ONE MEDIA iP Group Plc

Company Information

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

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Executive Chairman's Statement
For the year ended 31 October 2015

I have read with interest that using words like "challenging" and "new opportunities" seems to be every Chairman's mantra when faced with change in a downward direction. Rarely do they 'bang the drum' when reporting negative growth. Investors in One Media will know that I have a significant shareholding and that I am completely motivated to keep One Media a viable investment concern. Reporting, as I must, a drop in our revenues and profit is not taken lightly by me.

So what is going on?

Jargon aside, our content is not meeting its market potential for two reasons. The first I spoke about at length in my 2014 Chairman's Statement outlining the history of the music industry including the shift from downloading to streaming. Let me clarify this situation. When a consumer purchases a track on a 'download' basis they keep the track. It is held on their device and can be played anytime anywhere. The track is effectively theirs for all time. When a consumer 'streams' a track it is only available for as long as the consumer subscribes to their chosen streaming site. Stop subscribing and the music is no longer available to them. A 'download' site charges anything from thirty-five pence to over a pound per track. A streaming store provides access to all music available from 'free with adverts' to over ten pounds per month for unlimited access of music access and no adverts.

For the first eight years of One Media's business 'downloading' was the dominant format for music consumption. That model (downloading) is changing and shifting to 'streaming'. We are not alone in feeling this shift, the whole industry must face this change. The financial ramifications during the shift are beginning to be felt as revenues decreased by 13% this year. Currency exchange rates have affected operating profits, with a £95,000 charge adding to this years decline in profitability by 30%.

Long term, as I have stated, 'streaming' will benefit our style of content as more users join the streaming system of music listening and explore further nostalgic music. They will add legacy content to their 'playlists', which ordinarily they would have not necessarily chosen to buy as a download. It's about destination shopping versus impulse purchase. I see streaming as impulse and downloading as destination. Most consumers who have made the switch widen their musical libraries as their monthly subscription allows an almost unlimited stream of tracks. Now the eventual benefit of streaming is that content holders receive money every time the track is played on a device. So over time content holders are receiving a continual royalty. You could liken this to a lifetime annuity policy as opposed to an upfront lump-sum.

The second reason for a downturn in our revenue is the approach by some of the digital stores to 'artist & repertoire' selection, which favours front line chart and major back-catalogue with little room for certain 'indies' style of content. Previously content owners had *carte blanche* to upload their entire content offerings. Now many digital stores make selections from their content owners instead. This is limiting selection in-line with their new marketing initiatives. Currently leading digital stores want to be cool. After all when was the last time you saw a TV commercial for Apple or Spotify that was aimed at the SAGA set. Music is music, there are no new hits from the 50s 60s, 70s or the 80s, it's a definitive collection. The first green shoots of an increase in streaming income to the Group comes in the form of YouTube and Google Play. Growth with these stores accounted for very little in the past but is set to lead the march.

The Group continues to examine its content acquisition strategy but only in line with the changing market requirements. We are expanding our '*neighbouring rights'* exploitation with an increase in the Group's presence in this sector. Neighbouring rights are the rights related to the public performance of master recordings. In order for a recording to be legally performed in public, a licence must be obtained from the owner of the sound recording. This is typically handled through a neighbouring rights organisation such as Phonographic Performance Limited (PPL) in the UK. Our content has been increasingly used within the film industry and as background music on radio. The acquisition of the Point Classics library is beginning to get traction here with our classical music being used in shows and films such as 'The Good Wife', 'Orange Is The New Black' and 'Minions'.

Executive Chairman's Statement
For the year ended 31 October 2015
Review of Activities – continued

YouTube is continuing to grow for the Group as we create multiple YouTube Channels for 'licensed in' and Group owned content. Current viewings to date exceed 1.6 billion hits to the Group's video content. This is purely monetised via the Advertiser Funded Programming (ad-funded) method. The monetisation to the Group is achieved from YouTube's algorithmic data programs, matching viewer's particular interests on content with their Google searches on services or products. So if you search Holidays in Caribbean, chances are you will get Caribbean holiday adverts targeted at you whilst watching your chosen content on YouTube. Our in-house trained Creative Technicians have all undergone the YouTube annual accreditation process and the Group is confirmed as an official YouTube Certified Partner.

I have mentioned previously our in-house developed software for content discovery, known as TCAT (Technical Copyright Analysis Tool) which is now a registered trademark. The software searches legitimate digital stores and reports back on where globally and by whom our content is being exploited. The system has greatly assisted our in-house copyright team find the Group's content being offered for sale by unlicensed vendors. This has led to your Group enforcing its rights with Digital Stores and the removal from sale of unauthorised content and a call for accounting where appropriate. This tool is now being trialled as a service by the Group with several of the major record labels. If successful, this will become a regular service, on offer to the industry at large. TCAT's first success was providing the information that led to the successful judgement in the USA against copyright infringers resulting in the award of $781,846 in favour of the Group in September 2015. The award has not been recognised in the financial statements for the financial year ending 31 October 2015 as there is uncertainty as to when the monies will be received. Our American lawyers continue to seek collection of this judgement via the Courts.

As our route to market matures and we expand our expertise into technical services we remain strong in our conviction that content and digital delivery and discovery services will combine to see the Group expand and get ahead of the digital curve. We are cash resourced and are cautious investors that remain profitable albeit challenged by the changes in the market. We are in transition, which will continue with disruptive results whilst the market realigns.

Financial Overview

This has been, as predicted, a difficult year for our industry and as a consequence we have seen our revenue fall by 13.1% to £2,519,330 (2014: £2,900,090). Despite the decline in revenue we have been able to hold our gross margins at 51.3%, only 0.4% behind 2014.

EBITDA, calculated on profit from continuing activities before interest, tax, depreciation and amortisation, fell by 17.7% £670,804 (2014: £827,794). Operating profit before tax is £445,312 (2014: £637,623), a 30.2% reduction on the prior year. Aware of the fall in revenue we have kept strict control on our overheads of £846,817 (2014: £861,814), achieving a reduction of £14,997 on the prior year. This was achieved despite incurring an increased foreign exchange loss of £95,608 (2014: £56,360). This demonstrates the operational leverage within our business whilst maintaining tight control of administrative costs.

