SERVICES

Our Broadcast Services division performed poorly this year, with revenue dropping to £12 5m (2014 £15 8m) resulting in a trading loss of £1 9m (2014 £1 7m profit) Presteigne was unable to build on the strong progress made last year as it struggled in a very competitive, commodity driven market The results were also impacted by a £0 9m write off as a result of a customer suffering cashflow issues and being unable to fully repay a debt brought forward from the prior year Steps have been taken to bolster the sales team in Presteigne and we expect to see an improved performance in 2016, an even year

Fountain Studios suffered a small trading loss of £0 1m (2014 breakeven) as pricing pressures pushed margins down by 3% This is clearly an inadequate return on the investment we have in this asset and on 12 January 2016 we announced that we had sold the land and buildings for £16m with a lease back agreement until at least 31 December 2016 It is likely that this will lead to the closure of the business in Wembley and we are therefore commencing a consultation process with the affected staff

At the end of our lease the equipment there will be moved or sold and we have therefore recorded an impairment of £1 3m in exceptional items in anticipation of these eventual disposals The further anticipated £7m net profit of the Fountain transaction will be reported in the 2016 accounts

TAXATION

The total income tax expense for the year was £0 9m (2014 £2 3m) The Group tax charge has benefited significantly from our success in discussions with HMRC to allow prior period losses and other allowances from our partnership in Germany to be set against tax payable in the UK

The income tax expense for the year consists of a £1 7m current tax charge (2014 £0 0m) and a deferred tax credit of £0 9m (2014 charge of £2 3m) The current tax charge primarily relates to charges in the US (high taxable profits earned in the US cannot be offset against taxable losses elsewhere in the world) and is mitigated somewhat by a £1 5m credit arising from the availability of the German losses

The deferred tax credit has arisen due to the availability of German capital allowances in the UK tax group

Our deferred tax asset at the year end stood at £4 6m (2014 £3 9m) Tax losses represent £0 6m (2014 £1 0m) of this asset with the balance of £4 0m (2014 £2 9m) mostly resulting from the temporary difference between the tax base and the book value of property plant and equipment

Further deferred tax assets amounting to £7 2m at the year end (2014 £4 5m) remain unrecognised on the balance sheet

The majority of the deferred tax liability of £5 3m (2014 £5 3m) relates to temporary differences between the tax base and the book value of property, plant and equipment and has primarily arisen due to the availability of high levels of first year allowances on equipment purchases in CTUS

CASH GENERATION AND CAPITAL EXPENDITURE

During the year the Group reduced net debt by £3 9m to £17 5m (2014 21 4m)

This was derived from a trading EBITDA of £27 0m (2014 £25 0m), net investments in new equipment of £16 0m (2014 £19 0m), 70% of which went to CTUS, net outflows of working capital and other balance sheet items of £0 7m (2014 £2 3m outflow), cash held on the acquisition of Sports Technology of £0 6m, dividends of £1 5m (including those paid to minority interests), interest and tax payments of £4 6m (2014 £1 9m) and adverse foreign exchange movements of £0 9m

The Group s cash flow (and interest expense) during 2014 was impacted by the £30 5m return of cash to shareholders and LTIP holders the £9 8m buy-back of shares from Taya Communications Ltd (both in January 2014 following receipt of our £44 5m net share of the proceeds from the Disney litigation in 2013) and the Group restructuring programme

The net assets of the Group increased over the year to £34 4m at 30 September 2015 (2014 £32 1m) This equates to a net asset value of £1 80 per share (2014 £1 70 per share or £1 67 on a fully diluted basis when the then remaining 0 4m shares subject to LTIP awards were taken into account)

In addition to the Group's cash balances of £12 7m, the Group had unutilised banking and HP facilities of £19 9m at the year end and was comfortably within its finance and banking facilities of some £50 1m The main component of the Group s facilities was a £20m multi currency revolving loan from HSBC, which will be reduced to £10m in light of the approximate £13m net receipt from the Fountain asset disposal The remaining £10m line with HSBC is now in place until June 2018 with other facilities comprising a combination of overdraft and leasing lines

DIVIDEND

At the half year, we increased the interim dividend to 2 0p per share (2014 1 5p), which was paid in October 2015 The Board is now pleased to announce that it proposes to increase the final dividend this year to 5 0p (2014 4 5p) per share thus making a total dividend for the year of 7 0p per share (2014 6 0p), reflecting our continued confidence in the longer term prospects for the Group

Subject to shareholder approval, the proposed dividend is expected to be paid on 6 April 2016 to shareholders on the register at the close of business on 11 March 2016

PEOPLE

This has been another tremendously busy year and our staff have yet again risen to the occasion, maintaining the high levels of quality and technical expertise our customers have come to expect often under pressure and in difficult conditions I thank them most sincerely for their loyalty, efforts and exceptional skill in performing their duties

CURRENT TRADING AND OUTLOOK

We have now realised the cost savings anticipated by the Group's previous restructuring programmes and believe that the Group's profitability has been effectively rebased The sale of the land and buildings at Fountain will realise substantial value for shareholders the full value of which will be reported in the coming year, and significantly reduce our net Group debt down to very modest levels

As for trading, the current financial year has started well, with CT performing strongly in both Europe and the US With the Group now carrying a much lower debt burden streamlined and refocused, we expect to be able to continue our drive to increase profitability, to generate cash and to grow dividends

RICHARD MURRAY
CHAIRMAN
12 January 2016

Corporate Configuration

CT's US operation travels the length and breadth of North America for its corporate clients, supporting major conventions with thousands of attendees and some of the largest exhibition stands in the world

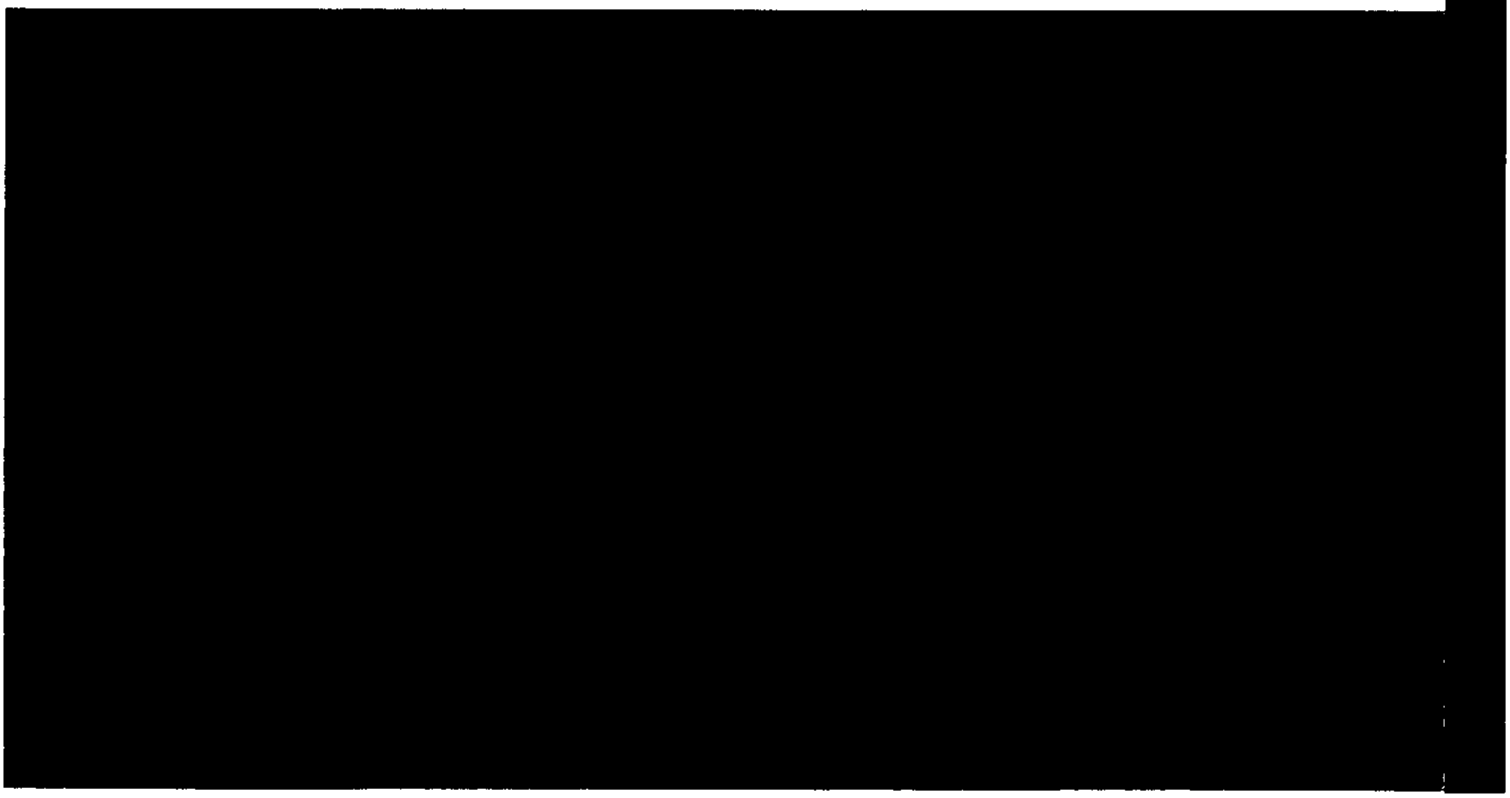
The company provides a wide range of video, audio, lighting and digital media services together with the personnel to both manage and operate these events.

C[illegible] from top left
> [illegible] De[illegible] 2015 [illegible] Nevada USA
> Washington DC Conference [illegible] Nexus Washington DC USA
Walmart Shareholders [illegible] Arkansas USA
> NAIAS Detroit Motor Show Audi Stand Detroit Michigan USA
> NAIAS Detroit Motor Show Ford Stand Detroit Michigan USA

CT's US Operation

The Group's main profit contributor, Creative Technology's US operation, has seen revenues and profits grow again in 2015

The company mainly works in the corporate and exhibitions market providing audio visual services for large US companies such as Home Depot, Walmart and Ford



London Calling

CT's UK presence covers the most varied of markets, from television to concerts, sporting to special events and everything in between

2015 saw a UK General Election with the BBC producing a special broadcast detailing the action as it was unveiled Utilising Broadcasting House as a canvas, CT projection mapped images and live data updates onto the building itself and this was used as a backdrop to the televised programme

Singer-songwriter Ed Sheeran's world tour included three sold-out concerts at London's Wembley Stadium His shows utilised seven vast screens provided out of CT's inventory

CT has been providing audio visual services for the Barclays ATP World Tour Finals since it came to the O2 Arena in 2009 CT's contract with the ATP has now been extended until 2018

Pictures clockwise

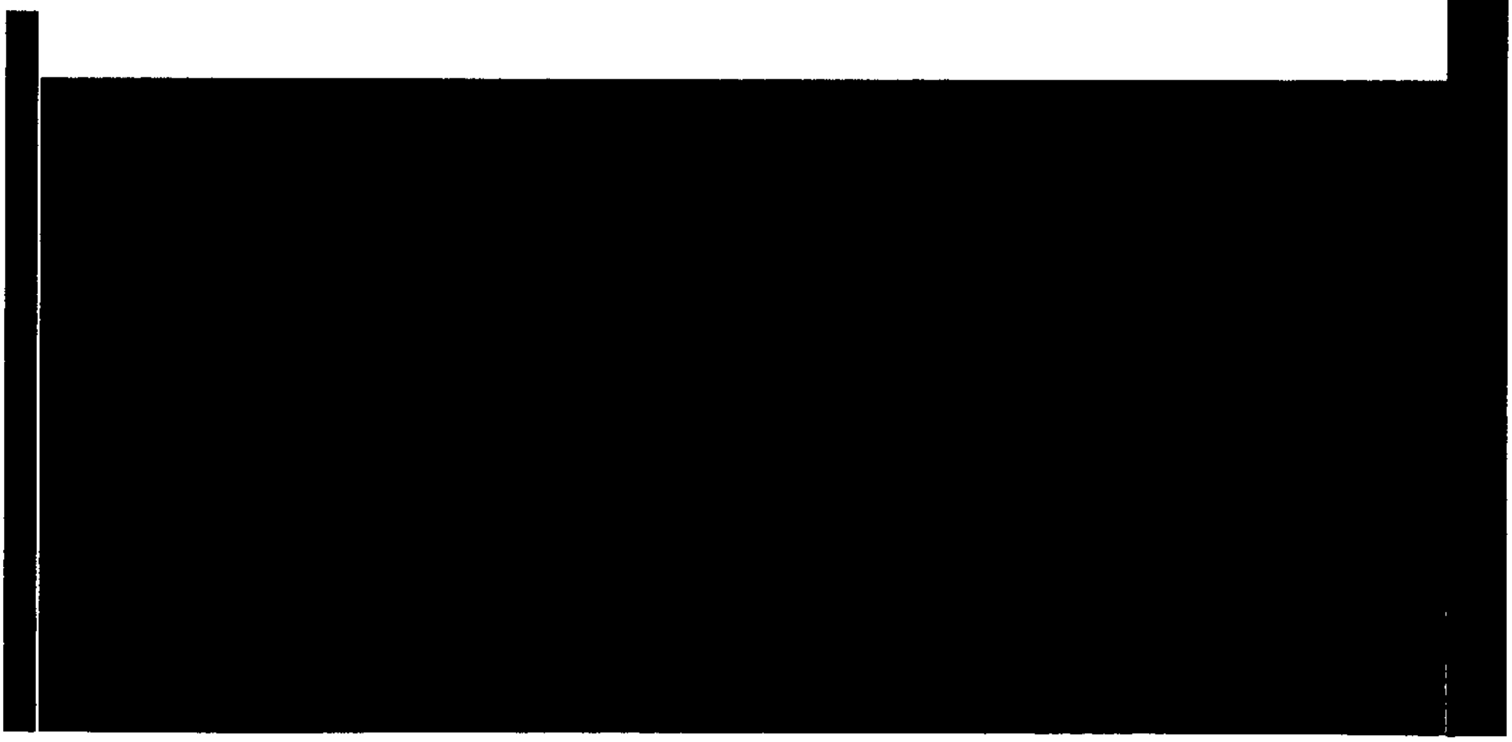
- Closing Ceremony European Games Baku Azerbaijan
  Barclays ATP World Tour Finals O2 Arena London UK
- Ed Sheeran x Tour Wembley Stadium London UK
- BBC TV [illegible] UK

First European Games

The Opening and Closing Ceremonies for the inaugural European Games held in Baku Azerbaijan were the latest in a long list of major Ceremonies delivered by Creative Technology which includes the last three summer Olympic Games alongside Commonwealth, Asian and Arab Games The European Games also represented the culmination of over a year's work for CT in the negotiation, planning and ultimately delivery of many aspects of the Games in Baku

Depending on venue requirements CT's Games delivery also included multiple LED boards and PA systems in the individual sports venues

The combined delivery, requiring 13 trucks and involving over 120 people on the ground was one of CT's largest ever projects generating over £5m in revenue



European Tour

CT's Holland operation provided a variety of displays and a six camera HD flight pack for regular client, Nick and Simon s Christmas Show at Ahoy Rotterdam

CT's Germany operation provided interactive technology for some of the manufacturers booths at the Geneva motor show this year One of these included a 'Selfie' app custom-developed for Chevrolet to build visitor engagement and interact with both the on-stand visuals and visitors' own social media platforms

The Amsterdam Dinner Show, a fundraiser for Aids/HIV victims in the Netherlands, saw CT's Holland operation providing LED and projectors at the Heineken Music Hall in Amsterdam

Working for customers across mainland Europe and the UK, CT's Spanish operation regularly works alongside our other European businesses to service their corporate customers

Mainland Europe

Due to the benefits of a much lower cost base in Germany, results were significantly improved across the operations in mainland Europe, despite revenues being slightly down over the past 12 months.

CT's operations in Spain and Holland were extremely busy and completed some exciting projects while Germany began to focus on expanding their market share beyond the auto show industry.

Clockwise from top left

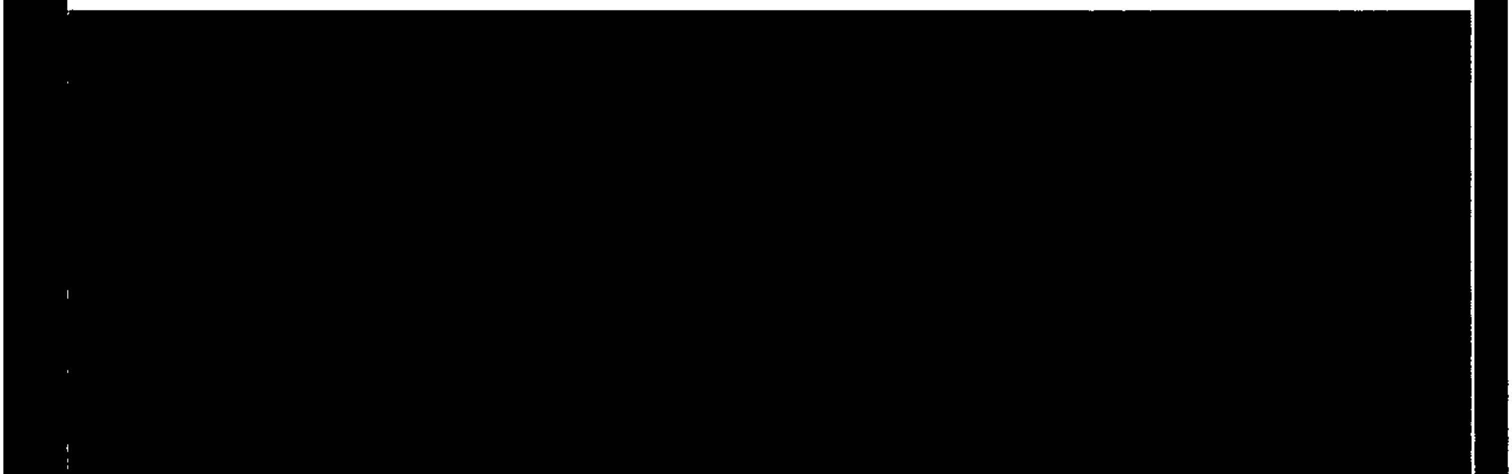
> Nick and Simon Christmas Show at Ahoy, Rotterdam, The Netherlands
> The Amsterdam Dinner, Heineken Music Hall, Amsterdam, The Netherlands
> Chevrolet and Cadillac stand at Geneva Motorshow utilising the 'selfie' app integration
> Alcon Pharma Corporate at Cubo de las Arenas, Barcelona, Spain

The Middle East

Meydan has been a big feature of Dubai's sporting calender for the past few years. For 2015's Gold Cup, CT provided a vast 30m diameter circular screen created out of 760 tiles of LED, suspended on three crane legs!

Also held at the Meydan Racecourse, CT supplied a special outdoor edition of *Source of Light*, the first Sensation electronic dance event to be held in the Middle East and also the first to be held outdoors. CT provided the spectacular projection which brought to life the four huge faces rigged along the stage.

For the 43rd UAE's National Day celebrations CT provided LED displays and hospitality areas to allow the crowds to fully immerse themselves in the festivities.



Asia Pacific

A significant asset to our other larger CT operations, CT's Asia Pacific business (which has offices in Hong Kong, Singapore and Shanghai) continues to service clients in their region while looking to improve its profit contribution to the Avesco Group.