A profit after tax attributable to equity shareholders of £356,738 is reported for the financial year. Substantially down from the £620,360 from 2014 due to the combined effects or the revenue fall, increased foreign exchange loss and the significant increase in Corporation Tax to £92,031 (2014: £21,913) The significantly reduced corporation tax provision of £21,913 in 2014 could not be repeated. In 2014 advantage had been taken to utilise the beneficial allowances given by HMRC resulting from the exercise of options and warrants by employees and directors. It was estimated that the full year corporation tax charge would have been £129,317 higher in 2014 if advantage had not been taken of these HMRC provisions.

At 31 October 2015, our cash position remained strong with a cash balance of £816,249 (2014: £1,219,466). Due to the uncertainties in our business, mentioned elsewhere in this report, we have been careful over the investment in content and rights with this year showing a spend of only £325,568, much reduced from the £1,576,463 for 2014. However, keeping faith with our long term investors, we have maintained our dividend policy with total dividends virtually unchanged at £100,647 (2014: £100,598).

Executive Chairman's Statement
For the year ended 31 October 2015
Review of Activities – continued

Financial Overview continued

We continue to operate a steady, considered approach with our acquisition programme. We will broaden our search for IP content, considering forums, avenues and methods of exploitation outside of the traditional music platforms. However we will not be pushed into making uneconomic acquisitions just to satisfy the desires of those who consider growth should be bought in at any cost.

Content and Rights Acquisition

Our content acquisition program has slowed in the last year as values of catalogues have, in our opinion, been overvalued given the current market shifts. I believe greater opportunities in value will be achieved moving forward as the market settles. Our own share price has reflected this downturn but value will 'out' and bargains will be had. We have, however, made two strategic acquisitions. The first being more classical content from AJP Records. The acquisition includes hours of popular classical music performed by the Royal Philharmonic Orchestra, traditional Christmas music from St. Paul's Cathedral, military marching music performed by H.M. Coldstream Guards and musical renditions of the Scottish Pipes & Drums.

The second deal with Tropicana Holdings which allows collection of the PPL income to over 3,000 music performances held within the catalogues and master rights affiliated to the Motor City, Northern Soul and High Energy Catalogues of music already owned by the Group. This deal further strengthens this catalogue's revenue bearing income stream. This acquisition of Neighbouring Rights income is likened to ground rents. The income stream is usually modest but is collected under statute in most territories worldwide. Every time a track is played anywhere in the world via a broadcast service or used to enhance a service or product, it triggers a payment which is ultimately reported to the label controlling such rights.

In May 2015 the Group announced it had filed proceedings in the USA pursuant to its belief that its music rights had been exploited without authorisation. The Nashville Court ruled in the Group's favour with regard to the actions by HHO Licensing Ltd, Henry Hadaway Organisation Ltd and Henry Hadaway personally. One Media was pleased to announce that this litigation was concluded. On 17 September 2015 the Federal Court in Nashville Tennessee issued a judgment in the sum of $781,846 USD against Henry Hadaway, HHO Licensing Ltd and Henry Hadaway Organisation Ltd (which includes costs of $9,929 USD) for the wilful infringement of 1,466 recordings from the Point Classics catalogue owned exclusively by One Media. The award has not been recognised in the financial statements for the financial year ending 31 October 2015 as there is uncertainty as to when the monies will be received. The Group is currently engaged in lawful pursuit of the monies granted it by the Nashville Court within the USA.

We were delighted to announce a new collaboration with The London Children's Ballet (LCB) which will see, for the first time, the digital release of their entire music and video library made available to over 600 digital stores such as Google Play, iTunes, Spotify & Deezer. Additionally, a dedicated commercial video channel has been established on YouTube. One Media is working with ballet experts to edit the shows and for the first time will show the LCB productions on a move by move basis from a 'demi-plie' to a 'pas de deux'. Carrie Reiners, Executive Director of The London Children's Ballet commented, *"We are thrilled to work with One Media iP to help us promote our vast creative output to a larger audience. For 21 years LCB has been a leader in creating new narrative ballets with original scores. This music is typically only heard in live performances and on DVD recordings, but now it will be accessible to all fans of classical and ballet music allowing us to grow our national and international footprint. LCB chose One Media iP for their expertise in the digital music industry, their talented and dedicated staff and for their strong commitment to the arts."*

We acquired the Doctor Who spin off drama 'DownTime', directed by Christopher Barry the longest serving director on the original series of Doctor Who. Downtime was originally released in 1995 direct-to-video by Reeltime Pictures Ltd and features many of the original characters of Doctor Who. The show is yet to make a digital debut as a distribution deal was struck between the Group and Koch Distribution to make the film available exclusively on DVD over the Christmas period.

Executive Chairman's Statement
For the year ended 31 October 2015
Review of Activities – continued

Content and Rights Acquisition continued

Synchronisation, the placing of music in films, TV shows and video, has seen an increasing number of 'tune placing' over the last year. We have been successful in placing music from our own library, and that of our strategic partners, in some high profile broadcast opportunities, including adverts for BMW and Toyota. From the world of TV and Film, we have had placings in the Minions Movie, a track in the American series 'Nashville' 'The Messengers', 'The Originals', 'Flash', 'Stereotypically You', 'Anitra's Dance', 'Looking' and a show on Fox/FX Networks called 'Wayward Pines' among many others. Monetising music through Film & TV is a strong way to get our content noticed and it assists in our digital exploitation opportunities via music stores, especially if the tracks are relatively unknown.

The Group released Mungo Jerry's exclusive new album 'Good Times, Some Hits & More Stuff' in June 2015, celebrating 45 years of 'In The Summertime'. Ivor Novello winner, Mungo Jerry (Ray Dorset) is famed for the global hit 'In the Summertime', which is estimated to have sold a staggering thirty million recordings and is now 'officially recognised as the most played summer song of all time.

One Media became exclusive distributor for Juliette Ashby, a singer-songwriter from London, Juliette has a beautifully soulful voice, which is put to great use with an irresistible mix of R&B, Reggae and Neo-Soul. Juliette was Amy Winehouse's best friend and is one of the co-narrators of the Oscar Nominated film 'Amy'. Currently both of her albums are distributed by the Group with a new album being released in 2016.

Men and Motors acquired from Granada/ITV in 2012 is gathering traction. The YouTube channel is receiving over 450,000 views a week and new clips are being added weekly. Additionally M&M attended the Geneva Motor Show and the Classic and Sports Car London Show at Alexandra Palace to both film new content and meet motor manufacturers in its initiative to establish closer links with the trade with a view to creating new content for its growing YouTube Channel. We are also pleased to announce that Men and Motors has signed a distribution deal with Haymarket Publishing to distribute its content via AOL for monetisation to the major news agencies. In addition we are actively seeking new terrestrial television opportunities with broadcasters with a view to get Men and Motors back on the small screen

Market Overview

The music market is experiencing considerable change once again. Apple Music gained 6.5 million paid subscribers after the initial free trial, with the latest data suggesting that there could now be over 10 million subscribers. This has clearly been enough to disrupt the iTunes model of downloading as few will pay for both. Spotify have reported 75 million users of which 20 million are paying subscribers, the balance on ad-funded monetisation. But what of YouTube with its impressive 1 billion users. The launch of its new subscription only music site YouTube Red will no doubt be a boost to our industry as it gains traction. And what of the new territories coming on line for all stores as they race for a larger digital footprint. Colombia became something of a buzzword for the international music industry. It is thanks to the country's booming domestic music market, with revenue from recorded music growing 44.5% in 2014, the second highest growth rate in the world behind Venezuela and Colombia's third successive year of double-digit growth. This is largely due to the new music services opening their doors for business as the globalisation of streaming takes effect. Deezer, Spotify and Google Play all have active services across many territories now. The same is happening in Africa, Asia and China as consumers legitimise their music consumption from 'shaky pirate sites' to 'ad-funded' legitimate sites. The Recording Industry in Numbers, a new report by IFPI, revealed that last year, global recorded music sales totalled $16.5 billion - an increase of 0.2% on 2014. It marked the first year of growth since 1999. Nine of the world's top 20 markets posted growth, although some major markets, including the UK, continued to decline.

Executive Chairman's Statement
For the year ended 31 October 2015
Review of Activities – continued

Employees

Our headcount as of the 31st October 2015 was 14 including all executive and non-executive directors and one technical consultant. The Group would like to thank all the directors and staff for their hard work during the year under review. The board will be undertaking a review to ensure that the correct skill sets are in place in line with the changing trends of the market

Outlook

Meeting the new demands of the Group, under the pressures of the changing industry, will be undertaken with a strategy that is being carefully crafted. We know we can expect further disruption to our revenues as we realign with the emerging digital streaming industry. We have both the reactive and proactive skills to deal with the content requirements and the technical skills developed in-house without the need for further funding. We are cautious investors and rapid responders and anticipate more challenges over the coming period as the market settles into its new monetisation regime. Our team is actively promoting our content with initiatives in broadcast and technical content discovery that will deliver value in the future. All of these opportunities require a strong commitment from the Group's team in the further exploitation within the new markets for our intellectual property. I am confident that we are equipped and experienced enough to make the tough decisions required, keeping the Group profitable and getting ahead of the digital curve.

Michael Infante JP
Chairman and CEO
24 February 2016

Report of the Directors
For the year ended 31 October 2015

The Directors present their annual report together with the audited Consolidated financial statements of the Group for the year ended 31 October 2015.

Principal activities

The principal activities of the Group throughout the year were the acquisition and exploitation of mixed media intellectual property rights including music, video, spoken word and digital books for distribution through the digital medium and to a lesser extent through traditional media outlets. The Group also licenses its music content for use in TV and film, advertising, video games and corporate websites. The Group is a B2B and B2C content supplier. The Group continues to believe that the creation of its own dedicated consumer website is not yet of interest as that is the primary activity of its major customers. The Group outsources the supply of its digital content to this market primarily through The Orchard, its strategic partner for digital music and spoken-word services, and for video product via YouTube and other emerging visual market places.

Directors

The following Directors held office during the year:
Michael Antony Infante JP
Scott Cohen
Nigel Smethers
Roman Poplawski

Directors and their interests

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

	Ordinary share of 0.5p each	
	At 31 October 2015	At 31 October 2014
	Nos	Nos
Michael Antony Infante JP	25,577,862	25,577,862
Nigel Smethers	1,343,371	1,343,371
Scott Cohen	500,000	500,000
Roman Poplawski	3,793,377	3,943,377

	Share Options in Ordinary share of 0.5p each	
	At 31 October 2015	At 31 October 2014
	at 2.75p each Nos	at 2.75p each Nos
Michael Antony Infante JP	500,000	500,000
Nigel Smethers	500,000	500,000
Scott Cohen	500,000	500,000
Roman Poplawski	500,000	500,000

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

Report of the Directors
For the year ended 31 October 2015 – continued

Directors and their interests continued

	Share Options in Ordinary share of 0.5p each	
	At 31 October 2015	At 31 October 2014
	at 9p each Nos	at 9p each Nos
Michael Antony Infante JP	500,000	-
Nigel Smethers	500,000	-
Scott Cohen	500,000	-
Roman Poplawski	500,000	-

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

Future Developments

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

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the Profit or Loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

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

Disclosure of information to auditors

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

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

Report of the Directors
For the year ended 31 October 2015 - continued

Auditors

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

On behalf of the Board

Michael Antony Infante JP
Director
24 February 2016

Corporate Governance Report
For the year ended 31 October 2015

Directors

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

Relation with shareholders

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

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

Internal control

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

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

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

Having served as Senior Statutory Auditor for five years, following the signing of the Consolidated financial statements for the year ended 31 October 2013, Alexander Peal BSc. (Hons) FCA DChA was due to rotate as engagement partner. Further to discussions with both the Executive Directors and the auditors, James Cowper Kreston, the Audit Committee agreed to the re-appointment of Alexander Peal BSc. (Hons) FCA DChA as Senior Statutory Auditor for a further two years in order to ensure continuity following the AIM flotation in April 2013. This extension is accordance with the guidelines on Auditors' ethical standards 3. Following the completion of the audit for the year ended 31 October 2015 and after the 2016 Annual General Meeting, when the accounts will be tabled for shareholder approval, Alexander Peal BSc. (Hons) FCA DChA will resign and an alternative Senior Statutory Auditor will be appointed.