Recent projects for the Asia Pacific business include an installation for LEGOLAND® Malaysia. CT was commissioned to design and install the video elements of the background scenery. CT provided a fully mapped projection onto a 30m wide theatre set and stage floor for a show which is shown daily at the Lego City stage.

Pictures top to bottom, facing page

> Meydan Gold Cup, Dubai
> 43rd National Day, Dubai
> Source of Light Sensation, Meydan, Dubai

Picture this page

> LEGOLAND® Malaysia Resort, Malaysia

mcl**create**

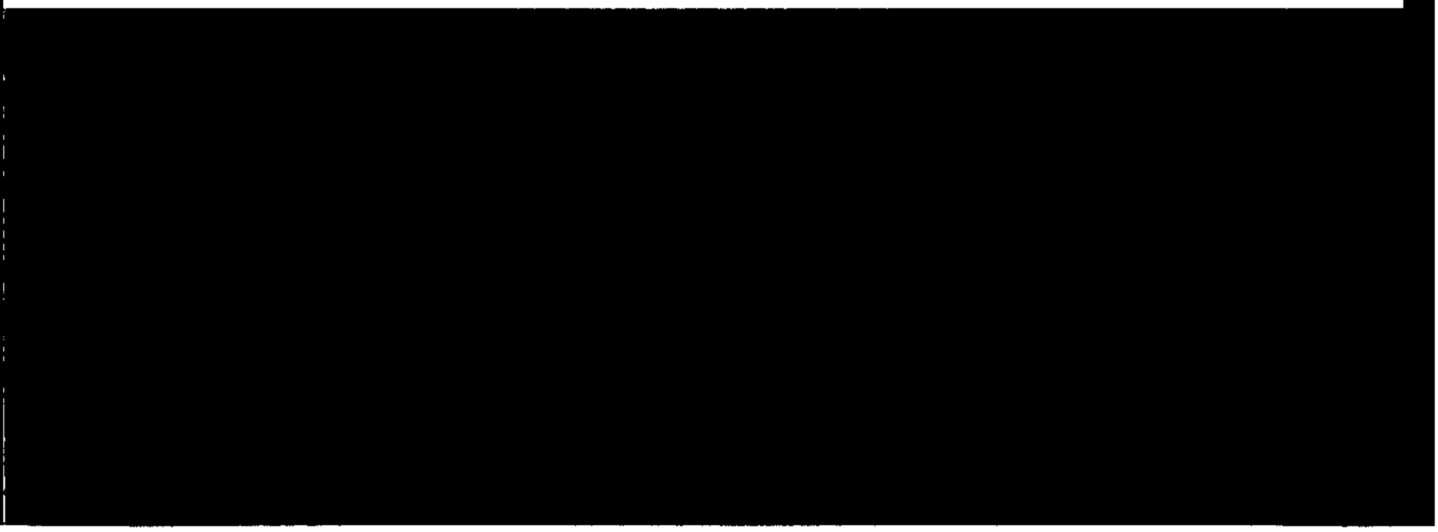
mcl**create** is our full service business and has been reshaped and refocused around fewer, larger warehouses across the UK, the benefits of which should begin to flow in 2015/16

Pictures this page from top

> John Nicholls 50th Anniversary Celebrations
> Inverleith House projection at Royal Botanical Gardens, Edinburgh
> Gaming conference, Amecon
> Gaming conference, Amecon

Picture overleaf

> TI Sole Awards evening, Manchester Central Convention Centre



From Cellular Levels to Maturity

From sales awards evenings to corporate fiftieth birthday celebrations, gaming conferences to architectural projection at the Royal Botanical Gardens, mcl**create** has been contracted to deliver a full range of creative solutions for all types of events in the past year.

A sales awards evening for multinational tobacco company JTI and projection on Inverleith House in the Royal Botanical Gardens, Edinburgh to represent the birth of a plant from cellular level to maturity are just two ends of the spectrum for mcl**create**.

For international gaming conference Minecon, mcl**create** was briefed to design and deliver event solutions that included a colossal 36m x 6m screen and for the John Nicholls' fiftieth anniversary celebrations mcl**create** provided event production, stage management and audio visual technology to create a memorable and streamlined event.

On the Road with Presteigne

BBC Bristol approached Presteigne to provide a new way of working for the *Antiques Roadshow* Presteigne's Director POD was placed almost 'on-set' whilst the technical operation was hidden away behind the scenes

Presteigne works with Edinburgh's Hogmanay every year providing RF links and channels to link stages and screens across the city centre

And for the second year running Presteigne provided technical facilities to BBC Sport for coverage of the Formula One World Championship

Presteigne Broadcast Hire

Many major sporting events which historically provide significant business for the Group and typically feature highly in Presteigne's event calendar, are held in the even years With the Summer Olympics to be held in Rio de Janeiro, Brazil and Euro 2016 in France, it is hoped that Presteigne will have a more successful year in 2016 Steps to bolster the sales team and fine tune the structure in Presteigne should also assist future results

Pictures from left to right

- > Main pic *Antiques Roadshow* at Bolsover Castle Chesterfield UK
- > *Antiques Roadshow* Director POD
- > Hogmanay celebrations Edinburgh
- > F1 World Championships for BBC Sport

Clockwise from top left
> *Play to the Whistle*
> *Rebound*
> *Rebound*
> *Big Star's Little Star*

Fountain Studios

Despite hosting some of the UK's largest TV shows, the return on the Group's investment at Fountain Studios has been poor and as such on 12 January 2016 it was announced that the land and buildings at Fountain were to be sold and that it is likely that this sale will lead to the closure of the business in Wembley

All in the game

Hosted by Holly Willoughby, *Play to the Whistle* comprises sports knowledge rounds and physical games

Big Star's Little Star, presented by Stephen Mulhern, sees celebrity contestants and their children answering questions about each other to win money for a charity of their choice

ITV's *Rebound*, a test of knowledge and nerve, pits contestants against each other and is hosted by Sean Fletcher

Board of Directors

From left to right

RICHARD MURRAY Chairman
Aged 65 Founded Avesco Group and floated it in 1984 prior to its introduction to the Official List of the London Stock Exchange in 1988 He is Non-Executive Chairman of Charlton Athletic Football Club

JOHN CHRISTMAS ACA Finance Director
Aged 61 Joined Avesco plc in March 2004 as Finance Director and the Board in 2007 He was Group Finance Director at Boosey & Hawkes plc and previously held positions as Group Finance Director at MediaKey plc and Video Arts Limited He is a Non-Executive Director at Belgravium Technologies plc

GRAHAM ANDREWS Executive Director
Aged 56 Joined Avesco in 1986 and was appointed to the Board in 1994 He transferred to the Board of Avesco plc in 2004 and re-joined the Board in 2007 He established Creative Technology in 1986 and has primary responsibility for its US and Asia Pacific operations He has over 30 years experience in the live events industry

DAVE CRUMP Executive Director
Aged 54 Joined Avesco in 1985 and was appointed to the Board in 2012 Previously served on the Board of Avesco plc when it was separately listed prior to the acquisition by the Company in 2007 He has primary responsibility for Creative Technology's European and Middle East operations and was part of the team that founded the business in 1985 He has over 30 years' experience in the live events industry

Advisors

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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2015

The Directors have pleasure in presenting their report and the financial statements for the year ended 30 September 2015

Principal activities, review of the business and future developments
The Strategic Report on pages 2 to 5 gives further information regarding principal activities of the Group, the performance and prospects of the business and the risks therein

Dividends
The Directors recommend payment of a final dividend for the year ended 30 September 2015 of 5 0 pence per ordinary share to be paid on 6 April 2016 to shareholders on the Register at 6 00pm on 11 March 2016, making a total dividend for the year of 7 0 pence per ordinary share (2014 6 0p) The shares will be quoted ex dividend from 10 March 2016 The proposed dividend is covered 3 times by annual earnings

Share issues
On 6 February 2014 the Company bought back 7 584 724 ordinary shares of 10p each from Taya Communications Limited, of which 5 539,149 shares were immediately cancelled and the balance of 2 045 575 shares are held in treasury

On 15 January 2015 a total of 218 157 ordinary shares of 10p each were transferred out of treasury to satisfy the vesting of shares under the Company's Long Term Incentive Plan ("LTIP") No new shares were issued in connection with the vesting

Subject thereto, no shares were issued during the year and the Company has not exercised the authority given at the Annual General Meetings of the Company in 2014 and 2015 to purchase its own shares The existing authority for the Company to make purchases of its own shares is due to expire on 29 March 2016 the date of the forthcoming Annual General Meeting, when a resolution for its renewal will be proposed to shareholders

Directors
Details of the current Directors are given on page 20 Mr Murrays full surname is Murray-Obodynski but he is referred to in the annual report by the name under which he is generally known in the industry The Directors have all served throughout the period

In accordance with the Articles of Association of the Company Mr Crump retires by rotation and offers himself for re-election at the Annual General Meeting

Details of the current Directors emoluments together with the Directors Interests in shares and long term share incentives are provided in the Remuneration Report on pages 23 to 25

Substantial interests
The Company had been notified or was aware of the following holdings of 3% or more of the total voting rights of the Company

Shareholder	Ordinary shares at 30 September 2015	Percentage of voting rights at 30 September 2015	Ordinary shares at 12 January 2016	Percentage of voting rights at 12 January 2016
RA Murray	5 181 211	27 16%	5 181 211	27 16%
BNY (OCS) Nominees Limited A/c HIT [1]	2 382 018	12 63%	2 382 018	12 63%
Mr G Oury	875,000	4 64%	875 000	4 64%
Small Companies Dividend Trust	587 014	3 11%	587 014	3 11%

[1] BNY (OCS) Nominees Limited A/c HIT comprises the interest of Herald Investment Management Limited

Going concern
After making appropriate enquiries the Directors have formed a judgement at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future The Group held £12 7m of net cash at the year end (2014 £9 0m) The Group also had access to unutilised banking and HP facilities of £19 9m at the year end The main component of the Group's facilities was a £20m multi currency revolving loan from HSBC which runs until June 2018 This facility has since the financial year-end been reduced to £10m in light of the receipt of approximately £13m net from the Fountain disposal transaction Based on the Groups financial forecasts all future bank covenants are expected to be passed For these reasons the Directors have adopted the going concern basis in preparing the financial statements

Risk management and Internal Control
The Board acknowledges its responsibility for and attaches considerable importance to the Groups systems for risk management and internal control A summary of the Groups internal control systems is given on pages 26 and 27 and of those risks which might have a material impact on the Group on pages 3 and 4

Employee involvement
The Board recognises the crucial role which quality motivated employees play in the success of the Group Employee involvement at all levels is encouraged and certain employees are able to share in the success of the Group through incentive arrangements It is the policy of the Group to recruit develop and promote people on merit and to treat everyone equally regardless of their race colour ethnic origin or nationality age gender marital status sexual orientation disability religion or belief The Group gives full consideration to the possibility of employing disabled persons wherever such opportunities exist Those employees who become disabled are given the opportunity and assistance to continue in their employment or to be trained for other more suitable positions

Directors' Indemnities
The Company has purchased insurance to cover its Directors and officers against the costs of defending themselves in legal proceedings taken against them in that capacity and in respect of any damages resulting from those proceedings The insurance does not provide cover where the Director has acted fraudulently or dishonestly

The Company has also provided an indemnity for its directors which is a qualifying third party indemnity provision for the purposes of section 234 of the Companies Act 2006 A copy of the indemnity is available for inspection at the Company s registered office during normal working hours

Environmental
Although the Group does not have a formal environmental policy the Group does recognise the importance of environmental responsibility The Group encourages the active involvement of persons working for and on behalf of the Group to minimise so far as reasonably practicable any adverse effects on the environment of their activities

Annual General Meeting
Notice of the Annual General Meeting together with explanatory notes, is set out on pages 64 to 66

Auditors
The Directors who held office at the date of approval of the Directors' Report confirm that so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

The consent of Shareholders is sought to Resolutions 5 and 6 set out in the Notice of Annual General Meeting which propose the reappointment of Ernst & Young LLP as independent auditors of the Company and to authorise the Directors to determine the auditors remuneration

By order of the Board

Nicholas Conn
Company Secretary
12 January 2016

DIRECTORS' REMUNERATION REPORT

As an AIM listed company, the Company is not required to comply fully with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 in relation to the Directors Remuneration Report Nevertheless the Board prefers to follow best practice and has therefore prepared the following report The report complies with the revised AIM Rule 19 and will be put to shareholders for approval at the Annual General Meeting

This part of the Directors remuneration report is unaudited

Remuneration Committee
The Remuneration Committee comprises Mr Murray the Executive Chairman, who served on the committee throughout the year The Remuneration Committee has not sought professional advice from external consultants during the year

Remuneration Policy
The Remuneration Committee makes recommendations to the Board on the executive remuneration policy and determines specific remuneration packages for each of the executive Directors The aim of the Remuneration Committee is to provide total remuneration packages which attract, retain and motivate executive Directors of the appropriate calibre The remuneration policy is to reward excellent performance to be commercially competitive and to align the interests of employees with those of shareholders to create value

This report sets out the Company s policy on executive remuneration, its operation in the year and (although the Remuneration Committee is unable to confirm that the policy will continue without amendment in future years) how it is intended to be operated going forwards It is considered that a successful policy should retain sufficient flexibility to allow account to be taken of future changes in the business environment and remuneration practice The policy should also allow for any special arrangements which may be necessary in the future in order to recruit a director of sufficient calibre However any changes in the policy for future years will be described in future reports which will be subject to shareholders' approval

The principal elements of the remuneration package are as follows

Basic salary and benefits
The salary of each executive Director is reviewed annually having regard to his individual responsibilities and contribution and to ensure that it is competitive with salaries of persons in equivalent positions in comparable companies The Chairman receives medical insurance All other executive Directors receive a Company car and fuel benefit (or an allowance in lieu) and are entitled to pension contributions medical insurance life assurance and permanent health insurance cover

Annual bonus
Each of the executive Directors is entitled to a non pensionable annual bonus which is dependent upon the achievement of short-term corporate and personal performance targets approved by the Remuneration Committee The annual bonus may not exceed 100% of basic salary In respect of each of the year ended 30 September 2015 and the year ending 30 September 2016 the annual bonus is based on a range of personal divisional or Group performance targets, which will differ between directors according to their respective responsibilities and which will be measured against and conditional upon achievement of the Company's internal budgets for the year

Long term incentives
During the year the Company has operated a long term incentive plan ("LTIP") which was established in 2007 (see Note 27 in these Accounts for further details)

Under the LTIP awards are made to employees under which they can receive Avesco shares at no cost to themselves based on the achievement of a pre-determined and stretching performance condition It is intended that vested allocations will be satisfied in due course by delivery through an employee benefit trust No individual may receive awards in any financial year with an aggregate value at the time of grant in excess of 100% of the employee's basic annual salary although this limit may increase to 200% of the employee's basic annual salary if the Remuneration Committee decides that exceptional circumstances exist No awards may be made under the LTIP more than 10 years after its adoption

The rules of the LTIP provide that in any 10 year period no more than 15% of Avesco s issued share capital from time to time may be issued or subject to an award or option to be issued for the purposes of the LTIP or any other employee share scheme The 15% limit took account of the fact that as at the date of adoption of the LTIP, options had been granted under a previous share option scheme (now closed and in respect of which no awards are outstanding) in respect of more than 5% of the issued share capital to persons who no longer performed an executive role in the Company and, therefore less than 10% of the issued share capital would be available for the issue of awards to executives under the LTIP

LTIP awards were made in August 2007 and January 2008 which were subject to performance conditions that have not been achieved and accordingly those awards have lapsed Awards were made in February 2010 in respect of a total of 1 250 000 rights to shares under the LTIP (of which 490,000 were to Directors at the time) and in January 2011 in respect of a total of 1,200,000 rights to shares (of which 320 000 were to Directors at the time) These awards were subject to performance conditions based on the Group achieving a cumulative consolidated adjusted EBITDA (note that adjusted EBITDA is analogous to trading EBITDA as defined in note 2 3) target over the three years ended 30 September in 2012 and 2013 respectively The performance condition of both LTIP awards was met as at 30 September 2013 The Remuneration Committee has discretion to adjust the EBITDA target in relation to exceptional and/or non-recurring events Subject to the rules of the LTIP and the fulfilment of the performance condition 50 per cent of the shares were released after the preliminary announcement of the results of the Company for the final year of the three year target measurement period and subject to continuing service of the award holder the remaining 50 per cent of the shares were released approximately 12 months later

None of the terms and conditions of the LTIP awards was varied during the year

As at 30 September 2015, all LTIP awards have either vested or lapsed and none remain outstanding It is not intended that any further awards will be made under the LTIP in the next 12 months

The Company has adopted a Long Term Retention Plan ("LTRP") Under the LTRP certain key senior staff may be entitled to receive a share of a loyalty incentive fund in respect of the Group business(es) for which they have executive responsibility if the cumulative operating profit of that Group business(es) exceeds its or their budgeted cumulative operating profit for the three years ending 30 September 2017 Contributions to each fund are capped at 20% of outperformance and the precise allocation of each fund is determined by the Remuneration Committee as advised by the divisional Managing Director Payment of any amount due under the LTRP is subject to a continuing service condition Each of the executive Directors other than the Chairman, are participants in the LTRP

DIRECTORS' REMUNERATION REPORT

Pensions
Pension contributions relating to the executive Directors of the Company are paid to defined contribution arrangements and are calculated by reference to basic salary only Annual bonuses and other benefits are not pensionable

Contracts
The Chairman has a service contract with the Company, which is capable of termination on not less than three months notice Except as noted below, the service contracts of the other executive Directors are subject to a twelve months notice period by either party It is the policy of the Remuneration Committee that the Company should not enter into contracts for any executive Director with rolling notice periods exceeding one year

The contracts of the executive Directors (other than the Chairman) provide that in the event of their termination in certain circumstances in the 12 months following a change of control of the Company the Director shall be entitled to a severance payment not exceeding the sum of 24 months' emoluments less emoluments received since the change of control The severance payment is triggered only in the event of the termination of the Director by the Company (other than for gross misconduct) or in the event of the Company committing a material breach or making a material change to the Director s detriment in the terms and conditions of the Director s employment or assigning to him duties inconsistent with the position held prior to the change of control The Remuneration Committee considers such provisions appropriate in order to retain the services of key executives in the event of a change of control occurring and in order to ensure an orderly transfer to an acquirer

Audited information

Directors' emoluments
The emoluments of the Directors of the Company were

	Fees / Salary £'000	Bonus £'000	Other Benefits £'000	Gain on Exercise of LTIPs £ 000	2015 Subtotal £'000	2014 Subtotal £'000	2015 Pension £ 000	2014 Pension £ 000	2015 Total £ 000	2014 Total £ 000
Executive Directors										
RA Murray [1]	124	62	-	-	186	121	-	-	186	121
GP Andrews	407	184	1	47	639	661	33	25	672	686
JL Christmas	252	120	1	47	420	427		11	420	438
DA Crump	254	75	16	47	392	406	35	23	427	429
Former Directors										
AB Giniger [1]	-	-	-	-	-	40		-	-	40
C Hoomash [1][2]	-	-	-	-	-	8	-	-	-	8
DJ Nicholson [2]	-	-	-	-	-	98	-	-	-	98
IP Martin [2]	-	-	-	-	-	98	-	-	-	98
Total	1 037	441	18	141	1 637	1 859	68	59	1 705	1 918