Corporate Governance Report
For the year ended 31 October 2015 continued

Report on Remuneration

Directors' remuneration

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

Policy on Executive Directors' remuneration

The Remuneration Committee is chaired by Scott Cohen supported by Roman Poplawski, both of whom are Non-Executive Directors. The Remuneration Committee met with the Executive Chairman at the beginning of the financial year to discuss, and subsequently agreed, his recommendations for Executive Directors remuneration for the year

Remuneration of the Directors for the year ended 31 October 2015 is as follows:

	Fees and emoluments Year ended 31 October 2015	Fees and emoluments Year ended 31 October 2014
	£	£
Michael Antony Infante JP	119,359	115,344
Nigel Smethers	68,000	68,736
Roman Poplawski	63,045	53,353
Scott Cohen	22,720	21,116
	273,124	258,549

Bonuses and Performance Conditions

Included in the Fees and Emoluments for Michael Anthony Infante JP are taxable benefits in respect of Health Insurance of £3,494 (2014: £3,713), taxable benefit for a company car of £5,025 (2014: £4,712), attributable share option cost of £2,720 (2014: £2,889) and pension contributions of £2,120 (2014: £1,030). Michael Infante did not receive a bonus in the year (2014: £nil). Fees and Emoluments for Nigel Smethers include attributable share option cost of £2,720 (2014: £1,116) and pension contributions of £1,280 (2014 £670). Nigel Smethers did not receive a bonus in the year (2014: £nil). R Poplawski Fees includes £20,000 (2014: £20,000) for his role as Non-executive Director and £40,325 (2014: £32,000), in respect of his role as Business Affairs Adviser providing advice on legal and contractual matters, and £2,720 (2014: £1,353) attributable share option costs. S Cohen received £20,000 (2014: £20,000) for his role as non-executive director and £2,720 (2014: £1,116) attributable to share option costs.

Directors' contracts do not include any specific performance criteria but implicit within their terms of their engagements is that at all times they will seek to enhance shareholder value. Apart from share options granted there are no other specific long term incentive plans for any of the Directors. The Company received qualifying services from 4 (2014: 4) Directors under long term incentive qualifying schemes.

As a consequence of the Warrant sale and exercise on 10 April 2014 Michael Infante had a taxable gain of £496,689 and Nigel Smethers of £30,987 upon which Income Tax and National insurance was paid by them at their upper marginal rates. As a consequence of this exercise the Company and Group claimed Corporation Tax relief of £129,327 in the 31 October 2014 financial statements relating to these and other option exercises as disclosed in note 4.

Notice periods

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

Operating and Financial Review
For the year ended 31 October 2015

Business review and future developments

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

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

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

A dividend of £100,647 (2014: £100,598) was paid in the year.

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

Financial and non-financial key performance indicators

Cost of catalogue acquisition and number of tracks "ingested"
Management are continually searching to acquire additional music, video, spoken word and digital book catalogues to exploit through the digital medium and other routes to market. The costs of catalogue acquisition “ingestion” are constantly monitored to ensure that a safe and adequate return on investment is made. During the year £325,568 (2014: £1,576,463) was spent on catalogue and intangible asset additions.

Rate of commercialisation of licences and intellectual property
Measured by the growth in value and volume of digital revenues, license deals and sales contracts signed. During the year revenue fell to £2,519,330 (2014: £2,900,090) a 13.1% year on year decrease. Progress assessment includes regular updates on key partners, distribution outlets and market segments.

Overhead growth
Management closely monitors the growth in overheads, carefully balancing the need to reward people properly based on both performance and external market factors, and other overhead expenditure. Where a step change in overheads is predicted this must be justified in both financial and strategic terms. During the year overheads decreased to £846,817 (2014: £861,814) a 1.7% decrease.

Share price movements and changes in shareholders are constantly monitored as a major contributor to long term planning
The Board constantly review share price movements both for the impact of Regulated News Service announcements and trading in shares on the AIM Market. This indicator is a major contributor to medium and long term decisions.

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

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

Operating and Financial Review
For the year ended 31 October 2015 - continued

Business risks

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

Reliance on The Orchard – concentration of distribution risk
In the financial year ending 31 October 2015 approximately 70% (2014: 82%) of the Group's turnover was channeled via The Orchard, the distribution aggregator that the Group uses to sell its content to end-user download and streaming sites such as iTunes and Spotify. In the event that The Orchard agreement was terminated or that The Orchard ceased to operate, this could have a material impact on the Group's operations and profitability, whilst the Group changed its systems to work either with a new aggregator or trade directly with the end-user distribution sites.

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

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

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

Currency – revenues received in US$
In the financial year to 31 October 2015 approximately 81% (2014: 93%) of the Group's revenue was generated in US dollars, whilst the majority of the Group's costs are denominated in Sterling. The Group is therefore exposed to the US$/£ exchange rate and so any material adverse movement in this exchange rate can have a material financial impact on the Group.

Market dominance of Big 4
The Group operates in a market dominated by established traditional companies such as EMI, Universal, Warner and Sony (the "Big 4"). The Big 4 own or have the rights to a vast amount of content, a large amount of which may be similar to that owned or exploited by the Group. There is a risk that the Big 4 could exploit their recognised brands and use their marketing budgets to compete with the Group's targeted market, the consequence of which could lead to reduced sales and profitability for the Group.

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

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

Operating and Financial Review
For the year ended 31 October 2015 - continued

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

Financial risk management objectives and policies

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

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

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

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

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

Significant shareholding
Apart from the Directors' shareholdings above the Company has been notified that there are two holdings in excess of 3% of the issued share capital of the Company at 25 February 2016. Helium Special Situations Fund is holding 8.7 % (6,150,000 ordinary shares of 0.5p each) and Livingbridge (formerly ISIS EP LLP) 6.93% (4,925,000 ordinary shares of 0.5p each).

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

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

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

Operating and Financial Review
For the year ended 31 October 2015 - continued

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

Key accounting policies
Principal accounting policies are included on pages 22 to 28, including critical accounting estimates and judgements on page 26.

Cash flows
Full details of cash flows generated by the business are disclosed within the Consolidated Cash Flow Statement on page 21. The group generates sufficient cash flows through its ordinary operations, in combination with funds generated by company's listing on AIM, to achieve its objectives set out in the Executive Chairman's Report on pages 1 to 5.

Compliance
This statement has been prepared in accordance with ASB's 2006 Reporting Statement.

On behalf of the Board

Michael Antony Infante JP
Director
24 February 2016

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

We have audited the Consolidated financial statements of One Media iP Group Plc for the year ended 31 October 2015, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statement of Cash Flows and the related notes set out on pages 17 to 41. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted for use in 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/auditscopeukprivate.

Unqualified opinion on financial statements

In our opinion the financial statements:

- the financial statements give a true and fair view of the state of the Consolidated and of the Parent Company's affairs as at 31 October 2015 and of the Consolidated profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS adopted for use in the European Union; and
- 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
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Executive Chairman's Statement, Operating and Financial Review, Corporate Governance Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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.

Alexander Peal BSc. (Hons) FCA DChA (Senior Statutory Auditor)

24 February 2016

for and on behalf of
James Cowper Kreston

Chartered Accountants and Statutory Auditor
Reading Bridge House
George Stree
Reading, Berkshire
RG1 8LS

ONE MEDIA iP Group Plc

Registered Number: 05799897
Consolidated Statement of Comprehensive Income
For the year ended 31 October 2015

	Note	Year ended 31 October 2015	Year ended 31 October 2014
		£	**£**
Revenue	1	2,519,330	2,900,090
Cost of sales		(1,227,201)	(1,400,653)
Gross profit		1,292,129	1,499,437
Administration expenses		(846,817)	(861,814)
Operating profit	2	445,312	637,623
Finance income	3	3,457	4,650
Profit on ordinary activities before taxation	4	448,769	642,273
Tax expense		(92,031)	(21,913)
Profit for period attributable to equity shareholders		**356,738**	**620,360**
Basic earnings per share	7	**0.50p**	**0.91p**
Diluted earnings per share	7	**0.47p**	**0.83p**

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

The notes on pages 22 to 41 form part of these financial statements.

Registered Number: 05799897
Consolidated Statement of Changes in Equity
For the year ended 31 October 2015

	Share Capital	Share redemption reserve	Share premium	Share based payment reserve	Retained earnings	Total equity
	£	£	£	£	£	£
At 1 November 2013	**324,768**	**239,546**	**1,389,145**	**26,192**	**556,557**	**2,536,208**
Proceeds from the issue of new shares	28,750	-	63,750	-	-	92,500
Share based payment charge	-	-	-	10,615	-	10,615
Release from share based payment reserve	-	-	-	(15,592)	15,592	-
Profit for the year	-	-	-	-	620,360	620,360
Dividends	-	-	-	-	(100,598)	(100,598)
At 1 November 2014	**353,518**	**239,546**	**1,452,895**	**21,215**	**1,091,911**	**3,159,085**
Proceeds from the issue of new shares	1,750	-	4,750	-	-	6,500
Share based payment charge	-	-	-	22,282	-	22,282
Profit for the year	-	-	-	-	356,738	356,738
Dividends	-	-	-	-	(100,647)	(100,647)
At 31 October 2015	**355,268**	**239,546**	**1,457,645**	**43,497**	**1,348,002**	**3,443,958**

The notes on pages 22 to 41 form part of these financial statements.

As detailed in note 14 Share capital the following transactions were undertaken:

For the year ending 31 October 2014:

- On 4 November 2013 one employee exercised 500,000 options at 2.75p a share over ordinary shares of 0.5p each with a total of £13,750 raised as a result of this exercise.
- On 9 April 2014 an institution exercised their right to convert 1,800,000 1.5p warrants in ordinary shares of 0.5p each, bought from Michael Infante, and the Directors collectively exercised a further 3,450,000 1.5 p warrants in ordinary shares of 0.5p each. A total of 5,250,000 ordinary shares of 0.5p each were issued raising £78,750.

For the year ending 31 October 2015:

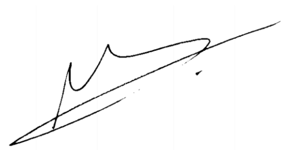
- On 12 May 2015 one employee exercised 100,000 options at 2.75p a share over ordinary shares of 0.5p each with a total of £2,750 raised as a result of this exercise.
- On 27 July 2015 one employee exercised their right to convert 250,000 1.5p warrants in ordinary shares of 0.5p each with a total of £3,750 raised as a result of this exercise.

Registered Number: 05799897
Consolidated Statement of Financial Position at 31 October 2015

	Note	At 31 October 2015	At 31 October 2014
		£	£
Assets			
Non-current assets			
Intangible assets	**8**	3,323,323	3,214,744
Property, plant and equipment	**9**	8,017	11,312
		3,331,340	3,226,056
Current assets			
Trade and other receivables	**11**	440,252	517,255
Cash and cash equivalents	**12**	816,249	1,219,466
Total current assets		1,256,501	1,736,721
Total assets		**4,587,841**	**4,962,777**
Liabilities			
Current liabilities			
Trade and other payables	**13**	1,143,883	1,803,692
Total liabilities		1,143,883	1,803,692
Equity			
Called up share capital	**14**	355,268	353,518
Share redemption reserve		239,546	239,546
Share premium account		1,457,645	1,452,895
Share based payment reserve		43,497	21,215
Retained earnings		1,348,002	1,091,911
Total equity		**3,443,958**	**3,159,085**
Total equity and liabilities		**4,587,841**	**4,962,777**

The notes on pages 22 to 41 form part of these financial statements.