Note
[1] The fees of Mr Murray, Mr Giniger and Ms Hoomash were each paid to a company connected with that director
[2] Mr Giniger and Ms Hoomash each ceased to be a Director on 6 February 2014 Mr Nicholson ceased to be a Director on 31 December 2012 and Mr Martin ceased to be a director on 14 June 2012

The Company made contributions to defined contribution pension arrangements in respect of two (2014 three) Directors

Directors' interests

The number of shares in which the Directors had a beneficial interest as defined by the Companies Act 2006 including awards made under the LTIP and executive share option scheme was as follows

Ordinary shares

	At 12 January 2016	At 30 September 2015	At 1 October 2014
Executive Directors			
RA Murray	5 181 211	5 181 211	5 608 211
GP Andrews	570 183	570,183	229 183
JL Christmas	200 371	200,371	110 371
DA Crump	416 384	416 384	176 384

LTIP awards

	Held as at 12 January 2016	Held as at 30 September 2015	Vested in year ended 30 September 2015	Lapsed in year ended 30 September 2015	Held as at 1 October 2014
Executive Directors					
RA Murray	-	-	-	-	-
GP Andrews	-	-	40,000	-	40,000
JL Christmas	-	-	40 000	-	40 000
DA Crump	-	-	40 000	-	40 000

None of the Directors had any non-beneficial interest in the Companys shares

During the year, no LTIP awards were made to Directors

The closing share price on 30 September 2015 was 201 5p and the high and low prices during the period from 1 October 2014 to 30 September 2015 inclusive were 233 0p and 95 0p respectively

By order of the Board

Richard Murray
Chairman of the Remuneration Committee
12 January 2016

CORPORATE GOVERNANCE

As an AIM listed company, the Company is not required to comply with the principles identified in The UK Corporate Governance Code (September 2012) (the 'Code') However the corporate governance framework adopted by the Directors has been developed with regard to the Code and is explained below

The Board
The Board comprises the Directors listed on page 20

Mr Murray is the Executive Chairman The Company currently has no non-executive directors but continues to consider suitable candidates

The Board is scheduled to meet at least four times each year in addition to which meetings will also be convened on an ad hoc basis if there is urgent or delegated business which cannot wait until the next scheduled meeting of the full Board The following table sets out details of the number of meetings of the Board (excluding ad hoc meetings) and of the audit and remuneration committees during the year and the attendance at those meetings by the Directors who were in office during the period

Director	Board	Audit	Remuneration
Total Number of meetings	4	2	1
RA Murray	4	2	1
GP Andrews	4	-	-
JL Christmas	4	-	-
DA Crump	4	-	-

The Board considers the overall strategic direction, development and control of the Group and reviews the financial and operational performance Various major decisions require Board approval, including the approval of the annual budget larger capital expenditure proposals acquisitions and disposals Board papers, which are sent out in advance of each meeting, include a set agenda although further subjects are added for discussion as the need arises

The executive Directors meet as a management team on a regular basis These executive management meetings consider and review the operational and financial management and performance of the Group receive reports from the key managers in respect of their respective areas of responsibility discuss significant issues and determine any appropriate action to be taken

The Chairman chairs the Board and the Audit and Remuneration Committees The Chairman is responsible for ensuring that the Board is kept properly informed and is consulted on all issues reserved to it The Chairman communicates the views of the shareholders to the Board and ensures a constructive relationship between the executive members of the Board The Chairman has final executive responsibility to the Board for the success of the Group

The Board has access to the advice and services of the Company Secretary and there is a written procedure for obtaining independent legal advice at the Company s expense

The Chairman reviews the performance of the other executive Directors No formal performance evaluation of the Chairman or of the Board committees has been conducted

On appointment new Directors take part in an induction programme when they receive information about the Group the role of the Board and the Board committees, the Company's corporate governance practices and procedures, and the latest financial information about the Group They are also advised of their legal duties as a director of a public company Visits are arranged to Group locations together with meetings with senior executives

The articles of association of the Company require Directors to submit themselves for re-election at the first Annual General Meeting following appointment and then every three years

Audit Committee
The Audit Committee comprises Mr Murray who served throughout the year

The Audit Committee meets twice in each year The Meetings are attended by invitation by the Group Finance Director the Company Secretary and the external auditors The Audit Committee meets separately with the external auditors at least once in each year but is also available to meet with them at other times on request The auditors have direct access should they so require to the chairman of the Audit Committee

The Audit Committee reviews the Group s annual report financial statements interim statements and preliminary announcements before recommending their approval to the Board This process involves meeting with the external auditors to discuss issues relating to the audit and financial control of the Group and in particular any key areas of audit emphasis and approach as well as any significant findings during the course of the audit The Audit Committee also reviews the Company s internal financial controls and risk management systems and the scope of the audit

The Audit Committee considers the independence and objectivity of the external auditors as part of its review of the effectiveness and value for money of the external auditors and of the audit process The Audit Committee receives annual confirmation from the auditors as to their independence and objectivity and the committee also takes into account the nature and extent of any non-audit work undertaken by the auditors which might compromise their independence

Nomination committee
The Company does not have a nomination committee Any appointments to the Board would be considered by the Board as a whole

In considering the appointment of a new director, the Board identifies the characteristics qualities skills and experience that it believes would complement the overall balance and composition of the Board The committee may appoint an external consultant to help in the identification and recruitment of an individual who satisfies the committee s criteria unless the Board is already able to identify an appropriate individual

Internal control
The Directors have an overall responsibility for internal control within the Group The effectiveness of the Group s internal control system has been reviewed by the Directors The internal control system provides an ongoing process for identifying evaluating and managing significant risks faced by the Company The internal control system which has been in place throughout the year and up to the date of this report is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss

The controls in place include Group policies and procedures, which are operated in all subsidiaries and which define levels of authority and procedures for regular control and management reporting

The Group has a comprehensive system of financial reporting and forecasting covering profits assets liabilities cash flow and capital expenditure The systems include regular monitoring of cash, monthly reporting of financial results, reviews of forecasts and comparisons with budgets Budgets and business plans are prepared annually by all operations and reviewed by management and the Board Regular management meetings are held to monitor performance against budgets progress in implementing planned changes and the operational efficiency of the businesses

Operational risks are identified and assessed by management with the identification and monitoring of significant risks being reported to the Board In addition to those financial and commercial risks associated with the Group s core services, the nature of the core services businesses dictates that particular emphasis is given to health and safety and regular training programmes are provided for operational staff

The Directors have considered the need for an internal audit function but believe that the size of the Group at present does not justify a dedicated internal audit function However, Avesco Group finance staff make regular visits to all the operations and perform many of those risk management tasks normally associated with an internal audit function The Directors review the decision not to have an internal audit function from time to time, in particular, having regard to material changes in circumstances

A 'whistleblowing' policy is in place to enable the confidential reporting of possible malpractice or dishonesty

Relations with shareholders
The Board makes considerable efforts to establish relationships with institutions and shareholders and to meet and communicate with them on a regular basis

Directors make institutional presentations at the time that the interim and full year results are announced The Board is keen to communicate with private investors and welcomes the opportunity to meet with them at the Annual General Meeting The Company counts all proxy votes lodged at general meetings of the Company and indicates the number of proxy votes on each resolution after it has been dealt with by a show of hands

This annual report and accounts together with the Notice of Annual General Meeting and other information regarding the Group may be viewed on the Company s website at www avesco com

By order of the Board

Nicholas Conn
Company Secretary
12 January 2016

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 and parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the 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 applicable IFRSs as adopted by the European Union have been followed subject to any material departures disclosed and explained in the financial statements,
> prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

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

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

By Order of the Board

Nicholas Conn
Company Secretary
12 January 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVESCO GROUP PLC

We have audited the financial statements of Avesco Group plc for the year ended 30 September 2015 which comprise the Consolidated Income Statement the Consolidated Statement of Comprehensive Income, Parent Company Statement of Comprehensive Income the Consolidated and Parent Company Balance Sheets the Consolidated Statement of Changes in Equity the Consolidated and Parent Company Cash Flow Statement and the related notes 1 to 39 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006
This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor s report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report or for the opinions we have formed

Respective responsibilities of directors and auditor
As explained more fully in the Directors Responsibilities Statement set out on page 28 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

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 the 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 Annual Report and Accounts 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 on financial statements
In our opinion

> the financial statements give a true and fair view of the state of the group s and of the parent company's affairs as at 30 September 2015 and of the group s profit for the year then ended

> the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,

> the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006 and

> the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and 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

Ernst & Young LLP
Debbie O'Hanlon (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading
12 January 2016

Notes
1 The maintenance and integrity of the Avesco Group plc web site is the responsibility of the directors the work carried out by the auditors does not involve consideration of these matters and accordingly the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site
2 Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

CONSOLIDATED INCOME STATEMENT
YEAR ENDED 30 SEPTEMBER 2015

	Note	Year ended 30 September 2015 £000s	2014 £000s
Revenue	5	133,674	126 391
Cost of sales		(83,035)	(80 186)
Gross profit		**50,639**	**46,205**
Operating expenses and income	7	(45,754)	(45 721)
Share of associate's profit/(loss)	17	(27)	384
Trading profit		**7,357**	**6,253**
Exceptional items	7	(2 499)	(5 385)
Operating profit		**4,858**	**868**
Finance income	11	6	23
Finance costs	11	(1 656)	(1 321)
Profit/(loss) before income tax		**3,208**	**(430)**
Income tax expense	12	(854)	(2 310)
Profit/(loss) from continuing operations		**2,354**	**(2,740)**
Profit on discontinued operation net of tax	34	1 072	1,192
Profit/(loss) for the financial year		**3,426**	**(1,548)**
Attributable to			
Owners of the Company		3,032	(1 548)
Non-controlling interests		394	-
		3,426	**(1,548)**

	Pence per share	**Pence per share**
Earnings/(losses) per share attributable to the equity holders of the company (note 14)		
- basic	18 0p	(7 2)p
- diluted	17 9p	(7 2)p
Earnings/(losses) per share for profit attributable to the equity holders of the company from continuing operations (note 14)		
- basic	12 4p	(12 8)p
- diluted	12 3p	(12 8)p

The notes on pages 35 to 63 are an integral part of these financial statements

ALTERNATIVE PERFORMANCE MEASURES (NON-GAAP)
YEAR ENDED 30 SEPTEMBER 2015

	Year ended 30 September 2015 £000s	2014 £000s
Operating profit Adjusted to exclude	4 858	868
Restructuring costs and compensation for loss of office (note 7)	2 387	5 738
Payments to LTIP holders and bonuses in connection with the Disney settlement (note 7)	-	(246)
Other non-recurring costs/(credits) (note 7)	112	(107)
Exceptional items	2 499	5 385
Trading profit	**7,357**	**6,253**
Net finance costs (note 11)	(1 650)	(1 298)
Trading profit after net finance costs	**5,707**	**4,955**
Trading EBITDA (note 6)	**26,955**	**24,968**

Refer to note 2 3 for a full description of the alternative performance measures adopted by the Group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 SEPTEMBER 2015

	Note	Year ended 30 September 2015 £000s	2014 £000s
Profit/(loss) for the financial year		**3,426**	**(1,548)**
Other comprehensive income			
Currency translation differences	18	511	187
Total comprehensive income/(expense) for the year		**3,937**	**(1,361)**
Attributable to			
Owners of the Company		3,543	(1 361)
Non-controlling interests		394	-
		3,937	**(1,361)**

All amounts are attributable to equity holders of the Company All items in other comprehensive income will be recycled subsequently to the income statement

CONSOLIDATED AND PARENT COMPANY BALANCE SHEETS
YEAR ENDED 30 SEPTEMBER 2015

	Note	Group 30 September 2015 £000s	Group 30 September 2014 £000s	Company 30 September 2015 £000s	Company 30 September 2014 £000s
Assets					
Non-current assets					
Property plant and equipment	15	54 266	57,787	-	-
Intangible assets	16	209	130	-	-
Investment in associate	17	-	327	-	
Investments in subsidiaries	17	-	-	51,012	27 277
Deferred income tax assets	24	4 585	3 919	-	-
Trade and other receivables	19	141	148	-	7 385
		59,201	**62,311**	**51,012**	**34,662**
Current assets					
Inventories	20	649	596	-	-
Trade and other receivables	19	25,860	23 801	5,921	25,011
Current income tax assets		1 483		-	-
Cash at bank and on hand	21	12 749	9,065	60	238
		40,741	**33,462**	**5,981**	**25,249**
Total assets		**99,942**	**95,773**	**56,993**	**59,911**
Liabilities					
Non-current liabilities					
Borrowings and loans	23	21 866	22,602	3,500	9,500
Deferred income tax liabilities	24	5 330	5,292	-	-
Provisions	25	2 735	2 477	-	-
		29,931	**30,371**	**3,500**	**9,500**
Current liabilities					
Trade and other payables	22	25,138	24 543	2,539	4 209
Current income tax liabilities		876	384	-	-
Borrowings and loans	23	8,345	7,902	-	-
Provisions	25	1 233	430	-	-
		35,592	**33,259**	**2,539**	**4,209**
Total liabilities		**65,523**	**63,630**	**6,039**	**13,709**
Total assets less total liabilities		**34,419**	**32,143**	**50,954**	**46,202**
Equity					
Capital and reserves attributable to equity holders of the company					
Ordinary shares	26	2 095	2 095	2 095	2 095
Share premium	28	11,194	11 194	11 194	11 194
Capital redemption	28	12,646	12 646	12 646	12 646
Translation reserve	28	743	232	-	-
Retained earnings	28	7 633	5 976	25,019	20 267
Equity attributable to owners of the Company		**34,311**	**32,143**	**50,954**	**46,202**
Non-controlling interests	28	108	-	-	-
Total equity		**34,419**	**32,143**	**50,954**	**46,202**

The notes on pages 35 to 63 are an integral part of these financial statements

The financial statements were approved by the Board of Directors on 12 January 2016 and were signed on its behalf by

Richard Murray
John Christmas

Directors
Avesco Group plc (registered number 01788363)

CONSOLIDATED AND PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 SEPTEMBER 2015

Group	Share capital account £000s	Share premium account £000s	Capital redemption reserve £000s	Translation reserve £000s	Retained earnings £000s	Total £000s	Non-controlling interest £000s	Total equity £000s
Balance at 1 October 2014	2 095	11 194	12 646	232	5 976	32 143	-	32,143
Profit for the period	-	-	-	-	3 032	3,032	394	3 426
Other comprehensive income, net of tax	-	-	-	511	-	511	-	511
Total comprehensive income for the period	-	-	-	511	3,032	3,543	394	3,937
Transactions with owners in their capacity as owners								
Non-controlling interest acquired	-	-	-	-	-	-	47	47
External dividends paid	-		-	-	(1 141)	(1 141)	(333)	(1 474)
LTIP and share options (note 27)	-	-	-	-	(234)	(234)	-	(234)
Balance at 30 September 2015	**2,095**	**11,194**	**12,646**	**743**	**7,633**	**34,311**	**108**	**34,419**

Group	Share capital account £000s	Share premium account £000s	Capital redemption reserve £000s	Translation reserve £000s	Retained earnings £000s	Total £000s	Non-controlling interest £000s	Total equity £000s
Balance at 1 October 2013	2,649	23,286	-	45	47 219	73 199	-	73 199
Loss for the period	-	-	-	-	(1,548)	(1 548)	-	(1 548)
Other comprehensive income net of tax	-	-	-	187	-	187	-	187
Total comprehensive income/ (expense) for the period	-	-	-	187	(1,548)	(1,361)	-	(1,361)
Transactions with owners in their capacity as owners								
Issue of B and C shares	12,092	(12 092)	-	-	-	-	-	-
Redemption of B shares	(12,092)	-	12 092	-	(12,092)	(12,092)	-	(12 092)
Dividend on C shares	-	-	-		(16,455)	(16,455)	-	(16 455)
Purchase of ordinary shares	(554)	-	554	-	(9,769)	(9,769)	-	(9 769)
External dividends paid	-	-	-	-	(1 013)	(1 013)	-	(1,013)
LTIP and share options (note 27)	-	-		-	(366)	(366)	-	(366)
Balance at 30 September 2014	**2,095**	**11,194**	**12,646**	**232**	**5,976**	**32,143**	**-**	**32,143**

Company	Share capital account £000s	Share premium account £000s	Capital redemption reserve £000s	Retained earnings £000s	Total £000s
Balance at 1 October 2014	2 095	11 194	12 646	20 267	46 202
Profit for the period	-	-	-	6 127	6 127
Total comprehensive income for the period	-	-	-	6,127	6,127
Transactions with owners in their capacity as owners					
External dividends paid	-	-	-	(1 141)	(1 141)
LTIP and share options (note 27)		-	-	(234)	(234)
Balance at 30 September 2015	**2,095**	**11,194**	**12,646**	**25,019**	**50,954**

Company	Share capital account £000s	Share premium account £000s	Capital redemption reserve £000s	Retained earnings £000s	Total £000s
Balance at 1 October 2013	2 649	23,286	-	64 643	90 578
Loss for the period	-	-	-	(4 681)	(4,681)
Total comprehensive expense for the period	-	-	-	(4,681)	(4,681)
Transactions with owners in their capacity as owners					
Issue of B and C shares	12,092	(12 092)	-	-	-
Redemption of B shares	(12 092)	-	12 092	(12 092)	(12 092)
Dividend on C shares	-	-	-	(16 455)	(16 455)
Purchase of ordinary shares	(554)	-	554	(9 769)	(9 769)
External dividends paid	-	-	-	(1 013)	(1 013)
LTIP and share options (note 27)	-	-	-	(366)	(366)
Balance at 30 September 2014	**2,095**	**11,194**	**12,646**	**20,267**	**46,202**

CONSOLIDATED AND PARENT COMPANY CASH FLOW STATEMENTS
YEAR ENDED 30 SEPTEMBER 2015

		Group Year ended 30 September		Company Year ended 30 September	
		2015	2014	2015	2014 Restated*
	Note	£000s	£000s	£000s	£000s
Cash flows from operating activities					
Cash generated from operations	29	26 292	16 415	5 866	28 526
Income tax paid		(2 942)	(1 268)	-	-
Net cash generated from operating activities		**23,350**	**15,147**	**5,866**	**28,526**
Cash flows from investing activities					
Purchases of property plant and equipment and software		(19,237)	(23,492)	-	-
Proceeds from sale of property plant and equipment		3 262	4,450	-	-
Dividends from associate		-	200	-	-
Interest received		6	23	1,547	1 757
Acquisition of subsidiary	38	634	-	-	-
Net cash (used in)/generated from investing activities		**(15,335)**	**(18,819)**	**1,547**	**1,757**
Cash flows from financing activities					
Interest paid		(1 640)	(1 247)	(450)	(333)
Proceeds from external borrowings	31	23 672	23 361	8 500	14 250
Repayments of external borrowings	31	(25 031)	(13,544)	(14 500)	(4 750)
Purchase of ordinary shares	35	-	(9 769)	-	(9 769)
Redemption of B shares	35	-	(12 092)	-	(12 092)
Dividends paid to Company s shareholders	13	(1,141)	(17 468)	(1,141)	(17 468)
Dividends paid to non-controlling interest		(333)	-	-	-
Net cash used in financing activities		**(4,473)**	**(30,759)**	**(7,591)**	**(30,162)**
Net increase/(decrease) in cash and cash equivalents		**3,542**	**(34,431)**	**(178)**	**121**
Cash cash equivalents and bank overdrafts at beginning of year		8 968	43 107	238	117
Exchange gains on cash and bank overdrafts		227	292	-	-
Cash and cash equivalents at end of year	21	**12,737**	**8,968**	**60**	**238**