The Consolidated Financial Statements were approved by the Directors on 24 February 2016 and signed on their behalf by:



Michael Antony Infante JP
Director

Registered Number: 05799897
Company Statement of Financial Position at 31 October 2015

	Note	At 31 October 2015	At 31 October 2014
		£	£
Assets			
Non-current assets			
Investments	10	493,817	493,817
Current assets			
Trade and other receivables	11	2,447,603	2,085,212
Cash and cash equivalents	12	110,771	268,945
Total current assets		2,558,374	2,354,157
Total assets		**3,052,191**	**2,847,974**
Liabilities			
Current liabilities			
Trade and other payables	13	21,325	25,900
Total liabilities		21,325	22,842
Equity			
Called up share capital	14	355,268	353,518
Share redemption reserve	15	239,546	239,546
Share premium account	15	1,457,645	1,452,895
Share based payment reserve	15	43,497	21,215
Retained earnings	15	934,910	754,900
Total equity		**3,030,866**	**2,822,074**
Total equity and liabilities		**3,052,191**	**2,847,974**

The notes on pages 29 to 41 form part of these financial statements.

The Company Financial Statements were approved by the Directors on 24 February 2016 and signed on their behalf by:

Michael Antony Infante JP
Director

Registered Number: 05799897
Consolidated and Company Cash Flow Statement
For the year ended at 31 October 2015

	Year ended 31 October 2015 Group	Year ended 31 October 2014 Group	Year ended 31 October 2015 Company	Year ended 31 October 2014 Company
	£	£	£	£
Cash flows from operating activities				
Operating profit before tax	448,769	642,273	280,657	281,885
Amortisation	216,989	170,254	-	-
Depreciation	8,503	19,917	-	-
Share based payments	22,282	10,615	22,282	10,615
Finance income	(3,457)	(4,650)	(765)	-
(Increase) in receivables	77,003	(35,802)	(362,391)	(665,785)
Increase/(decrease) in payables	(734,154)	416,742	(4,575)	3,058
Corporation tax paid	(17,686)	(103,275)	-	-
Net cash inflow from operating activities	18,249	1,116,074	(64,792)	(370,227)
Cash flows from investing activities				
Investment in intellectual property rights	(325,568)	(1,576,463)	-	-
Investment in property, plant and equipment	(5,208)	(4,790)	-	-
Finance income	3,457	4,650	765	-
Net cash used in investing activities	(327,319)	(1,576,603)	765	-
Cash flows from financing activities				
Proceeds from the issue of new shares	6,500	92,500	6,500	92,500
Share issue costs	-	-	-	-
Dividends paid	(100,647)	(100,598)	(100,647)	(100,598)
Net cash inflow(outflow) from financing activities	(94,147)	(8,098)	(94,147)	(8,098)
Net change in cash and cash equivalents	(403,217)	(468,627)	(158,174)	(378,325)
Cash at the beginning of the year	1,219,466	1,688,093	268,945	647,270
Cash at the end of the year	**816,249**	**1,219,466**	**100,771**	**268,945**

Principal Accounting Policies
For the year ended 31 October 2015

Basis of preparation

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

Basis of consolidation

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

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

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

Revenue

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

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

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

Commercial advances

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

Principal Accounting Policies
For the year ended 31 October 2015

Taxation

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

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

Intangible assets

Licences and other intangible assets
Licences and other intangible assets, including labour capitalised under IAS38 Intangible Assets, are valued at cost less accumulated amortisation. Capitalised labour represents costs incurred in "ingesting" products and the compilation of existing content into new and revised albums. Amortisation is calculated to write off the cost in equal amounts over the life of the licences and other intangible assets (between 24 months and 25 years). Licences and intangible assets are subject to annual impairment reviews.

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

Impairment intangible assets, property, plant and equipment

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

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

Principal Accounting Policies
For the year ended 31 October 2015

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

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

Financial assets

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

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

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

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

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

Cash and cash equivalents

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

Equity

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

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

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

Principal Accounting Policies
For the year ended 31 October 2015

Financial liabilities

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

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

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

Provisions, contingent liabilities and contingent assets

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

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

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

Property, plant and equipment

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

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

Principal Accounting Policies
For the year ended 31 October 2015

Property, plant and equipment - continued

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

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

Investment in subsidiary

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

Foreign currency

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

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

Operating segments

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

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

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions about the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are discussed below.

Business combinations

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

Principal Accounting Policies
For the year ended 31 October 2015

Impairment of assets

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

Internally generated intangible assets and software systems

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

Share option and warrant policy

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

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

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

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

Fair value is measured using the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral conditions.

Adoption of new or amended IFRS's

The Group has adopted the following revisions and amendments to IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Group's financial statements for the year beginning 1 November 2014.

- IFRS 10, IFRS 12 and IAS 27 Investment Entities - Amendments to IFRS 10, IFRS 12 and IAS 27
- IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
- IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets - Amendments to IAS 36*
- IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting - Amendments to IAS 39*
- IFRIC 21 *Levies*
- IAS 19 *Defined Benefit Plans: Employee Contributions - Amendments to IAS 19*

Principal Accounting Policies
For the year ended 31 October 2015

Adoption of new or amended IFRS's – continued

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

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

Effective 1 January 2016

- IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception - Amendments to IFRS 10, IFRS 12 and IAS 28*
- IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28*
- IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations - Amendments to IFRS 11*
- IFRS 14 *Regulatory Deferral Accounts*
- IAS 1 Disclosure Initiative - Amendments to IAS 1
- IAS 16 and IAS 38 - *Clarification of Acceptable Methods of Depreciation and Amortisation - Amendments to IAS 16 and IAS 38*

Effective 1 January 2018

- IFRS 15 *Revenue from Contracts with Customers*
- IFRS 9 Financial Instruments

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

Notes to the Consolidated Financial Statements
For the year ended 31 October 2015

1. Revenue

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

	Year ended 31 October 2015	Year ended 31 October 2014
	£	£
United Kingdom	169,056	124,878
North America and Canada	2,015,270	2,686,692
Europe	335,004	88,520
	2,519,330	2,900,090

The Group considers it has one business segment with all its Profit ultimately earned in the United Kingdom as shown in the Consolidated Statement of Comprehensive Income shown on page 17.

Included in revenues for the year ended 31 October 2015 it is estimated that £588,000 (2014: £927,000) from its largest ultimate customer and £392,000 from its second largest ultimate customer (2014: £605,000). Together these represent 38.9% (2014: 52.8%) of the total Group revenue for the year.

2. Operating profit

Operating profit is stated after charging:

Group	Year ended 31 October 2015	Year ended 31 October 2014
	£	£
Directors' remuneration	273,124	258,549
Amortisation of licences and other intangible assets	216,989	170,254
Depreciation of plant, property and equipment	8,503	19,917
Operating leases	48,557	50,207
Auditors' remuneration - audit fees	11,500	11,000
Auditors' remuneration - taxation	3,400	3,500
Auditors' remuneration - other	-	-
Bad debts	-	10,080
Difference on foreign exchange	95,608	56,360

Included in audit fees above is £5,000 (2014: £5,000) for the audit of the parent Company.

Notes to the Consolidated Financial Statements
For the year ended 31 October 2015

3. Finance cost and finance income

	Year ended 31 October 2015	Year ended 31 October 2014
	£	£
Interest receivable	3,457	4,650

4. Taxation

	Year ended 31 October 2015	Year ended 31 October 2014
	£	£
Analysis of the charge for the year		
Adjustments to tax charge in respect of prior years	(5,801)	(2,501)
UK corporation tax charge	97,832	24,414
UK corporation tax	92,031	21,913

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 20% (2014: 21%). The actual tax charge for the periods is different than the standard rate for the reasons set out in the following reconciliation:

Reconciliation of current tax charge	Year ended 31 October 2015	Year ended 31 October 2014
	£	£
Profit on ordinary activities before tax	448,769	642,273
Tax on profit on ordinary activities at 20% (2014: 21.83%)	89,754	140,210
Effects of:		
Non-deductible expenses	8,954	9,494
Adjustments to tax charge in respect of previous periods	(5,801)	(2,501)
Depreciation in excess of capital allowances	3,174	4,056
Share scheme deduction	(4,050)	(129,327)
Other differences	-	(19)
Current tax charge	92,031	21,913

Notes to the Consolidated Financial Statements
For the year ended 31 October 2015

4. Taxation - continued

The Group has estimated trading losses of £324 (2014: £323) available for carry forward against future trading profits.

No deferred taxation asset has been recognised as it is not material. If deferred taxation on losses was recognised the amount would be £65 (2014: £68).

5. Employee information

	Year ended 31 October 2015	Year ended 31 October 2014
	£	£
Directors' emoluments - excluding applicable share option charge	178,519	178,375
Fees paid to directors	80,325	72,000
Share option charge	22,282	10,615
Wages and salaries	330,882	342,465
Social security costs	49,202	53,362
	661,210	656,817

Included within fees paid to Directors is £40,325 (2014: £32,000) in respect of legal services provided by Mr R Poplawski in his role as Business Affairs Adviser to One Media iP Limited.

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

	Year ended 31 October 2015	Year ended 31 October 2014
Office and management	12	12

6. Parent Company Profit and Loss Account

The profit for the year to 31 October 2015 dealt within in the financial statements of the parent Company was £280,657 (2014: £281,885). As permitted by section 408 of the Companies Act 2006, no separate profit and loss account is prepared for the parent Company.

7. Earnings per share

The weighted average number of shares in issue for the basic earnings per share calculations is 70,817,534 (2014: 68,421,508) and for the diluted earnings per share assuming the exercise of all warrants and share options is 75,595,068 (2014: 74,587,534).

The calculation of basic earnings per share is based on the profit for the period of £356,738 (2014: £620,360). Based on the weighted average number of shares in issue during the year of 70,817,534 (2014: 68,421,508) the basic earnings per share is 0.50p (2014: 0.91p). The diluted earnings per share is based on 75,595,068 shares (2014: 74,587,534) and is 0.47p (2014: 0.83p).

8. Intangible assets - Group

	Licences and other intangible assets £	Total £
Cost		
At 1 November 2013	2,342,456	2,342,456
Additions	1,576,463	1,576,463
Disposals	(74,115)	(74,115)
At 31 October 2014	3,844,804	3,844,804
Additions	325,568	325,568
Disposals	(63,160)	(63,160)
At 31 October 2015	4,107,212	4,107,212
Amortisation		
At 1 November 2013	533,921	533,921
Charge for the year	170,254	170,254
Disposals	(74,115)	(74,115)
At 31 October 2014	630,060	630,060
Charge for the year	216,989	216,989
Disposals	(63,160)	(63,160)
At 31 October 2015	783,889	783,889
Net book value		
At 31 October 2015	3,323,323	3,323,323
At 31 October 2014	3,214,744	3,214,744

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

Notes to the Consolidated Financial Statements
For the year ended 31 October 2015

9. Property, plant and equipment - Group

	Office equipment	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 November 2013	63,587	17,758	81,345
Additions	2,666	2,124	4,790
Disposals	(23,276)	(9,239)	(32,515)
At 31 October 2014	42,977	10,643	53,620
Additions	5,208	-	5,208
Disposals	(2,900)	-	(2,900)
At 31 October 2015	45,285	10,643	55,928
Depreciation			
At 1 November 2013	40,311	14,595	54,906
Charge for the year	18,151	1,766	19,917
Disposals	(23,276)	(9,239)	(32,515)
At 31 October 2014	35,186	7,122	42,308
Charge for the year	6,103	2,400	8,503
Disposals	(2,900)	-	(2,900)
At 31 October 2015	38,389	9,522	47,911
Net book value			
At 31 October 2015	6,896	1,121	8,017
At 31 October 2014	7,791	3,521	11,312

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

Notes to the Consolidated Financial Statements
For the year ended 31 October 2015

10. Investment in subsidiary undertakings

	Total £
At 1 November 2014 and 31 October 2015	493,817

The Company holds interests in the following subsidiary undertakings.

Company	Country of incorporation	Nature of business	Class of shares	Share held %	Status
One Media iP Limited Company number 05536271	England and Wales	Audio-visual content	Ordinary	100%	Operating
Collecting Records LLP Company number OC307927	England and Wales	Audio-visual content	Partnership	99%	Dormant
One Media Intellectual Property Limited Company number 08224199	England and Wales	Audio-visual content	Ordinary	100%	Dormant
One Media Publishing Limited Company Number 082123128	England and Wales	Audio-visual content	Ordinary	100%	Dormant

The Company's investment at the balance sheet date is 100% of the share capital of the unlisted companies One Media iP Limited, One Media Intellectual Property Limited and One Media Publishing Limited.
One Media iP Group Plc owns 99% of the Limited Liability Partnership Collecting Records LLP with the other 1% of the Limited Liability Partnership Collecting Records LLP held by One Media iP Limited.