* Refer to note 2

The notes on pages 35 to 63 are an integral part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2015

1 General information

Avesco Group plc (the Company') and its subsidiaries (together the Group) is an international media services business The Group has subsidiaries around the world and sells in the UK USA Europe Asia Pacific and the Middle East The Company is a public limited company which is listed on AIM and is incorporated and domiciled in the UK

2 Accounting policies

2 1 Basis of preparation

The annual report and financial statements of the Company and the Group have been prepared in accordance with IFRS as adopted by the European Union (IFRS), IFRIC interpretations the Companies Act 2006 applicable to Companies reporting under IFRS and the AIM rules for companies The annual report and financial statements have been prepared under the historic cost convention

The annual report and financial statements have been prepared on a going concern basis The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent Company income statement The profit for the Company is detailed in note 28

The presentational currency of the Group and Company is pounds sterling The Companys functional currency is pounds sterling All amounts included in these financial statements are rounded to the nearest thousand pounds sterling except where explicitly stated otherwise

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates It also requires management to exercise its judgement in the process of applying the Group's accounting policies The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4

The accounting policies adopted in these Consolidated Financial Statements are consistent with those of the financial statements for the year ended 30 September 2014 except for the adoption of new standards amendments to the standards and interpretations which are mandatory for the financial year ended 30 September 2015 All effective dates shown below are those given within IFRS as adopted by the European Union

Standards, amendments and interpretations effective in the current year

Standard	**Effective Date**
IAS 36 Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36	1 January 2014
IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39	1 January 2014
IAS 32 Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32	1 January 2014
IFRS 10 IFRS 12 and IAS 27 Investment entities Amendments	1 January 2014
IFRIC 21 Levies	1 January 2014
Improvements to International Financial Reporting Standards 2010 to 2012 Cycle	1 July 2014
Improvements to International Financial Reporting Standards 2011 to 2013 Cycle	1 July 2014

There has been no material impact to the Consolidated Financial Statements from the adoption of the above standards

Amendments to existing standards and interpretations that are not yet effective and have not been early adopted by the Group

Standard	**Effective Date**
IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	1 January 2016
IFRS 11 Accounting for Acquisitions of Interests in Joint operations – Amendments to IFRS 11	1 January 2016
IAS 1 Disclosure Initiative – Amendments to IAS 1	1 January 2016
IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38	1 January 2016
IAS 27 Equity Method in Separate Financial Statements – Amendments to IAS 27	1 January 2016
Improvements to International Financial Reporting Standards 2012 to 2014 Cycle	1 January 2016
IFRS 15 Revenue From Contracts With Customers	1 January 2017
IFRS 9 Financial Instruments – Classification and Measurement	1 January 2018

Management have assessed the potential impact of the above standards, amendments and interpretations on the Consolidated Financial Statements of the Group None of the above standards are expected to have a material impact on the Group

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2015

2 2 Basis of consolidation

(a) *Subsidiaries*
Subsidiaries are all entities where the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee Generally there is a presumption that a majority of voting rights results in control When the Group has less than a majority of the voting or similar rights of an investee the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including contractual arrangements with the other vote holders of the investee rights arising from other contractual arrangements, and the Groups voting rights and potential voting rights

Subsidiaries are fully consolidated from the date on which control is transferred to the Group They are de-consolidated from the date that control ceases

The Group uses the acquisition method of accounting to account for business combinations

Investments in subsidiaries are accounted for at cost less impairment

Inter-company transactions balances and unrealised gains on transactions between Group companies are eliminated Unrealised losses are also eliminated Accounting policies are consistent across all Group companies

(b *Associates*
Associates are companies over which the Group exercises significant influence and which are not subsidiaries Associates are accounted for using the equity method

2 3 Alternative performance measures

The Group uses alternative non Generally Accepted Accounting Practice ("non-GAAP") financial measures which are not defined within IFRS The Directors use these measures in order to assess the underlying operational performance of the Group and as such, these measures are important and should be considered alongside the IFRS measures The following non-GAAP measures are referred to in these annual report and accounts

a) *Trading profit/loss*
'Trading profit/loss' is separately disclosed being defined as operating profit adjusted to exclude restructuring costs and compensation for loss of office payments to LTIP holders and bonuses in connection with the Disney settlement and other non-recurring costs Other non-recurring costs relate to items which management believe do not accurately reflect the underlying trading performance of the business in the period Examples of other non-recurring costs are one off costs and charges incurred which management believe do not accurately reflect the trading performance of the business (see note 7) The Directors believe that trading profit/loss is an important measure of the underlying performance of the Group

b) *Trading EBITDA*
Trading earnings before interest taxation depreciation and amortisation ('Trading EBITDA') is separately disclosed in note 6 being defined as trading profit/loss adjusted to exclude depreciation and amortisation of software as well as any impairment which has been included in trading profit/loss Trading EBITDA includes profits on disposal of property plant and equipment The Directors believe that trading EBITDA is an important measure of the underlying performance of the Group

2 4 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker The chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments has been identified as the Board of Directors

2 5 Foreign currency translation

Assets and liabilities in foreign currencies are translated into pounds sterling using exchange rates at the balance sheet date Income statements and cashflows of overseas subsidiary undertakings are translated into pounds sterling using average exchange rates for the year

Exchange differences are recognised as a separate component of equity where they arise from

(i) the retranslation of the opening assets and liabilities of overseas subsidiaries
(ii) the difference between the inclusion of profits at average exchange rates in the Consolidated Income Statement and the closing rate used for the Balance Sheet,
(iii) qualifying net investment hedges

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and of borrowings and other currency instruments designated as hedges of such investments are taken to shareholders equity

Otherwise, exchange differences are recognised in the income statement for the period

When control of a foreign operation is disposed of the cumulative amount of the exchange differences deferred in the separate component of equity are recognised in the income statement as part of the gain or loss on sale

2 6 Property, plant and equipment

Property, plant and equipment is held at cost less accumulated depreciation The cost of property plant and equipment includes those costs which are directly attributable to purchasing the assets and bringing them into working condition

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Operating expenses' in the income statement

Depreciation of property plant and equipment is calculated at rates estimated to write off the cost of each asset to its residual value using the straight line method over the following estimated useful economic lives

Freehold land	Not depreciated
Freehold and long leasehold buildings	30 – 50 years
Short leasehold buildings	Remaining period of lease
Hire stock	2 – 10 years
Other plant and equipment	3 – 10 years

The assets useful lives are reviewed and adjusted if appropriate at each balance sheet date The Group reviews its depreciation rates regularly during the year to take account of any changes in circumstances When setting useful economic lives, the principal factors the Group takes into account are the expected rate of technological developments, expected market requirements for the equipment and the intensity at which the assets are expected to be used

Hire stock residual values are estimated at between zero and 10% of cost Buildings and other plant and equipment are estimated to have no residual value Residual values are reviewed and adjusted if appropriate, at each balance sheet date

Hire stock comprises a wide range of assets which are available to hire to customers and includes items such as LED screens cameras, lighting equipment audio and IT equipment The appropriate depreciation rate is chosen for each asset within the range defined above

Depreciation of hire stock is charged in Cost of sales and the remaining depreciation is charged to 'Operating expenses unless it directly relates to provision of services to a customer

2 7 Intangible assets

a) *Computer software*
Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring into use the specific software These costs are amortised over their useful economic lives (3 to 10 years)

Costs associated with developing and maintaining computer software programmes are recognised as an expense when incurred subject to the capitalisation criteria of IAS 38 Intangible Assets'

b) *Website costs*
The Group uses websites principally for marketing purposes rather than directly for generating revenue Accordingly all website costs are recognised in the income statement as incurred

2 8 Impairment of non current assets

The carrying amount of the Group s non current assets is reviewed at each balance sheet date to determine whether there is any indication of impairment

If an indicator of a possible impairment is noted the need for any asset impairment provision is assessed by comparing the carrying value of the asset against the higher of fair value less costs to sell or value in use (recoverable amount) An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount Impairment losses are recognised in operating expenses in the income statement For the purposes of assessing impairment the assets are grouped at the lowest levels for which they have separately identifiable cash flows (cash generating units)

2 9 Financial assets

a) *Trade and other receivables*
Trade and other receivables do not carry interest and are initially recognised at fair value, and subsequently carried at amortised cost less any provision for any amount estimated to be irrecoverable They are included within current assets except where the receivables are expected to be settled in more than 12 months in which case they are classified as non current assets

b) *Cash and cash equivalents*
Cash and cash equivalents in the cash flow statement includes cash in hand deposits held at call with banks other short-term highly liquid investments with original maturities of three months or less and bank overdrafts Bank overdrafts are shown within borrowings in current liabilities on the balance sheet

2 10 Derivative financial instruments and hedging activities

a) *Derivative Financial Instruments*
The Group may use derivative financial instruments to hedge its exposure to fluctuation in foreign exchange rates The principal instruments used are forward contracts Forward contracts may be used where the future foreign currency cashflows are known The Group does not hold or issue derivative instruments for speculative purposes No derivative financial instruments were held for the year ended 30 September 2015 (2014 nil)

b) *Net Investment hedging*
A portion of borrowing is held in US dollars and euros as a hedge on the net investment of assets denominated in those currencies Any foreign exchange gain or loss on the effective portion of the hedging instrument is recognised in other comprehensive income The gain or loss relating to the ineffective portion of the hedge is recognised immediately in the income statement within other gains/(losses)'

Any hedges entered into by the Group are documented and assessed as per IAS39 Financial Instruments Recognition and Measurement

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2015

2 11 Inventories

Inventories and work in progress are valued at the lower of cost and net realisable value Consumables relate to low value items used within the business Cost of work in progress comprises design costs, raw materials direct labour and other direct costs and related production overheads Cost excludes borrowing costs Net realisable value is the estimated selling price in the ordinary course of business less applicable selling expenses Provision is made for obsolete, slow moving and defective stock Work in progress contains costs in relation of jobs not yet complete at year end

2 12 Share capital

Ordinary shares are classified as equity Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax

Where any Group company purchases the Company s equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued Where such shares are subsequently reissued any consideration received net of any directly attributable incremental costs (net of income taxes) is included in equity attributable to the Company's equity holders

2 13 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method

2 14 Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date

Borrowing costs are expensed to the income statement unless used to fund a qualifying asset as described by IAS 23, in which case they are capitalised

2 15 Current and deferred income tax

Current tax comprises the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years

Deferred income tax is provided in full using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised

Deferred income tax assets and liabilities are recognised on an undiscounted basis

2 16 Employee benefits

a) *Pension and post retirement benefits*
Costs in respect of defined contribution type pension arrangements are charged to the income statement on an accruals basis in line with the amounts payable in respect of the accounting period

b) *Long term incentive plan (LTIP)*
The fair value of the employee services received in exchange for the grant of LTIPs is recognised as an expense The total amount to be expensed rateably over the vesting period is determined by reference to the fair value of the shares determined at the grant date Assumptions are made about the number of shares that the employee will ultimately receive based upon the anticipated outcome of pre-determined performance related conditions This estimate is revised at each balance sheet date and the difference is charged or credited to the income statement with a corresponding amount to equity A charge is also recognised in respect of the employers National Insurance contributions as a result of the Long Term Incentive Plan The charge is based on the intrinsic value at the balance sheet date and is spread over the performance period

2 17 Provisions

The Group holds provisions on the balance sheet for restructuring reorganisation, dilapidation and onerous contracts These provisions cover costs resulting from the strategic reorganisation and relocation of personnel across the Group headcount reductions dilapidation costs and onerous contracts Provisions are recognised where there is a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation Where the time value of money would give rise to a material difference in the future cash outflows of the Group, the provisions are discounted at a rate to reflect the time value of money and the risks associated with the liability Movements in the provision due to the passage of time are recognised within 'Finance income or 'Finance costs

2 18 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rental of goods and sale of services in the ordinary course of the Group s activities Revenue is shown net of Value Added Tax and other sales taxes net of customer discounts and after eliminating sales within the Group

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the following criteria have been met

Sales of services and the rental of goods are recognised proportionally over the duration of the service or hire period provided a right to consideration has been established Revenue from audio visual installations is recognised upon customer acceptance There are no significant differences in the application of the Group s revenue recognition policy to its various operating segments

Revenue recognised in the income statement but not yet invoiced is held on the balance sheet within Trade and other receivables Revenue invoiced but not yet recognised in the income statement is held on the balance sheet within Trade and other payables Proceeds from the disposal of hire stock are not treated as revenue

2 19 Leases

a) *Finance lease contracts*
A significant proportion of the Group s financing is provided by hire purchase contracts and finance leases Throughout the annual report and financial statements the term finance lease refers to hire purchase contracts finance leases and sale and leaseback arrangements with financial institutions and suppliers

Where these arrangements result in substantially all the risks and rewards of ownership resting with the Group the assets are included in the balance sheet at cost less depreciation and the present value of future payments is shown as a liability

The interest element of these arrangements is charged to the income statement over the period of the arrangement in proportion to the balance of capital payments outstanding

Assets held under finance leases are depreciated over their estimated useful life unless there is a reasonable certainty that the ownership at the end of the lease term will be passed to the Group, in which case they are depreciated over the shorter of the estimated useful life or the term of the lease Assets held under hire purchase contracts are depreciated over their useful lives

b) *Operating leases*
Rentals under operating leases are charged on a straight line basis over the lease term Where operating lease incentives (such as a rent free period in respect of properties) are received they are considered as an integral part of the net payment agreed for the use of the leased asset and recognised over the period of the lease on a straight line basis

2 20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group s financial statements in the period in which the dividends are approved by the Company's shareholders Interim dividends are recorded in the period in which they are approved and paid

2 21 Prior year restatement for Company cash flow

The cash flow statement of the Company for the current year classifies interest received from subsidiaries as cash generated from investing activities The prior year cash flow statement for the Company has been restated to reclassify £1 757 000 of interest received from subsidiary companies that were previously netted against interest payable in cash used in financing activities This reflects more appropriately the nature of the cash flows and is consistent with the current year treatment The reclassification has no impact on overall cash flows or the results or financial position for the company

3 Financial risk management

3 1 Financial risk factors

The Group s activities expose it to a variety of financial risks which can be generically categorised as

a) *Market risk*
b) *Credit risk*
c) *Liquidity risk*

The Group s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group s financial performance The Group uses derivative financial instruments from time to time to hedge certain risk exposures There are no such instruments in place at 30 September 2015 (2014 nil)

Risk management is carried out under policies approved by the Board of Directors Group treasury identifies evaluates and hedges financial risks in close co-operation with the Group s operating units Group treasury provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity

a) *Market risk*

(i) *Foreign exchange risk*
The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar Euro Hong Kong Dollar and Chinese Renminbi Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations Management has established policies to manage foreign exchange risk

The Group has investments in foreign operations whose net assets are exposed to foreign currency translation risk Currency exposure arising from the net assets of the Group s foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies

In general the Group does not hedge the foreign currency risk arising from sales by an operation denominated in a currency other than its functional currency In the majority of cases substantial deposits on such sales are received at the time of the order and the remaining balances are to a large extent matched by same currency costs The exceptions to this policy are generally related to the purchase of property, plant and equipment or other large one-off transactions where the currency risk is hedged when the Group deems it appropriate to do so

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2015

The following table details the Group s sensitivity to a change in sterling against the respective foreign currencies, based upon the assets and liabilities held at the reporting date The sensitivities below represent management's assessment of the possible changes in foreign exchange rates The analysis assumes that all other variables including interest rates, remain constant A positive number indicates an increase in profit after taxation and equity where sterling weakens against the respective currency A strengthening of sterling would have the equal but opposite effect on the basis that all other variables remain constant

		Income and equity sensitivity	
		2015	2014
	Sensitivity	£000s	£000s
Income sensitivity			
US Dollars	10%	707	559
Euro	10%	(105)	(750)
Hong Kong dollars	10%	(121)	(76)
Chinese Renminbi	10%	114	(48)
Equity sensitivity			
US Dollars	10%	450	724
Euro	10%	24	301
Hong Kong dollars	10%	88	106
Chinese Renminbi	10%	356	169

The exposure to movements in exchange rates arises due to outstanding non functional currency receivables and payables at the year end

There is no foreign exchange risk for the Company

(ii) Cash flow and fair value interest rate risk
The Group has interest bearing assets and liabilities Interest bearing assets relate predominantly to cash held at bank Interest bearing liabilities relate to the Group s overdraft facilities and loan facility with its bankers and interest payable on finance lease arrangements Management monitors expectations of future interest rates but keeps the majority of its interest bearing financial liabilities carrying a variable rate of interest This is regarded as providing a partial hedge against the economic business cycle and takes into consideration the cash flow from operations

It is the Group s usual practice to undertake capital expenditures initially using overdraft and cash facilities and then to finance these purchases in arrears using hire purchase facilities

In order to measure risk, floating rate borrowings and the expected interest cost are forecast on a monthly basis and compared to budget using management's expectations of possible changes in interest rates The effect on both income and equity based on exposure to borrowings at the balance sheet date for a 1% increase in interest rates is a decrease of £206 000 (2014 decrease of £89 000) before tax A 1% fall in interest rates gives the same but opposite effect Given current interest rates management consider a 1% change in interest rates to be an appropriate approximation of risk in interest sensitivity

The Company has interest bearing assets and liabilities Interest bearing assets relate predominately to loans held with subsidiary undertakings The Company's procedures for managing risk on interest receivable on loans with subsidiaries are the same as the procedures described in note 3 1(b) below for managing credit risk on amounts owed by related undertakings Interest bearing liabilities predominately relate to the Company's overdraft and loan facility with its bankers The offset overdraft arrangement the Company has with its bankers is structured in such a way that every company in the pool is jointly and individually liable for the overdraft therefore in practice the net position is applicable As such the risk on such interest is managed on a Group basis as above

b) Credit risk
Credit risk is managed on a Group basis Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to customers including outstanding receivables and committed transactions

If customers are independently rated these ratings are considered Otherwise if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position past experience and other factors Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board The utilisation of credit limits is regularly monitored Group management monitor the ageing of receivables which are more than one month overdue and debtor days on a regular basis

Bank deposits are held across the Group at various financial institutions

As at 30 September 2015 the Group had net trade receivables outstanding of £18 345 000 (2014 £15 503 000) Further details of amounts overdue and impairments can be found in note 19

The Company is exposed to credit risk on amounts owed by related undertakings The performance of all subsidiary undertakings of the Group is monitored at Group level, including frequent projections of future performance to ensure funding to related undertakings provides a suitable return and remains recoverable Where losses are forecast actions are taken to mitigate the loss and maximise the recoverability of receivables

See note 37 for further details on the Company's transactions with its subsidiaries

c) Liquidity risk
Prudent liquidity risk management involves maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities Due to the dynamic nature of the underlying businesses Group treasury maintains flexibility in funding by maintaining availability under committed loans and overdraft facilities

Management monitors rolling forecasts of the Group s liquidity position (comprising undrawn borrowing facility and cash and cash equivalents) on the basis of expected cash flow The table below analyses the Group s financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date The amounts in the table below are contractual undiscounted cash flows

Group	Less than 1 year £000s	Between 1 and 2 years £000s	Between 2 and 5 years £000s	Over 5 years £000s
At 30 September 2015				
Borrowings and loans	8 758	6 051	16,152	11
Trade and other payables	9 415	-	-	-
At 30 September 2014				
Borrowings and loans	8 266	4 525	18,346	
Trade and other payables	10 945	-	-	

The above cashflows includes interest on HP obligations but excludes interest payments on the loan whilst the loan remains outstanding at the rate of between 2 0 percent and 2 75 percent above LIBOR

Note that the balances for trade and other payables above exclude social security and other taxes as these are not classified as financial liabilities

Management does not believe that there is a risk that the actual repayment schedule will be significantly different from the information presented in the table above given that repayments are dictated by contractual obligations

As at 30 September the Group had the following undrawn borrowing facilities

Group	2015 £000s	2014 £000s
Loan and overdraft facilities	8 349	6 257
HP facilities	11 531	11 930
	19 880	18 187

The Group is subject to various covenants on its credit facilities and compliance with these covenants is reviewed by management The key covenants on the Groups main facility relate to leverage and interest cover No breaches of the covenants occurred during the current or prior periods and current forecasts suggest no breaches are expected to occur

There are no restrictions on the loans and overdraft facilities The HP facilities are available for all appropriate asset purchases The loan and overdraft facilities expire on 30 June 2018, with the exception of £659 000 of overdraft facilities which expire in June 2016 and £544 000 of overdraft facilities which have no expiry date Following the agreement to sell the Groups freehold land and buildings at its television studios, the loan facilities were reduced by £10,000 000 see note 39 for further details

Further details of cash and cash equivalents can be found in note 21

Liquidity risk for the Company would arise from transactions with its related undertakings or from its overdraft and loan facility with its bankers Liquidity risk for the Company is managed in the same way as described for interest risk in Note 3 1(a)(ii) above

3 2 Capital risk management

The Groups objectives when managing capital are to safeguard the Groups ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders return capital to shareholders, issue new shares or sell assets to reduce debt The Group monitors capital on the basis of net debt This is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents

During the year net debt has decreased as a result of positive trading during the year

	2015 £000s	2014 £000s
Total borrowings	30 211	30,504
Less cash at bank and on hand	(12 749)	(9,065)
Net debt	**17,462**	**21,439**

4 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances

The Group makes estimates and assumptions concerning the future The resulting accounting estimates will by definition seldom equal the related actual results The estimates and assumptions 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

a) *Taxation provisions*
The Group is subject to taxes in numerous jurisdictions Significant judgement is often required in determining the worldwide provision for tax The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due Where the final tax outcome of these matters is different from the amounts that were initially recorded such differences will impact the current tax provision deferred tax provisions and income statement in the period in which such determination is made

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b) *Depreciation*
The Group depreciates Hire Stock over its estimated useful economic life of between 2 and 10 years and applies a residual value of between zero and 10% of cost on all fixed assets The estimation of useful economic life and residual value involves judgement from management and is subjective Given the value of Hire Stock maintained by the Group the estimation will have a significant impact on the income statement in the period and the net book value of property plant and equipment

c) *Deferred tax asset*
The Group recognises deferred tax assets to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised The future taxable profit is based upon forecast profitability of the Group's companies after adjusting for risk factors Both the forecast profitability and application of risk factors requires significant judgement from management Given the carrying value of the deferred tax asset is determined by forecast performance any variances between actual and forecast performance could have a significant impact on the carrying value of the deferred tax asset and the income statement during the period

d) *Property provisions*
The Group recognises onerous lease provisions in respect of properties leased by its German and Full Service operations The carrying value of the provisions are based upon future rental payments and forecast rental income from sub letting the properties Forecast rental income requires significant judgment from management Given the carrying value of the onerous lease provisions any variances between actual and forecast rental income could have a significant impact on the carrying value of the onerous lease provision and the income statement during the period

The Group also recognises a number dilapidation provisions in relation to its UK leasehold properties The carrying values of the provisions are based on estimates of future claims by landlords, requiring significant judgment from management Given the carrying value of the dilapidation provisions, any variances between actual and forecast costs could have a significant impact on the carrying value of the onerous lease provision and the income statement during the period

5 Segmental information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions

The Board of Directors categorises Group companies based on the services they provide and as a result the business is split into four segments These correspond to three operating segments (Creative Technology Full Service and Broadcast Services) which together provide the Group s principal activity of services to the corporate presentation entertainment and broadcast markets In addition the Group recognises a further segment, Head Office which provides administrative support to the rest of the Group

Creative Technology provides specialist AV services and equipment to the live events broadcast and entertainment markets The Full Service segment provides full technical support for conferences, sports music, corporate and television programmes Finally the Broadcast Services segment provides broadcast equipment systems and services to the broadcast industry

The Board of Directors assesses performance of the operating segments based on trading profit (see note 2 3) As segmental performance does not therefore include finance costs and tax, such items are not allocated to segments

The segmental results for the year ended 30 September 2015 are as follows

	Creative Technology £000s	Full Service £000s	Broadcast Services £000s	Head Office £000s	Group £000s
Total segment revenue	107 374	14,060	12 989	-	134 423
Inter segment revenue	(263)	(33)	(453)	-	(749)
Revenue	**107,111**	**14,027**	**12,536**	**-**	**133,674**
Trading EBITDA*	24 421	1 115	1,532	(113)	26 955
Less depreciation	(14 375)	(825)	(3 153)	(4)	(18 357)
Less impairment	(863)	-	(295)	-	(1 158)
Less amortisation	(51)	(25)	(7)	-	(83)
Trading profit/(loss)	9 132	265	(1 923)	(117)	7 357
Restructuring costs and compensation for loss of office (note 7)	(384)	(712)	(1,291)	-	(2 387)
Other non-recurring (costs)/credits (note 7)	(49)	-	(65)	2	(112)
Operating profit/(loss)	8,699	(447)	(3 279)	(115)	4 858
Net finance costs (note 11)					(1 650)
Profit before income tax					**3,208**
Income tax expense (note 12)					(854)
Profit for the financial year from continuing operations					**2,354**

*Trading EBITDA includes profit on sale of property plant and equipment of £237,000 for Creative Technology, £21,000 for Full Service and £501 000 for Broadcast Services

The segmental results for the year ended 30 September 2014 are as follows

	Creative Technology £000s	Full Service £000s	Broadcast Services £000s	Head Office £000s	Group £000s
Total segment revenue	96 258	14 446	16 266	-	126 970
Inter segment revenue	(133)	(17)	(429)	-	(579)
Revenue	**96,125**	**14,429**	**15,837**	**-**	**126,391**
Trading EBITDA*	18,755	980	5 300	(67)	24 968
Less depreciation	(13 529)	(732)	(3 610)	(9)	(17 880)
Less impairment	(726)		-	-	(726)
Less amortisation	(80)	(19)	(10)	-	(109)
Trading profit/(loss)	4,420	229	1,680	(76)	6,253
Restructuring (costs)/credits and compensation for loss of office (note 7)	(5,247)	(474)	(38)	21	(5,738)
Payments to LTIP holders and bonuses in connection with the Disney settlement (note 7)	59	16	9	162	246
Other non-recurring credits/(costs) (note 7)	426	(8)	(249)	(62)	107
Operating (loss)/profit	(342)	(237)	1 402	45	868
Net finance costs (note 11)					(1 298)
Loss before income tax					**(430)**
Income tax expense (note 12)					(2 310)
Loss for the financial year from continuing operations					**(2,740)**

*Trading EBITDA includes profit on sale of property plant and equipment of £36 000 for Creative Technology £12,000 for Full Service and £1 298 000 for Broadcast Services

Inter-segment transactions are entered into under the normal commercial terms and conditions that would be available to unrelated third parties

No single customer contributed revenues of greater than 10% of the Group's total revenue for 2015 or 2014

Revenue recognised in the income statement is analysed as follows

Revenue	2015 £000s	2014 £000s
Revenue from audiovisual and broadcast services	133,674	126,391
Interest income	6	23
	133,680	**126,414**

It is not practicable to analyse the revenue listed above between hire of goods and provision of services as the sales are interlinked and viewed as one amount

The segmental assets and liabilities at 30 September 2015 external net debt at 30 September 2015 and capital expenditure cash flows for the year then ended are shown below

	Creative Technology £000s	Full Service £000s	Broadcast Services £000s	Head Office £000s	Unallocated £000s	Group £000s
Total assets	70,460	4,422	18 325	667	6 068	99,942
Non-current assets	37 680	1 932	14 847	16	4 585	59 060
Total liabilities	36,644	2,972	4 402	15 299	6 206	65 523
Capital expenditure	17 434	594	1 180	29	-	19 237
External net debt/(cash)	2 549	(333)	904	14 342	-	17 462

Unallocated items relate to deferred tax and income tax Non-current assets above does not agree to the balance sheet as it excludes non-current receivables

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5 Segmental information (continued)

The segmental assets and liabilities at 30 September 2014 external net debt at 30 September 2014 and capital expenditure cash flows for the year then ended are shown below

	Creative Technology £000s	Full Service £000s	Broadcast Services £000s	Head Office £000s	Unallocated £000s	Group £000s
Total assets	63 454	4 422	23 214	764	3 919	95 773
Non-current assets	37 363	2 067	18 808	6	3 919	62,163
Total liabilities	30 899	2 112	6 134	18 809	5 676	63 630
Capital expenditure	15 939	1 037	6 237	279	-	23 492
External net debt/(cash)	3 957	(329)	1 939	15 872	-	21 439

The Group s main business segments operate in four main geographical areas Details of the segmental allocation of revenue assets and capital expenditure can be found below

Revenue	2015 £000s	2014 £000s
United Kingdom	45 060	48 801
Mainland Europe	10 777	14 577
United States of America	62 618	51 545
Rest of the World	15 219	11 468
	133,674	**126,391**

Revenue is allocated based on the country in which the customer is located

Total assets	2015 £000s	2014 £000s
United Kingdom	40 482	46 840
Mainland Europe	4 121	6 911
United States of America	39,325	31 022
Rest of the World	9,946	7,081
	93,874	**91,854**
Unallocated assets	6 068	3 919
	99,942	**95,773**

Total assets are allocated based on where the assets are owned

Total non-current assets (including deferred tax assets)	2015 £000s	2014 £000s
United Kingdom	27 887	31 592
Mainland Europe	1 475	2 977
United States of America	22 050	20 378
Rest of the World	3,063	3 297
	54,475	**58,244**
Unallocated assets	4,585	3 919
	59,060	**62,163**

Total non-current assets are allocated based on where the assets are owned

Capital expenditure	2015 £000s	2014 £000s
United Kingdom	6 715	10 669
Mainland Europe	599	1 783
United States of America	10 716	9 111
Rest of the World	1 207	1 929
	19,237	**23,492**

Capital expenditure is allocated based on where the assets are owned or leased

6 Trading earnings before interest, taxation, depreciation and amortisation ('Trading EBITDA')

	2015 £000s	2014 £000s
Trading profit	7 357	6 253
Depreciation	18 357	17,880
Impairment	1 158	726
Amortisation of software	83	109
Trading EBITDA	**26,955**	**24,968**

Trading EBITDA is defined in note 2 3 (b)

7 Operating expenses and income

Operating profit is stated after charging/(crediting)

	Group		Company	
	2015 £000s	2014 £000s	2015 £000s	2014 £000s
Changes in inventories of finished goods and work in progress	454	385	-	-
Depreciation	18,357	17 880		-
Amortisation	83	109	-	-
Impairment	1 158	726	27 275	-
Transportation expenses	2 787	3 353	-	-
Advertising costs	609	455	-	-
Operating lease payments	-	-	-	-
- plant and machinery	869	1 004	-	-
- other	3,232	3 147	-	-
Restructuring costs and compensation for loss of office	2,387	5 738	-	21
Payments to LTIP holders and bonuses in connection with the Disney settlement	-	(246)	-	78
Other non recurring costs/(credits)	112	(107)	(8)	204
Profit on disposal of property plant and equipment	(759)	(1 346)	-	-
Exchange (gain)/loss	(104)	59	-	-

Restructuring costs and compensation for loss of office incurred during the year relate to the following

	Group		Company	
	2015 £000s	2014 £000s	2015 £000s	2014 £000s
Redundancy costs and compensation for loss of office	77	817	-	21
Impairment (note 15)	1 299	2 015	-	-
Other restructuring*	1 011	2 906	-	-
	2,387	**5,738**	**-**	**21**

*Other restructuring costs incurred in the year primarily relate to an onerous lease provision in relation to a London property vacated by our Full Service business Other restructuring costs in the prior year primarily related to the impairment of hire stock assets and the recognition of an onerous lease provision in respect of the Group s German operations

Other non-recurring costs incurred during the year relate to the following

	Group		Company	
	2015 £000s	2014 £000s	2015 £000s	2014 £000s
Other non-recurring (credits)/costs*	112	(107)	(8)	204
	112	**(107)**	**(8)**	**204**

*Other non recurring costs primarily relate to the change in estimate of the provision brought forward required for property dilapidation costs in the UK following a detailed reassessment of the provision during the year, an element of other provisions in the US in respect of certain potential claims relating to prior year activities which have arisen in the current year, and credits relating to prior period transactions in the South East Asian region and the UK (2014 prior period transactions associated with the South East Asian region and the UK) Management believe these costs do not accurately reflect the underlying trading performance of the business in the period

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8 Employee information

a) Employee benefit expense

	Group 2015 £000s	Group 2014 £000s
Wages and salaries	34,699	32 089
Social security costs	2 949	3 084
Pension costs - contribution plans (note 9)	994	899
LTIP and share option expense	34	163
Social security costs on LTIP and share option expense	(10)	(180)
	38,666	**36,055**

b) Average number of people employed
The average number of persons employed including executive Directors was

Group	Group 2015 number	Group 2014 number
Operations	585	604
Administration	100	101
	685	**705**

c) Directors remuneration
Full details of Directors' remuneration can be found in the audited section of the Directors' Remuneration report on page 24

9 Pension and post retirement benefits

The Group operates defined contribution type pension arrangements for certain of its employees both in the UK and overseas The assets of these arrangements are held by financial institutions entirely separate from those of the Group

The cost of these pension arrangements was £994 000 (2014 £899,000) and £108 000 (2014 £114,000) of contributions were unpaid at the year end and held within trade and other payables

10 Auditors remuneration

The Group paid the following amounts to the company's auditors or its associates in respect of the audit of financial statements and other services provided to the Group

	2015 £000s	2014 £000s
Audit of the annual report and accounts	36	36
Audit of subsidiaries	222	176
Total audit	258	212
Audit-related assurance services	18	18
Taxation compliance	8	7
Taxation advisory	3	51
	287	**288**

11 Finance income and costs

	2015 £000s	2014 £000s
Interest on short term bank deposits	6	23
Finance income	6	23
Interest on bank borrowings	(483)	(369)
Interest element of HP obligations	(1,040)	(681)
Other finance costs	(133)	(271)
Finance costs	(1 656)	(1,321)
Net finance costs	**(1,650)**	**(1,298)**

12 Income tax expense

Analysis of taxation expense for the year

	2015 £000s	2014 £000s
Current tax		
Current tax on profits for the year	3 461	393
Adjustments in respect of prior years	(1 749)	(428)
Total current tax	**1,712**	**(35)**
Deferred tax (note 24)		
Origination and reversal of temporary differences	(858)	2 345
Total deferred tax	(858)	2 345
Income tax charge	**854**	**2,310**

Factors affecting the taxation charge

The taxation charge for the year is higher (2014 higher) than the standard rate of corporation tax in the UK (20 5%) (2014 22%) The differences are explained below

	2015 £000s	2014 £000s
Profit/(loss) on continuing operations before tax	3 208	(430)
Tax calculated at standard rate of UK corporation tax of 20 5% (2014 22%)	658	(95)
Expenses not deductible for tax purposes	592	92
Unrecognised differences between capital allowances and depreciation	154	282
Income from associate	6	(84)
Other unrecognised temporary differences	(168)	(554)
German partnership losses	(75)	-
Movements in unrecognised tax losses	(138)	2 644
Losses carried back	-	314
Differences in tax rates	1,641	337
Prior period adjustments	(1 749)	(428)
Tax deduction in respect of exercised share options	(67)	(198)
Income tax charge	**854**	**2,310**

Prior period adjustments primarily relate to the utilisation of prior period German losses in the UK tax group

See note 34 for factors affecting the taxation charge on discontinued operations

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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12 Income tax expense (continued)

In his budget of 18 March 2015, the Chancellor of the Exchequer announced a number of changes to the UK Corporation Tax rate These included a reduction in the UK corporation tax rate from 21% to 20% effective from 1 April 2015 This rate was substantively enacted at the balance sheet date (i e 30 September 2015) and, accordingly, has been applied in the measurement of the Group s deferred tax assets and liabilities at 30 September 2015

The UK government intends to further reduce the UK corporation tax rate to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020 as announced by the Chancellor of the Exchequer in his budget of 8 July 2015 These reductions will be enacted in the relevant Finance Acts and their impact on the Group recognised when they become substantively enacted

13 Dividends

An interim dividend for the year ended 30 September 2015 of 2 0p per ordinary share amounting to a total of £382,000 was approved and was paid on 1 October 2015 to shareholders on the Register at 6 00pm on 4 September 2015

A final dividend for the year ended 30 September 2015 of 5 0p per share has been proposed and, subject to shareholders' approval, will be paid on 6 April 2016 to shareholders on the register at the close of business on 11 March 2016

An interim dividend for the year ended 30 September 2014 of 1 5p per ordinary share amounting to a total of £283 000 was approved and was paid on 1 October 2014 to shareholders on the Register at 6 00pm on 5 September 2014

A final dividend for the year ended 30 September 2014 of 4 5p per ordinary share amounting to a total of £858,000 was approved and was paid on 8 April 2015 to shareholders on the register on 13 March 2015

A special dividend of £1 10 per C share was approved and was paid on 24 January 2014 under the Return of Cash (see note 35)

14 Earnings/(losses) per share

	2015 £000s	2014 £000s
Profit/(loss) for the financial year	**3,426**	**(1,548)**
Profit on discontinued operation net of tax	(1 072)	(1 192)
Profit/(loss) from continuing operations	**2,354**	**(2,740)**
Weighted average number of shares (net of treasury shares)		
For basic earnings per share (000 s)	19,004	21,361
Effect of dilutive share options (000 s)	148	848
For diluted earnings per share (000's)	**19,152**	**22,209**
Earnings/(losses) per share		
Basic	18 0p	(7 2)p
Diluted	17 9p	(7 2)p
Continuing operations basic	12 4p	(12 8)p
Continuing operations diluted	12 3p	(12 8)p
Discontinued operations basic	5 6p	5 6p
Discontinued operations diluted	5 6p	5 6p

Basic earnings per share have been calculated by dividing profit/loss for the period by the weighted average number of ordinary shares in issue during the period

Diluted earnings per share have been calculated by dividing profit/loss for the period by the weighted average number of ordinary shares in issue during the period adjusted for any awards under the Company's Long Term Incentive Plan ("LTIP") where pre-specified performance conditions have been satisfied and any required conversion of dilutive potential options

15 Property, plant and equipment

Group	Land and buildings £000s	Hire stock £000s	Other plant and equipment £000s	Total £000s
Cost				
At 1 October 2014	9 688	107 938	8 713	126 339
Additions	131	16 438	738	17 307
Disposals	(1)	(17,913)	(780)	(18 694)
Business acquisitions	-	61	7	68
Exchange differences	30	4 074	117	4,221
At 30 September 2015	**9,848**	**110,598**	**8,795**	**129,241**
Accumulated depreciation and impairment				
At 1 October 2014	2,893	61 026	4,633	68,552
Depreciation charge	388	16,978	991	18 357
Disposals	(1)	(16,337)	(770)	(17,108)
Business acquisitions	-	61	6	67
Impairment	-	1 158	1 299	2 457
Exchange differences	8	2,562	80	2 650
At 30 September 2015	**3,288**	**65,448**	**6,239**	**74,975**
Net book amount				
At 30 September 2015	**6,560**	**45,150**	**2,556**	**54,266**
At 30 September 2014	6,795	46 912	4,080	57,787

Group	Land and buildings £000s	Hire stock £000s	Other plant and equipment £000s	Total £000s
Cost				
At 1 October 2013	9 372	110 562	8 708	128 642
Additions	412	24 356	662	25 430
Disposals	(46)	(25 516)	(525)	(26 087)
Exchange differences	(50)	(1 464)	(132)	(1 646)
At 30 September 2014	**9,688**	**107,938**	**8,713**	**126,339**
Accumulated depreciation				
At 1 October 2013	2,219	66,065	4,012	72,296
Depreciation charge	414	16,457	1 009	17 880
Disposals	(43)	(22 375)	(444)	(22 862)
Impairment	343	2 066	175	2 584
Exchange differences	(40)	(1 187)	(119)	(1 346)
At 30 September 2014	**2,893**	**61,026**	**4,633**	**68,552**
Net book amount				
At 30 September 2014	**6,795**	**46,912**	**4,080**	**57,787**
At 30 September 2013	7 153	44,497	4 696	56 346

Depreciation of £17 599 000 (2014 £17 126 000) has been charged in cost of sales and the remaining £758 000 (2014 £754,000) has been charged to operating expenses

Included in the impairment charge of £2 457 000 (2014 £2 584 000) £1 299 000 (2014 £1 858 000) has been recognised due to the intention to sell the Group s freehold land and buildings at its television studios and the intention to sell the remaining plant and equipment (2014 the restructuring of Creative Technology's German business) see note 39 for further details As a result the plant and equipment of Fountain Studios (2014 hire stock of Creative Technology's German business) has been written down to its fair value less costs to sell which has been calculated based on open market value The impairment charge has been recognised in the Broadcast Services (2014 Creative Technology) operating segment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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15 Property, plant and equipment (continued)

The following assets were held under hire purchase contracts

Group	2015 Hire stock £000s	2015 Other plant and equipment £000s	2015 Total £000s	2014 Hire stock £000s	2014 Other plant and equipment £000s	2014 Total £000s
Cost	30,419	180	30,599	31 036	559	31 595
Depreciation	(10,932)	(119)	(11,051)	(13 570)	(349)	(13 919)
Net book amount	**19,487**	**61**	**19,548**	**17,466**	**210**	**17,676**

Assets held under hire purchase contracts are pledged as security for the related hire purchase liabilities

16 Intangible assets

Group	2015 Computer software £000s	2014 Computer software £000s
Cost		
At beginning of year	1 652	1,593
Additions	160	90
Disposals	(79)	-
Business acquisitions	1	-
Exchange differences	28	(31)
At end of year	**1,762**	**1,652**
Accumulated Amortisation		
At beginning of year	1 522	1 282
Amortisation charge	83	109
Disposals	(78)	-
Business acquisitions	-	-
Impairment	-	157
Exchange differences	26	(26)
At end of year	**1,553**	**1,522**
Net book amount		
At end of year	**209**	**130**
At beginning of year	130	311

All amortisation during the current and prior year is included in operating expenses' in the income statement

All additions relate to assets acquired externally

17 Investments

a) Investments in subsidiary undertakings

Company	2015 £000s	2014 £000s
Cost	84 720	33 710
Provision for impairment	(33 708)	(6,433)
Net book value	**51,012**	**27,277**

Investments in Group undertakings are recorded at cost which is the fair value of the consideration paid less impairment Additions during the current year relate to the acquisition of subsidiaries from other group companies The impairment charge during the current year relates to intermediate holding companies which transferred their subsidiaries to the company during the period

The Group s subsidiary undertakings at 30 September 2015 all of which are included in the consolidation were as follows

Legal name	Trading name(s)	Activity	Country of incorporation
United Kingdom			
Creative Technology Limited	CT London CT Screenco Dimension Audio	Audio visual services	England & Wales
Sports Technology Limited	Sports Technology	Audio visual services	England & Wales
mcl**create** Limited	mcl**create** Birmingham mcl**create** Exhibitions mcl**create** Edinburgh mcl**create** Glasgow mcl**create** London mcl**create** Manchester	Audio visual services	England & Wales
Presteigne Limited	Presteigne	Broadcast equipment hire repair & maintenance	England & Wales
Fountain Television Limited	Fountain Studios	Television studios	England & Wales
InvestinMedia Holdings Limited*	InvestinMedia	Investment holding	England & Wales
InvestinMedia Investments Limited*	InvestinMedia	Investment holding	England & Wales
Avesco plc*	Avesco	Holding company	England & Wales
Avesco Services Limited	Avesco Services	Head office services	England & Wales
Avesco Finance Limited	Avesco Finance	Finance	England & Wales
Avesco Holdings Limited	Avesco Holdings	Holding company	England & Wales
Avesco Overseas Limited	Avesco Overseas	Holding company	England & Wales
CT Germany Limited	CT Germany Limited	Holding company	England & Wales
Media Control (UK) Limited	MCL (UK)	Non-trading	England & Wales
Charter Broadcast Limited	Charter Broadcast	Non-trading	England & Wales
Creative Technology Outside Broadcast Limited	CTOB	Dormant	England & Wales
Screenco Group Limited	Screenco Group	Dormant	England & Wales
Screenco Limited	Screenco	Dormant	England & Wales
Dimension Audio Limited	Dimension	Dormant	England & Wales
Presteigne Broadcast Hire Limited	Presteigne Broadcast Hire	Dormant	England & Wales
Mainland Europe			
Creative Technology Holland BV	CT Holland	Audio visual services	The Netherlands
Jongenelen Holding BV	Jongenelen Holding	Holding company	The Netherlands
CT Creative Technology GmbH & Co KG	CT Germany	Audio visual services	Germany
CT Germany GmbH	CT Germany GmbH	Holding company	Germany
Creative Technology Spain SL	CT Spain	Audio visual services	Spain
United States of America			
Creative Technology Group Inc	CT US CT Los Angeles CT Chicago CT Las Vegas CT San Francisco	Audio visual services	United States of America
CT Vision Inc	CT Vision	Dormant	United States of America
Rest of World			
Creative Technology – Emirates LLC	CT Dubai	Audio visual services	Dubai
Creative Technology Audio Visual Equipment Trading (Shanghai) Co Ltd	CT Shanghai	Audio visual services	China
Creative Technology (Asia Pacific) Co Limited	CT Hong Kong	Audio visual services	Hong Kong
Video Technology Qatar LLC	CT Qatar	Audio visual services	Qatar

At 30 September 2015 all classes of share of all these subsidiaries were 100% beneficially owned by the Group, with the exception of Sports Technology Limited where the Group had a 66 67% beneficial ownership interest

* Denotes subsidiaries directly held by Avesco Group plc

All subsidiaries have a year end of 30 September with the exception of Creative Technology Audio Visual Equipment Trading (Shanghai) Co Ltd whose year end is 31 December in order to comply with local regulations

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17 Investments (continued)

b) Investment in associated undertakings

Group	2015 £000s	2014 £000s
Beginning of year	327	143
Share of associate s profit	(27)	384
Profit distributions received	(200)	(200)
Acquisition as a subsidiary	(100)	-
End of year	-	**327**

At 30 September 2015 the Group had no associated undertaking (2014 one associated undertaking, Sports Technology Limited) As at 30 September 2014 the Group owned 40% of the share capital of Sports Technology Limited, an audio visual services company incorporated in England & Wales Sports Technology Limited was acquired as a subsidiary on 7 November 2014, see note 38 for further details

The Group's share of Sport Technology Limited s net assets is detailed below

Group	2015 £000s	2014 £000s
Total revenue	9	2,154
Total assets	-	921
Total liabilities	-	594
Net assets	-	327
Profit and loss account	(27)	384

18 Hedge of net investment in a foreign entity

A proportion of the Group's US dollar-denominated borrowing amounting to £10 984 000 (2014 £6 959 000) is designated as a hedge of the net investment in the Group s US subsidiary There is no difference between the carrying value and the fair value of the loan

A proportion of the Group s Euro-denominated borrowing amounting to £371 000 (2014 £391 000) is designated as a hedge of the net investment in the Group's European subsidiaries There is no difference between the carrying value and the fair value of the loan

A loss of £605,000 (2014 gain of £70 000) has been included in currency translation differences recognised in other comprehensive income in respect of the effective portion of these net investment hedges

19 Trade and other receivables

	Group		Company	
	2015 £000s	2014 £000s	2015 £000s	2014 £000s
Trade receivables	19 134	16 194	-	
Less provision for impairment of trade receivables	(789)	(691)	-	
Trade receivables - net	18 345	15,503	-	
Receivables from Group undertakings	-	-	5 655	32 262
Other receivables	711	2 122	-	
Social security and other taxes	-	-	10	9
Prepayments	3 254	2 435	256	125
Accrued income	3 691	3 854	-	-
Deferred disposal receipts	-	35	-	
	26 001	23 949	5 921	32 396
Less non current portion				
Receivables from Group undertakings	-	-	-	(7 385)
Other receivables	(141)	(148)	-	-
Current portion	**25,860**	**23,801**	**5,921**	**25,011**

All non-current receivables are due within 5 years from the balance sheet date Current amounts receivable are unsecured interest free and repayable on demand

Other receivables relates to miscellaneous items such as rental deposits and Carnet deposits Receivables from Group undertakings are unsecured repayable on demand and bear interest based on local inter bank rates These receivables are not considered impaired as they are all due from subsidiary undertakings which will receive sufficient Group support to satisfy these debts

For both Group and Company there is no difference between the carrying value and fair value of trade and other receivables

Management estimates impairment of trade receivables based on a combination of age of debt and knowledge of the customer Therefore, debts falling due over our standard terms of 30 days are not necessarily considered impaired As of 30 September 2015 the value of trade receivables relating to customers with no impairment of their trade receivables balance is £18,180,000 (2014 £15,500 000) An analysis of debtors past due but not impaired is as follows

Group	2015 £000s	2014 £000s
31-60 days	1 873	2 455
61-90 days	1,161	1,121
91-120 days	1,406	1,013
121+ days	1,794	1,000
At 30 September	**6,234**	**5,589**

With respect to trade receivables that are neither past due nor impaired, there are no indications at the reporting date that the payment obligations will not be met These amounts relate to a number of independent customers for whom there is no recent history of default and their credit quality has been assessed by reference to external credit ratings agencies where available

As of 30 September 2015 the value of the trade receivables relating to customers with part or the whole of their trade receivables balance impaired is £952 000 (2014 £694 000) The ageing analysis of these trade receivables is as follows

Group	2015 £000s	2014 £000s
0-30 days	-	
31-60 days	2	8
61-90 days	2	19
91-120 days	10	5
121+ days	938	662
At 30 September	**952**	**694**

The Group provision for impairment of trade receivables at 30 September 2015 is £789 000 (2014 £691 000) Movements in the provision are as follows

Group	2015 £000s	2014 £000s
At 1 October	(691)	(704)
Provision for receivables impairment made during the year	(211)	(634)
Receivables written off during the year	30	438
Unused amounts reversed	92	204
Exchange differences	(9)	5
At 30 September	**(789)**	**(691)**

The creation and release of provision for impaired receivables has been included in operating expenses in the income statement Amounts charged to the doubtful debt allowance account are generally written off when there is no expectation of recovering additional cash Other receivables contain an amount of £672,000 (2014 nil) which has been fully impaired The other classes within trade and other receivables do not contain impaired assets

The carrying value of trade and other receivables are denominated in the following currencies

	Group		Company	
	2015 £000s	2014 £000s	2015 £000s	2014 £000s
Sterling	11 308	11 518	5 921	32,396
Euros	1,356	2 755	-	-
US Dollar	10,823	8 207	-	-
Other currencies	2 514	1 469	-	-
	26,001	**23,949**	**5,921**	**32,396**

The maximum exposure to credit risk at the reporting date is the fair value of each class of financial asset mentioned above The Group does not hold any collateral as security

20 Inventories

Group	2015 £000s	2014 £000s
Consumables	480	310
Work in progress	169	286
	649	**596**

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to £454,000 (2014 £385 000)

There were no inventories in the Company (2014 nil) There were no write downs or reversal of write downs of inventories during the current or prior period

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21 Cash and cash equivalents

Cash cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement

	Group		Company	
	2015 £000s	2014 £000s	2015 £000s	2014 £000s
Cash at bank and on hand	12,749	9,065	60	238
Bank overdrafts	(12)	(97)	-	-
	12,737	**8,968**	**60**	**238**

22 Trade and other payables

	Group		Company	
	2015 £000s	2014 £000s	2015 £000s	2014 £000s
Trade payables	5,826	5,688	-	-
Social security and other taxes	1 740	1,878	-	-
Other payables	3,589	5,257	-	-
Accruals	9,397	8,738	37	248
Deferred income	4 586	2 982	-	-
Payables to Group undertakings	-	-	2 502	3 961
	25,138	**24,543**	**2,539**	**4,209**

Amounts owed to other Avesco Group companies are unsecured, repayable on demand and bear interest based on local inter-bank rates

23 Borrowings and loans

	Group		Company	
	2015 £000s	2014 £000s	2015 £000s	2014 £000s
Non current				
Bank borrowings (note 3 1c)	14 854	16 848	3 500	9 500
HP liabilities (note 3 1c)	7 012	5 754	-	-
	21,866	**22,602**	**3,500**	**9,500**
Current				
Bank overdrafts and borrowings (note 3 1c)	12	97	-	-
HP liabilities (note 3 1c)	8 333	7,805	-	-
	8,345	**7,902**	**-**	**-**

The fair value of borrowings is equal to their carrying amount The fair value of current bank overdrafts approximates to the carrying amount because of the short maturity of these instruments The fair value of non current bank borrowings approximates to the carrying value in the balance sheet as they are floating rate loans where interest charged is settled on a monthly basis and payments are reset to market rates at regular intervals

The carrying amount of the Groups borrowings are denominated in the following currencies

	2015 £000s	2014 £000s
Sterling	8,507	14 649
Euros	865	1 766
US Dollar	20,839	14 089
	30,211	**30,504**

Company borrowings of £3 500 000 (2014 £9,500,000) relate to bank borrowings denominated in Sterling and secured by a fixed and floating charge over the UK assets of the Group The loan bears interest based on LIBOR

The overdraft and bank borrowings are secured by a fixed and floating charge over the UK assets of the Group The loan bears interest based on LIBOR and is repayable on 30 June 2018

HP liabilities
The finance companies, to whom the HP obligations exist hold a charge over the assets that they have financed

	Group	
Bank loans and overdrafts	2015 £000s	2014 £000s
In 1 year or less	12	97
Later than 1 year and no later than 5 years	14 854	16,848
	14,866	**16,945**

Gross HP liabilities - minimum lease payments	2015 £000s	2014 £000s
In 1 year or less	8,844	8,197
Later than 1 year and no later than 5 years	7,251	5,195
Later than 5 years	11	800
	16,106	14,192
Future finance charges on HP obligations	(761)	(633)
Present value of future HP liabilities	**15,345**	**13,559**

Present value of HP liabilities	2015 £000s	2014 £000s
In 1 year or less	8 333	7 805
Later than 1 year and no later than 5 years	7 001	5 754
Later than 5 years	11	-
	15,345	**13,559**

24 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority

Group deferred tax asset

	Decelerated capital allowances £000s	Tax losses and other timing differences £000s	Total £000s
Deferred tax assets			
At 1 October 2013	1 570	3 649	5 219
Credited/(charged) to the income statement	524	(1 824)	(1 300)
At 30 September 2014	2 094	1,825	3,919
Credited to the income statement	514	68	582
Exchange differences	-	84	84
At 30 September 2015	**2,608**	**1,977**	**4,585**
Unrecognised deferred tax assets			
At 30 September 2015	3 514	3,729	7 245
At 30 September 2014	982	3 528	4 510

The gross tax losses for which no deferred tax asset was recognised were £15,492 000 (2014 £16 409 000)

An element of the total deferred tax assets are unrecognised due to uncertainties concerning the extent and timing of recoverability These are dependent on the generation of certain classes of taxable profits by the Group s operations

Deferred taxation assets have only been recognised for companies with a past history of profitability and where taxable profits are expected to arise in the future against which the tax losses and accelerated capital losses can be offset

The amount of deferred tax asset due to be recoverable in less than one year is £1 798 000 (2014 £930 000) The unrecognised deferred tax assets are not expected to expire

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24 Deferred income tax (continued)

Group deferred tax liability

	Accelerated capital allowances £000s	Revaluation gains £000s	Other £000s	Total £000s
Deferred tax liabilities				
At 1 October 2013	3 678	50	519	4,247
Charged/(credited) to the income statement	1 078	3	(36)	1 045
At 30 September 2014	4 756	53	483	5 292
Credited to the income statement	(238)	(2)	(36)	(276)
Exchange differences	314	-	-	314
At 30 September 2015	**4,832**	**51**	**447**	**5,330**

25 Provisions

Group	Restructuring and reorganisation costs (i) £000s	Onerous leases and dilapidations (ii) £000s	Other provisions (iii) £000s	Total £000s
At 1 October 2013	391	496	-	887
Charged to the income statement	1,151	2 797	-	3 948
Released during the year	(720)	-	-	(720)
Used during the year	(788)	(312)	-	(1 100)
Exchange differences	(11)	(97)	-	(108)
At 30 September 2014	23	2 884	-	2,907
Charged to the income statement	-	1 331	361	1 692
Released during the year	(8)	(150)	-	(158)
Used during the year	(15)	(358)	-	(373)
Exchange differences	-	(100)	-	(100)
At 30 September 2015	**-**	**3,607**	**361**	**3,968**

Present value of provisions due to expire	2015 £000s	2014 £000s
In 1 year or less	1 233	430
Later than 1 year and no later than 5 years	1,961	1,547
Later than 5 years	774	930
	3,968	**2,907**

(i) Restructuring and reorganisation costs
These related to the provision for costs associated with the restructuring of certain companies in the Group (see note 7)

(ii) Onerous leases and dilapidations
Various leasehold properties within Avesco Group plc companies have been vacated As a result provisions were made for ongoing rental costs and dilapidations in respect of these properties The Directors continue to review the levels of provision held taking into account the expected periods to market and assign the leases and adjust the provision accordingly These provisions have been discounted using appropriate rates

(iii) Other provisions
Other provisions relate to certain potential claims in the US relating to prior year and current year activities which have arisen in the current year (see note 7)

26 Share capital

Group and company	2015 number	2014 number	2015 £000s	2014 £000s
Allotted called up and fully paid Ordinary shares of 10p each	20 954 750	20 954 750	2,095	2 095
At 01 October	20 954 750	26 493 899	2,095	2 649
LTIPs exercised	-	-	-	-
Purchase of own shares for cancellation	-	(5 539 149)	-	(554)
At 30 September	20 954 750	20 954 750	2 095	2 095

Following the adoption of new Articles of Association by the Company at the Annual General Meeting in March 2010 the Company has taken advantage of the abolition of the requirement for companies to have an authorised share capital

27 Share based payment

Long Term Incentive Plan ("LTIP")

The Company operates a long term incentive plan ("LTIP") established in 2007

In any 10 year period no more than 15 percent of Avesco s issued share capital from time to time may be issued or subject to an award or option to be issued for the purposes of the LTIP scheme or any other employee share scheme No awards may be made under the scheme more than 10 years after its adoption

Under the LTIP which is operated in conjunction with an employee trust awards are made to employees under which they can receive Avesco shares at no cost to themselves based on the achievement of a pre-determined and stretching performance condition (the achievement by the Group of a cumulative consolidated trading EBITDA over a three year performance period) and subject to the continuing service of the award holder No individual may receive awards in any financial year with an aggregate value at the time of grant in excess of 100 per cent of the employee s annual basic salary although this limit may increase to 200 per cent of the employee's basic annual salary if the remuneration committee decides that exceptional circumstances exist

Awards of 1 200 000 rights to shares were made in the year ended 30 September 2011 The performance period was the three years ended 30 September 2013 Subject to the rules of the LTIP 50 per cent of the shares were released following the date of the preliminary announcement of the results of the Company for the year ended 30 September 2013 and 50 per cent of the shares were released on the announcement by the Company of its results for the year ended 30 September 2014

The remuneration committee has discretion to adjust the cumulative consolidated trading EBITDA under exceptional circumstances

The fair value of the shares granted to employees under the LTIP is measured at the market price of the entity's shares adjusted to take into account the terms and conditions upon which the shares were granted As the performance conditions attached to the shares are not market performance related, the best estimate of fair value is considered to be market value at date of grant No changes are subsequently made for changes in the share price after the grant date The charge is spread over the term to vesting date

The table below presents the awards outstanding with an analysis of the movements in the number of awards during the year and the charge to the income statement

Date of grant	Number of instruments granted	Share price at date of grant	Fair value per granted instrument at date of grant	Granted instruments outstanding at 1/10/2014	Vested during the year	Forfeitures during the year	Granted instruments outstanding at 30/09/2015	Charge to the income statement for the year ended 30/09/2015 £000s	Charge to the income statement for the year ended 30/09/2014 £000s
18/01/2011	1,200,000	119 5p	119 5p	442 750	(442,750)	-	-	34	150

During the year 442 750 shares (2014 1,106,750) were issued to employees under the long term incentive plan The weighted average share price at the date of exercise was 118 5p (2014 122 0p)

28 Capital and reserves

Group	Share capital account £000s	Share premium account £000s	Capital redemption reserve £000s	Translation reserve £000s	Retained earnings £000s	Total £000s	Non-controlling interest £000s	Total equity £000s
At 1 October 2013	2 649	23,286	-	45	47 219	73 199	-	73 199
Loss for the year	-	-	-	-	(1 548)	(1 548)	-	(1 548)
Currency translation differences	-	-	-	187	-	187	-	187
Issue of B and C shares	12 092	(12,092)	-		-	-	-	
Redemption of B shares	(12 092)	-	12 092	-	(12 092)	(12 092)	-	(12 092)
Dividend on C shares	-	-	-	-	(16 455)	(16 455)	-	(16 455)
Purchase of ordinary shares	(554)	-	554	-	(9,769)	(9,769)	-	(9 769)
External dividends paid	-	-	-	-	(1,013)	(1 013)	-	(1 013)
LTIP and share options charged through the income statement (note 27)	-	-	-	-	163	163	-	163
LTIP and share options movements in reserves	-	-	-	-	(529)	(529)	-	(529)
At 30 September 2014	**2,095**	**11,194**	**12,646**	**232**	**5,976**	**32,143**	**-**	**32,143**
Profit for the year	-	-	-		3 032	3 032	394	3 426
Currency translation differences	-	-		511	-	511	-	511
Non-controlling interest acquired	-	-			-	-	47	47
External dividends paid	-	-	-	-	(1 141)	(1 141)	(333)	(1 474)
LTIP and share options charged through the income statement (note 27)	-	-	-	-	34	34	-	34
LTIP and share options movements in reserves	-	-	-		(268)	(268)	-	(268)
At 30 September 2015	**2,095**	**11,194**	**12,646**	**743**	**7,633**	**34,311**	**108**	**34,419**

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28 Capital and reserves (continued)

Company	Share capital account £000s	Share premium account £000s	Capital redemption reserve £000s	Retained earnings £000s	Total £000s
At 1 October 2013	2,649	23 286	-	64,643	90 578
Loss for the year	-	-	-	(4 681)	(4 681)
Issue of B and C shares	12 092	(12,092)	-	-	-
Redemption of B shares	(12 092)	-	12 092	(12 092)	(12 092)
Dividend on C shares	-	-	-	(16 455)	(16 455)
Purchase of ordinary shares	(554)	-	554	(9 769)	(9 769)
External dividends	-	-	-	(1 013)	(1 013)
LTIP and share options charged through the income statement (note 27)	-	-	-	163	163
LTIP and share options movements in reserves	-	-	-	(529)	(529)
At 30 September 2014	**2,095**	**11,194**	**12,646**	**20,267**	**46,202**
Profit for the year	-	-	-	6 127	6 127
External dividends	-	-	-	(1,141)	(1,141)
LTIP and share options charged through the income statement (note 27)	-	-	-	34	34
LTIP and share options movements in reserves	-	-	-	(268)	(268)
At 30 September 2015	**2,095**	**11,194**	**12,646**	**25,019**	**50,954**

The profit for the parent Company for the year was £6 127 000 (2013 loss of £4 681 000)

At 30 September 2015 1,877,318 (2014 2,095,475) ordinary shares of the Company were held in treasury representing 9% (2014 10%) of the ordinary share capital in issue as at that date As at 30 September 2015 the treasury shares had a market value of £2 02 per share (2014 £1 10 per share)

The share capital account includes share capital and shares issued at nominal value only The share premium account is the net proceeds less nominal value of shares The translation reserve includes exchange differences which are recognised as a separate component of equity (see note 2 6) The retained earnings reserve includes the retained profit and loss the LTIP reserve and a reserve for treasury shares

29 Cash generated from continuing operations

	Group		Company	
	2015 £000s	2014 £000s	2015 £000s	2014 £000s
Operating profit	4,858	868	5,018	(384)
Operating profit from discontinued operations	1,072	-	-	-
Adjustments for				
- depreciation of plant property and equipment	18 357	17 880	-	-
- amortisation of intangible assets	83	109	-	-
- profit on sale of plant property and equipment	(759)	(1 346)	-	-
- impairment of plant property and equipment	2 457	2 741	-	-
- impairment of investments	-	-	27 275	-
- share of associate s loss/(profit)	27	(384)	-	-
- LTIP and share options (note 27)	(235)	(384)	-	-
- unrealised foreign exchange gains/(losses) net	100	139	-	-
Changes in working capital				
- inventories	(34)	212	-	-
- trade and other receivables	(1 544)	(882)	(131)	(54)
- receivables from Group undertakings	-	-	(26 098)	31 285
- trade and other payables	1 109	(4,667)	(198)	(2 321)
Net movement in provisions	801	2 129	-	-
Cash generated from operations	**26,292**	**16,415**	**5,866**	**28,526**

30 Analysis of net debt

Group	At 1 October 2014 £000s	Net cash flow £000s	Other non cash changes £000s	Currency translation differences £000s	At 30 September 2015 £000s
Cash at bank and in hand	9,065	3,447	-	237	12,749
Bank overdrafts	(97)	95	-	(10)	(12)
Net cash	8,968	3,542	-	227	12 737
Bank loans due in more than one year	(16,848)	2,500	-	(506)	(14 854)
HP obligations due in less than one year	(7,805)	6,649	(6,827)	(350)	(8,333)
HP obligations due in more than one year	(5 754)	(7 790)	6 827	(295)	(7,012)
Net debt	**(21,439)**	**4,901**	**-**	**(924)**	**(17,462)**

Group	At 1 October 2013 £000s	Net cash flow £000s	Other non cash changes £000s	Currency translation differences £000s	At 30 September 2014 £000s
Cash at bank and in hand	43 699	(34 859)	-	225	9 065
Bank overdrafts	(592)	428	-	67	(97)
Net cash	**43,107**	**(34,431)**	**-**	**292**	**8,968**
Bank loans due in more than one year	(7 419)	(9 492)	-	63	(16,848)
HP obligations due in less than one year	(7,303)	5,613	(6 182)	67	(7 805)
HP obligations due in more than one year	(6 048)	(5,938)	6 182	50	(5 754)
Net cash/(debt)	**22,337**	**(44,248)**	**-**	**472**	**(21,439)**

Other non cash changes relate to the passage of time

Company	At 1 October 2014 £000s	Net cash flow £000s	At 30 September 2015 £000s
Cash at bank and in hand	238	(178)	60
Bank loans due in more than one year	(9,500)	6 000	(3,500)
Net debt	**(9,262)**	**5,822**	**(3,440)**

Company	At 1 October 2013 £000s	Net cash flow £000s	At 30 September 2014 £000s
Cash at bank and in hand	117	121	238
Bank loans due in more than one year	-	(9 500)	(9 500)
Net cash/(debt)	**117**	**(9,379)**	**(9,262)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2015

31 Reconciliation of net debt

Group	2015 £000s	2014 £000s
Change in cash in the year	3 542	(34 431)
Repayment of bank loans	14 500	4 750
Repayment of hire purchase obligations	10,531	8,794
New bank loans	(12 000)	(14 242)
New hire purchase obligations	(11 672)	(9 119)
Changes in net debt arising from cash flows	4,901	(44 248)
Currency translation differences	(924)	472
Change in net debt	3,977	(43 776)
Opening net (debt)/cash	(21 439)	22 337
Closing net debt	**(17,462)**	**(21,439)**

Company	2015 £000s	2014 £000s
Change in net cash in the year	(178)	121
Repayment of bank loans	14,500	4 750
New bank loans	(8 500)	(14 250)
Change in net debt	5 822	(9 379)
Opening net (debt)/cash	(9 262)	117
Closing net debt	**(3,440)**	**(9,262)**

32 Financial instruments

Financial instruments by category

Set out below is a comparison by category of carrying amounts (which is considered to be the same as fair value in all cases) of all of the Groups financial instruments that are carried in the financial statements

Group **Assets as per balance sheet**	2015 £000s	2014 £000s
Loans and receivables		
Trade and other receivables	19,056	17 660
Cash at bank and in hand	12,749	9,065
	31,805	**26,725**

Group **Liabilities as per balance sheet**	2015 £000s	2014 £000s
At amortised cost		
Borrowings and loans	30 211	30 504
Trade and other payables	9 415	10 945
	39,626	**41,449**

Company **Assets as per balance sheet**	2015 £000s	2014 £000s
Loans and receivables		
Trade and other receivables	5 665	32 271
Cash and cash equivalents	60	238
	5,725	**32,509**

Company Liabilities as per balance sheet	2015 £000s	2014 £000s
At amortised cost		
Borrowings and loans	3,500	9,500
Trade and other payables	2 502	3 961
	6,002	**13,461**

33 Commitments

Capital commitments

The Group had £3 406 000 (2014 £2,948 000) of capital commitments for the purchase of property plant and equipment at the balance sheet date which had not been recognised in the financial statements

Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows

	Land and buildings		Other	
Group	2015 £000s	2014 £000s	2015 £000s	2014 £000s
No later than 1 year	3,055	3 012	656	890
Later than 1 but no later than 5 years	8,231	8 814	604	954
Later than 5 years	1,654	4 046	-	-
	12,940	**15,872**	**1,260**	**1,844**

The Company has no significant operating lease commitments

34 Discontinued operations

InvestinMedia Holdings Limited ("InvestinMedia") a subsidiary of the Company sold its investment in Complete Communications Corporation Limited ("Complete") on 20 December 2006 The buyer of Complete pursued legal action in the United States against Disney on behalf of InvestinMedia and other vendors This legal action concluded in the year ended 30 September 2013 and the Group has received its share of the Disney litigation award Cash received was £50 6m although this was reduced by estimated tax liabilities of £4 1m and indemnities of £1 0m offset by a net credit of £0 2m in relation to professional fees resulting in a profit on discontinued operations of £45 7m As a result of further refinement of the tax base cost on the associated chargeable gain the Group s estimated tax liability was reduced by £1 2m in the prior period In the current period a credit of £1 1m to operating expenses was recognised primarily due to the release of indemnities

The consolidated income statement and consolidated cash flow statement include the following amounts in relation to discontinued operations

Consolidated income statement	2015 £000s	2014 £000s
Revenue	-	-
Operating expenses	1 072	-
Tax expense	-	1 192
Profit on discontinued operation, net of tax	**1,072**	**1,192**
Consolidated cash flow statement		
Operating activities	-	(1 144)
Cash used in by discontinued operations	**-**	**(1,144)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2015

34 Discontinued operations (continued)

Factors affecting the taxation charge

The taxation charge on discontinued operations for the year is lower than (2014 lower than) the standard rate of corporation tax in the UK (20 5%) (2014 22%) The differences are explained below

	2015 £000s	2014 £000s
Profit on discontinued operations before tax	1,072	-
Tax calculated at standard rate of UK corporation tax of 20 5% (2014 22%)	220	-
Prior period adjustments	-	(1,192)
Business disposal profits taxable as chargeable gains	(203)	-
Income not taxable for tax purposes	(17)	-
Income tax charge/(credit)	**-**	**(1,192)**

35 Return of cash and buy-back agreement

Return of cash
The Company returned £28 5m of the net cash receipt from the Disney litigation funds to shareholders by way of a B & C Share Scheme (the "Return of Cash" or "Scheme) On 24 January 2014 10,992,850 B shares and 14 958 700 C shares were allotted to shareholders through the capitalisation of the share premium reserve On 24 January 2014 the Company redeemed the B shares for £1 10 per share totalling £12 1m and a dividend of £1 10 per share was declared on each C share totalling £16 4m Following redemption of the B Shares, all of the B Shares were then cancelled Following the declaration of dividend on the C shares these shares became deferred shares which carried no rights to participate in the profits of the Company or a return of capital The deferred shares were purchased by the Company for an aggregate sum of 1p, and cancelled None of the B shares C shares and deferred shares were admitted to trading on AIM or admitted to listing or trading on any recognised investment exchange

Buy-back agreement
The Company and Taya Communications Ltd ("Taya") entered into a Buy-back agreement on 23 December 2013 pursuant to which the Company bought back from Taya 7 584 724 ordinary shares of the Company, out of Taya s total holding of 7 784 878 ordinary shares at a price of 124p per ordinary share on 5 February 2014 leaving Taya holding a balance of 200 154 ordinary shares representing 1 09% of the total voting rights of the Company as reduced by the cancellation or transfer to treasury of the Buy-back Shares The price payable for the Buy-back Shares represented a five percent premium over the average closing mid-market price per ordinary share for the forty-five business day period ending on 17 December 2013, being the latest practicable date prior to the date of the release of the Company's Preliminary Results less the amount of 110 pence (being the cash entitlement payable per Buy-back Share under the Return of Cash) The total consideration payable was £9 4m plus legal and professional fees of £0 4m Of the 7 584 724 ordinary shares brought back from Taya 5 539 149 were cancelled immediately and the balance transferred to treasury leaving 2 095 475 shares held in treasury as at 30 September 2014 As at 30 September 2015 1 877 318 shares were held in treasury

36 Contingent liabilities

Contingent liabilities
InvestinMedia Holdings Limited ("InvestinMedia") a subsidiary of the Company, sold its investment in Complete Communications Corporation Limited ("Complete") on 20 December 2006 In connection with the sale InvestinMedia and other vendors gave certain warranties and indemnities to the buyer So far as the Company is aware, no legal claims have been brought against any company in the Complete group that are outstanding and would give rise to liability on the part of InvestinMedia and other vendors under the warranties and indemnities

37 Related party transactions

Group
The Group has taken advantage of the exemption available under IAS 24 Related party disclosures not to disclose transactions and balances between Group entities that have been eliminated on consolidation

Other than the Directors of the Company the Group does not have any further individuals classified as key management as per IAS 24 Details of the Directors remuneration are set out on pages 23 to 25 These details form part of the financial statements

The Directors of the Company have had awards under the LTIP scheme (see note 27) The fair value attributable to the Directors' portion of the LTIP awards in the year ended 2015 is £9,000 (2014 £54 000)

During the year Creative Technology Ltd a 100% owned subsidiary of the Group had sales of £nil (2014 £1,114,916) relating to hire of equipment with Sports Technology Ltd an associated undertaking of the Group prior to its acquisition as a subsidiary on 7 November 2014 Sports Technology Ltd owed Creative Technology £21 000 at 30 September 2015 (2014 £810 000)

Mr J Crump, son of Mr D Crump, a director of the Group, was employed on standard contract terms by Creative Technology – Emirates LLC and Presteigne Ltd (2014 Presteigne Ltd), a 100% owned subsidiary of the Group during the year

Mr J Andrews, son of Mr G Andrews, a director of the Group, was employed on standard contract terms by Creative Technology Group, Inc, a 100% owned subsidiary of the Group during the year

Mr B Ramsey step-son of Mr G Andrews, a director of the Group was employed on standard contract terms by Creative Technology Group, Inc a 100% owned subsidiary of the Group during the year

Company
During the year the Company paid management fees to subsidiaries of £27 000 (2014 £34,000) Additionally the Company received interest of £1 547,000 (2014 £1 737,000) and paid interest of £198 000 (2014 £nil) to subsidiaries

At the year end balances due from subsidiaries to the Company amounted to £5 655 000 (2014 £32 262 000) and due to subsidiaries from the Company amounted to £2 502 000 (2014 £3 961 000)

The Company is a member of the Avesco value added tax group and is a party to the cross guarantee arrangements that the Group has in respect of its UK borrowings with HSBC Bank Plc The total Group borrowings as at 30 September 2015 are £14 854 000 (2014 £16 848 000)

The Company is also party to the cross guarantee arrangements that the Group has in respect of its hire purchase obligations The total Group hire purchase commitments as at 30 September 2015 are £15 345,000 (2014 £13 559 000)

38 Acquisition

On 7 November 2014 Sports Technology Ltd, an associate of the Group, repurchased 40 of its own shares from Delta Sound Incorporated (UK) Ltd for £109,578 The shares were cancelled immediately following their repurchase The Group now holds 66 67% of the issued share capital of Sports Technology Ltd which is therefore a subsidiary of the Group

The exercise to determine the fair value of the identifiable assets acquired and liabilities assumed was completed during the period and the amounts recognised are as follows

Recognised amounts of identifiable assets acquired and liabilities assumed	Book Value £000s	Fair Value £000s
Property plant and equipment	1	1
Intangible assets	1	1
Trade and other receivables	86	86
Cash and cash equivalents	634	634
Trade and other payables	(339)	(339)
Current tax liabilities	(243)	(243)
Identifiable net assets acquired	**140**	**140**
Non-controlling interest in Sports Technology Limited		(47)
Goodwill		7
		100

Consideration

Fair value of equity interest in Sports Technology Limited	100
	100

Goodwill of £7 000 has been charged to the consolidated income statement on the basis that it is immaterial

Sports Technology Limited recognised revenue of £4 089 000 and a profit after tax of £1 148 000 for the year ended 30 September 2015 Since the date of acquisition Sports Technology Limited has recognised revenue of £4 080 000 and a profit after tax of £1 182 000

39 Post balance sheet event

On 12 January 2016 the Group announced that its subsidiary Fountain Television Limited ("Fountain") entered into an agreement to sell the freehold land and buildings at its television studios in Wembley to Quintain Wembley Fulton Road Limited for a cash consideration of £16 million At the same time Fountain has agreed with effect from completion of the sale to enter into a lease back of the premises from the buyer at a nominal rent for a term of five years The lease will be capable of termination by either party on not less than six months notice expiring no earlier than 31 December 2016

The sale of the premises is likely to lead to the closure of the Fountain Studios business in Wembley and Fountain will therefore commence a consultation process with its staff During the year ended September 2015 Fountain reported revenues of £5 6m and a loss before tax (and before impairment) of £0 4m At the end of its lease of the premises, the plant and equipment owned by Fountain will be moved or sold and in anticipation of these eventual disposals, an impairment charge of £1 3m has been recorded in exceptional items for the year ended 30 September 2015

Once the net book value of the land and buildings plus tax and other additional costs are taken into account it is estimated that a profit of approximately £7m in relation to the Fountain transaction will be reported in the accounts for the year ending 30 September 2016

NOTICE OF MEETING

NOTICE is hereby given that the thirty second Annual General Meeting (the "Meeting") of Avesco Group plc (the "Company") will be held at Unit E2, Sussex Manor Business Park, Gatwick Road Crawley, Sussex RH10 9NH on Tuesday 29 March 2016, at 10 00 a m for the following purposes

Ordinary business

1 To receive the Report of the Directors and the Accounts for the year ended 30 September 2015, together with the Report of the auditors

2 To approve the Directors Remuneration Report for the year ended 30 September 2015

3 To declare a final dividend on the ordinary 10p shares of the Company of 5p per share

4 To re-elect D A Crump, who retires by rotation pursuant to Article 87 1 of the Company's Articles of Association and who, being eligible, offers himself for re-election as a Director

5 To re-appoint the auditors Ernst & Young LLP, as auditors of the Company to hold office from the conclusion of the Meeting until the conclusion of the next general meeting at which accounts are laid before the Meeting

6 To authorise the Directors to determine the auditors remuneration

Special business

To consider and if thought fit to pass the following resolutions of which Resolution 7 will be proposed as an ordinary resolution and Resolutions 8 and 9 as special resolutions

7 THAT the Directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into shares in the Company up to an aggregate nominal amount of £698,491 00 This authority shall expire (unless renewed, varied or revoked by the Company in General Meeting) at the later of 29 March 2017 or the conclusion of the next Annual General Meeting of the Company except that after the date when it expires the Directors may use this authority to allot relevant securities in accordance with the terms of any offer or agreement made by the Company before that date All authorities previously conferred under Section 551 of the Act shall be revoked to the extent unused

8 THAT the Directors be and they are hereby empowered pursuant to section 570 and section 573 of the Act subject to the passing of Resolution 7 set out in the notice of this Meeting to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority given by the said Resolution as if section 561(1) of the Act did not apply to any such allotments or transfers provided that this power shall be limited to the allotment or transfer of equity securities

(i) in connection with or which are the subject of an offer or invitation, open for acceptance for a period fixed by the Directors to holders of ordinary shares of 10p each and such other equity securities of the Company as the Directors may determine on a fixed record date in proportion (as nearly as may be) to their respective holdings of such securities or in accordance with the rights attached thereto (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements that would otherwise arise or legal or practical problems under the laws or requirements of any regulatory body or any stock exchange in any territory) and

(ii) (otherwise than pursuant to sub-paragraph (i) above) up to an aggregate nominal value of £209 547 00

and shall expire at the conclusion of the next Annual General Meeting of the Company following the date of passing of this Resolution or 15 months from the date this Resolution is passed whichever is the earlier except that after the date when it expires the Directors may use this authority to allot such equity securities in accordance with the terms of any offer or agreement made by the Company before that date All authorities previously conferred under Section 561 of the Act shall be revoked to the extent unused provided that such revocation shall not have retrospective effect

9 THAT the Company be and is hereby generally and unconditionally authorised pursuant to and in accordance with section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of up to an aggregate of 2 095,475 ordinary shares of 10p each in its capital ("shares") in such a manner and on such terms as the Directors may from time to time determine and may hold them as treasury shares provided that

(a) the minimum price (exclusive of expenses) which may be paid for each share is 10p

(b) the maximum price (exclusive of expenses) which may be paid for each share is not more than an amount equal to 105 per cent of the average of the middle market quotations of such shares derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date of purchase of the shares

(c) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or 18 months from the date this Resolution is passed whichever is the earlier unless such authority is revoked varied or renewed by the Company in general meeting prior to such time, and

(d) the Company may prior to the expiry of the authority hereby conferred enter into a contract to purchase shares which will or may be completed or executed wholly or partly after such expiry, and may purchase shares pursuant to such contract

BY ORDER OF THE BOARD

Nicholas Conn
12 January 2016
Secretary

Registered Office
Unit E2
Sussex Manor Business Park
Gatwick Road
Crawley
Sussex RH10 9NH

NOTES

1 A member entitled to vote at the Meeting is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the Meeting The proxy need not be a member of the Company A form of proxy is enclosed with this Notice for use at the Meeting If a member appoints more than one proxy to attend the Meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member If a member wishes to appoint more than one proxy and so requires additional proxy forms the member should contact the registrars of the Company, Capita Asset Services, by telephone on 0871 664 0300 Calls cost 12p per minute plus your phone company's access charge If telephoning from overseas, please call +44 208 639 3399 Calls from outside the United Kingdom will be charged at the applicable international rate Lines are open between 09 00 - 17 30, Monday to Friday excluding public holidays in England and Wales

2 To be valid, the form of proxy (together with the power of attorney or other authority if any, under which it is signed or a notarially certified copy of such power or authority) must be deposited at or posted to or otherwise received by the office of the registrars of the Company Capita Asset Services, PXS1, 34 Beckenham Road Beckenham, BR3 4ZF to be received not less than 48 hours (Saturdays, Sundays and public holidays excluded) before the time fixed for the Meeting or any adjournment thereof Alternatively, a member may appoint a proxy electronically by following the procedure set out in the form of proxy Completion and return of the form of proxy will not preclude shareholders from attending or voting at the Meeting in person

3 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited s specifications and must contain the information required for such instructions as described in the CREST Manual The message regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified above For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions It is the responsibility of the CREST member concerned to take or, if the CREST Member is a CREST personal member or sponsored member or has appointed a voting service provider(s) to procure that his CREST sponsor or voting service provider(s) take(s), such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time In this connection, CREST members and where applicable, their CREST sponsors or voting service providers are referred in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings

4 The Company specifies, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 that only those shareholders registered on the register of members of the Company as at 6 00pm on 23 March 2016 (or if the Meeting is adjourned at 6 00pm on the day two days prior to the adjourned meeting (Saturdays Sundays and public holidays excluded) shall be entitled to attend or vote at the Meeting in respect of the number of shares registered in their name at that time Changes to entries on the register of members after 6 00pm on 23 March 2016 shall be disregarded in determining the rights of any person to attend and vote at the Meeting

5 If the Chairman, as a result of any proxy appointments is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority As a result any member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules need not make a separate notification to the Company and the Financial Conduct Authority

6 The following documents are available for inspection by members at the registered office of the Company on weekdays (Saturdays Sundays and public holidays excluded) during normal business hours and will be available at the place of the Meeting from not less than 15 minutes before the Meeting to its conclusion

(i) copies of the Directors' contracts of service and letters of appointment, and

(ii) a copy of the Company's articles of association

7 If you have sold or otherwise transferred all of your ordinary shares please forward this document together with the accompanying form of proxy at once to the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee

8 Important notice to holders of bearer share warrants You will not be entitled to attend or vote at the Annual General Meeting unless your Share Warrant is converted to registered form by lodging it with the Company Secretary not later than 10 00am on 22 March 2016

9 A corporate member may appoint one or more corporate representatives to act as its representative Corporate representatives have the same rights to attend and vote at the Meeting as the shareholder that appointed them could have exercised if it were an individual member (provided, in the case of multiple corporate representatives of the same corporate shareholder they are appointed in respect of different shares owned by the corporate shareholder or, if they are appointed in respect of those same shares they vote those shares in the same way) To be able to attend and vote at the Meeting corporate representatives will be required to produce prior to their entry to the Meeting evidence satisfactory to the Company of their appointment Corporate shareholders can also appoint one or more proxies in accordance with Notes 1 and 2 and if relevant Note 3 above Please note, however that if multiple corporate representatives purport to vote the same block of shares in different ways, they will be treated as not having voted

NOTICE OF MEETING
NOTES

Information on the resolutions to be proposed at the Annual General Meeting

Resolution 1 – To receive the report and accounts
The Directors will present the report and accounts of the Company for the year ended 30 September 2015 together with the auditors' report on the annual report and accounts

Resolution 2 – To approve the Directors' Remuneration Report
The Directors will present for approval the Directors' Remuneration Report for the year ended 30 September 2015, which appears on pages 21 to 22 of the annual report and accounts

Resolution 3 – To declare a final dividend
Payment of the final dividend of 5p per ordinary share, as recommended by the Directors, is subject to the approval of shareholders

Resolutions 4 – Re-election of Directors
In accordance with the Articles of Association of the Company, at each AGM one third (or the number nearest to but not greater than one third) of the Directors must retire and stand for re-election Accordingly, Mr Crump will retire at the AGM and stand for re-election Brief biographical details of the Director seeking re-election, are set out on page 20 Mr Crump has a contract with the Company which is capable of termination on not less than 12 months' notice

Resolutions 5 and 6 – Reappointment and Remuneration of Auditors
Resolution 5 is a resolution to reappoint Ernst & Young LLP as the Company's auditors Resolution 6 is to authorise the Directors to determine the auditors' remuneration

Resolution 7 - Authority to allot shares
The authority given to the Directors to allot further shares in the capital of the Company requires the prior authorisation of the shareholders in General Meeting under Section 551 Companies Act 2006 Upon the passing of Resolution 7, the Directors will have authority to allot up to 6,984 910 ordinary shares of 10p each which is approximately 33 per cent of the current issued share capital This authority will expire on the later of 29 March 2017 or the conclusion of the next Annual General Meeting of the Company The Directors have no present intention of exercising this authority

Resolution 8 - Disapplication of pre-emption rights
The passing of Resolution 8 will give the Directors authority under Section 561 Companies Act 2006 to allot for cash, up to 2,095,470 shares of 10p each (being approximately 10 per cent of the current issued share capital) without being required first to offer such securities to existing shareholders in accordance with the statutory pre-emption rights This authority will expire 15 months from the date of the passing of the Resolution or, if earlier, at the conclusion of the next following Annual General Meeting of the Company This authority will also extend to any subsequent sale of equity securities which have been held in treasury The limits, which apply to this authority will apply as a total to all and any allotments of shares and sales of treasury shares pursuant to this authority

The Resolution will give the Company greater flexibility when considering future opportunities A limit of 10 per cent of the issued share capital is considered appropriate having regard to the disproportionate level of costs that may be incurred by the Company in the case of a pre-emptive issue of less than 10 per cent and is consistent with market practice on AIM However, the interests of existing shareholders will be protected as, except in the case of an issue to shareholders (or sale of treasury shares) in proportion to shareholdings or the allotment of shares under (or transfer of treasury shares pursuant to) the Company's employee share schemes, the proportionate interests of shareholders cannot without their consent be reduced by more than 10 per cent by the issue for cash of new shares or sale of treasury shares Other than as may be required under the Company's employee share schemes the Directors have no present intention to allot any part of the unissued share capital of the Company or, without the prior approval of the Company in general meeting, to make any issue which would effectively alter the control of the Company or the nature of its business

Resolution 9 - Authority to purchase shares
The Articles of Association of the Company contain provision, with the authority of the shareholders, for the Company to make market purchases of its own shares It is proposed that the Company be authorised to purchase up to approximately 10 per cent of its issued share capital subject to the limitations set out in Resolution 9 It is the intention of the Directors only to exercise the authority if satisfied that to do so would result in an increase in earnings per share and would be in the best interests of the shareholders generally The Directors have no present intention to make any such purchase

Following the introduction of the Company (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 certain listed companies can, subject to certain restrictions, hold up to 10 per cent of their own shares acquired by way of market purchase in treasury, rather than cancelling them The Company would consider holding any of its own shares which it purchases pursuant to the authority conferred by this Resolution as treasury shares This would allow the Company to sell shares out of treasury, providing the Company with the ability to replenish its distributable reserves No dividends will be paid on any shares held in treasury and no voting rights will attach to such shares It would also be possible for the Company to transfer shares out of treasury pursuant to an employee share scheme

AVESCO GROUP PLC

FORM OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING TO BE HELD AT

UNIT E2, SUSSEX MANOR BUSINESS PARK, GATWICK ROAD, CRAWLEY, SUSSEX RH10 9NH AT 10 00 AM ON 29 MARCH 2016

Please read the Notice convening the Meeting and the accompanying notes carefully before completing this Form of Proxy

Shareholders may submit their proxy vote electronically via the Registrars website by visiting www capitashareportal com For further details refer to note (c) below For an electronic proxy to be valid your appointment must be received by the Company's registrars Capita Asset Services not less than 48 hours before the time fixed for the Meeting (Saturdays Sundays and public holidays excluded)

If your shares are held through CREST you may submit your proxy appointment via the CREST proxy voting system Please refer to Note (f) below and Note (3) to the Notice of Annual General Meeting

I/We

(Please use block capitals)

of

being (a) member(s) of Avesco Group plc (the "Company") HEREBY APPOINT the Chairman of the Meeting or

	•

to act as my/our proxy to exercise all or any of my/our rights to attend speak and to vote in respect of my/our voting entitlement on my/our behalf as indicated below at the Annual General Meeting of the Company to be held on 29 March 2016 and at any adjournment thereof

☐ Please tick here if this proxy appointment is one of multiple appointments being made

• For the appointment of more than one proxy please refer to Note (d)

Please indicate with an 'X' in the spaces below how you wish your votes to be cast in respect of each of the resolutions which are set out in the Notice convening the Meeting If you wish your proxy to cast only certain votes for and certain votes against insert the relevant number of shares in the appropriate box below The "Withheld" option is to enable you to instruct your proxy to abstain from voting on a particular resolution A vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" a resolution If no specified direction as to voting is given the proxy will vote or abstain as he/she thinks fit

Resolutions	For	Against	Withheld
1 To receive the Report and Accounts	☐	☐	☐
2 To approve the Directors' Remuneration Report	☐	☐	☐
3 To declare a final dividend	☐	☐	☐
4 To re-elect Mr D A Crump as a Director	☐	☐	☐
5 To re-appoint Ernst & Young LLP as auditors	☐	☐	☐
6 To authorise the Directors to determine the auditors remuneration	☐	☐	☐
7 To authorise the Directors to allot relevant securities	☐	☐	☐
8 To disapply pre-emption rights	☐	☐	☐
9 To authorise the Company to make market purchases of its own shares	☐	☐	☐

I/We authorise my/our proxy to act at his/her discretion in relation to any other business arising at the Meeting (including any resolution to adjourn the Meeting)

Dated this day of 2016

Signature

Notes

(a) As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend speak and vote at the Meeting on your behalf You should appoint a proxy using the procedure set out in these Notes

(b) To be valid this form duly completed and signed (together with the power of attorney or other authority if any under which it is signed or a notarially certified copy of such power or authority) must be deposited at or posted to the office of the Company's registrars Capita Asset Services PXS1 34 Beckenham Road Beckenham BR3 4ZF to be received not less than 48 hours before the time fixed for the Meeting (Saturdays Sundays and public holidays excluded)

(c) Shareholders may submit their proxy vote electronically via the Registrars' website by visiting www capitashareportal com From there shareholders can log in to their Capita share portal account or register for the Capita share portal by following the on screen instructions You may not use any electronic address provided in this form of proxy to communicate with the Company for any purpose other than those stated

(d) You are entitled to appoint more than one proxy provided that each proxy is appointed to exercise rights attached to a different share or shares held by you You may not appoint more than one proxy to exercise rights attached to any one share To appoint more than one proxy (an) additional Form(s) of Proxy may be obtained by contacting the Registrars by telephone on 0871 664 0300 or you may photocopy this form Calls cost 12p per minute plus your phone company's access charge If telephoning from overseas please call +44 208 639 3399 Calls from outside the United Kingdom will be charged at the applicable international rate Lines are open between 09 00 - 17 30 Monday to Friday excluding public holidays in England and Wales A proxy need not be a member of the Company but must attend the Meeting to represent you If you wish to appoint as a proxy a person other than the Chairman of the Meeting please delete the words "Chairman of the Meeting" and insert the full name of the other person in the box provided on this Form of Proxy If you sign and return this Form of Proxy with no name inserted in the box, the Chairman of the Meeting will be deemed to be your proxy Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this Form of Proxy has been issued in respect of a designated account for a shareholder the full voting entitlement for that designated account) All forms must be signed and should be returned together in the same envelope

(e) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), entitlement to attend and vote at the Meeting and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company at 6 00pm on the day which is two days before the day of the Meeting or adjourned meeting (Saturdays Sundays and public holidays excluded). Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the Meeting

(f) CREST members wishing to appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system must ensure that in order for such CREST Proxy Instruction to be effective, it is received by the issuer's agent (ID number RA10) not less than 48 hours before the time fixed for the Meeting or any adjournment thereof (Saturdays Sundays and public holidays excluded), together with any power of attorney or other authority under which it is sent For further information relating to the CREST proxy system please refer to the CREST manual and the notes to the Notice convening the Meeting

(g) Any alteration made in this form must be initialled by the signatory

(h) If you submit more than one valid proxy appointment in respect of the same share or shares, the appointment received last before the latest time for the receipt of proxies will take precedence If the Company is unable to determine which was received last, none of the proxy appointments in respect of that share or shares shall be valid

(i) If the appointor is a corporation, this form must be executed under its common seal or under the hand of an officer or attorney duly authorised on its behalf

(j) In the case of joint holders a vote of the senior joint shareholder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other holder or holders of the share(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members

(k) Completion and return of this form does not preclude the shareholder from attending the Meeting and voting in person

(l) **Important notice to holders of bearer share warrants** You will not be entitled to attend or vote at the Annual General Meeting unless your Share Warrant is converted to registered form by lodging it with the Company Secretary not later than 10 00am on 22 March 2016

FOLD 3

BUSINESS REPLY PLUS
Licence Number
RLUB-TBUX-EGUC

2

FOLD 1

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FOLD 2

FOLD 4

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