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

11. Receivables

	Year ended 31 October 2015 Group £	Year ended 31 October 2014 Group £	Year ended 31 October 2015 Company £	Year ended 31 October 2014 Company £
Amounts owed by group undertakings	-	-	2,432,496	2,066,170
Trade receivables	93,780	53,748	-	-
Other receivables	320,881	427,600	3,754	2,793
Prepayments	25,591	35,907	11,353	16,249
	440,252	517,255	2,447,603	2,085,212

Trade and other receivables are usually due within 30 to 90 days and do not bear any effective interest. A provision of £nil was made for doubtful debts at 31 October 2015. (2014: £10,080). The movement in the provision for impairment during the year is as follows:

Notes to the Consolidated Financial Statements
For the year ended 31 October 2015

11. Receivables - continued

	Total
	£
At 1 November 2013	-
Increase in the provision for impairment	10,080
At 31 October 2014	10,080
Decrease in the provision for impairment	(10,080)
At 31 October 2015	-

12. Cash and cash equivalents

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

	Year ended 31 October 2015 Group	Year ended 31 October 2014 Group	Year ended 31 October 2015 Company	Year ended 31 October 2014 Company
	£	£	£	£
GB£	531,746	1,109,078	110,771	268,945
US$	277,474	103,544	-	-
Euro	7,029	6,844	-	-
	816,249	1,219,466	110,771	268,945

13. Trade and other payables

	Year ended 31 October 2015 Group	Year ended 31 October 2014 Group	Year ended 31 October 2015 Company	Year ended 31 October 2014 Company
	£	£	£	£
Current				
Trade payables	47,150	86,945	15,325	19,250
Social security and other taxes	21,928	10,333	-	-
Corporation tax	96,712	23,487	-	-
Accruals & deferred Income	735,598	1,246,708	6,000	6,650
Other payables	242,495	436,219	-	-
	1,143,883	1,803,692	21,325	25,900

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

Notes to the Consolidated Financial Statements
For the year ended 31 October 2015

14. Share capital
Group and Company

	2015	2014
	£	£
Authorised:		
200,000,000 ordinary shares of 0.5p each	1,000,000	1,000,000
Issued:		
71,053,698 (2014: 70,703,698) ordinary shares of 0.5p each	355,268	353,518

The movement in the issued share capital over the last two years has been as follows:

For the year ending 31 October 2014:

- On 4 November 2013 one employee exercised options on 500,000 ordinary shares of 0.5p each at 2.75p per share. The difference between the total consideration received of £13,750 and the nominal value of the shares issued of £2,500 was transferred to the share premium account

- On 9 April 2014 an institution exercised their right to convert 1,800,000 1.5p warrants in ordinary shares of 0.5p each and the Directors collectively exercised a further 3,450,000 1.5 p warrants in ordinary shares of 0.5p each. A total of 5,250,000 ordinary shares of 0.5p each were issued raising £78,750. The difference between the amount raised of £78,750 and the nominal value of the shares issued of £26,250 was transferred to the share premium account.

For the year ending 31 October 2015:

- On 12 May 2015 one employee exercised options on 100,000 ordinary shares of 0.5p each at 2.75p per share. The difference between the total consideration received of £2,750 and the nominal value of the shares issued of £500 has been transferred to the share premium account.

- On 27 July 2015 an employee exercised their right to convert 250,000 1.5p warrants in ordinary shares of 0.5p each. The difference between the amount raised of £3,750 and the nominal value of the shares issued of £1,250 has been transferred to the share premium account.

Notes to the Consolidated Financial Statements
For the year ended 31 October 2015

14. Share capital - continued

The movement in warrants has been as follows:

Date of grant	Number of warrants	Par Value	Exercise price	Period of subscription
17 September 2013	5,500,000	0.5p	1.5p	3 years
Exercised in year				
9 April 2014	(5,250,000)	0.5p	1.5p	3 years
Warrants outstanding at 31 October 2014	250,000			
Exercised in year				
27 July 2015	(250,000)	0.5p	1.5p	3 years
Warrants outstanding at 31 October 2015	-			

No Directors held warrants at 31 October 2015 (2014: nil). The outstanding warrants held at 31 October 2014 were held by one senior member of staff.

The fair value of the outstanding warrants at 31 October 2014, based on the Black-Scholes model was 1.5p per share based on a risk free interest rate of 1% and a volatility of 30%. A share based payment charge of £237 was made for the year ended 31 October 2015 (2014: £2,753).

All amounts due from the Executive Directors and employee in respect of PAYE & NI resulting from the sale and exercise of the warrants on 9 April 2014 and on 27 July 2015 have been paid to the Group.

At 31 October 2015 2,300,000 (2014: 2,400,000) share options of 2.75p, granted on 7 March 2011, were outstanding. The number of Directors holding share options at 31 October 2015 was 4 (2014: 4) and senior staff and employees 2 (2014: 3). The options are exercisable on or before 6 March 2018.

On 5 June 2014 a further 700,000 share options of 14.5p were issued to 7 members of staff and remain outstanding at 31 October 2015 (2014: 700,000). These options are exercisable on or before 4 June 2021.

On 21 April 2015 a further 2,900,000 share options of 9p were issued to 4 directors and 4 members of staff and remain outstanding at 31 October 2015. These options are exercisable on or before 20 April 2022.

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

The share price of the options granted on 7 March 2011 was 2.75p per share. The Fair Value of these options, based on the Black Scholes model, was 4.15p per share based on a risk free interest rate of 5% and a volatility of 40%. A share option charge of £4,691 has been made for the year ended 31 October 2015 (2014: £4,791).

The share price of the options granted on 5 June 2014 was 14.5p per share. The Fair Value of these options, based on the Black Scholes model, was 21.87p per share based on a risk free interest rate of 5% and a volatility of 40%. A share option charge of £7,368 has been made for the year ended 31 October 2015 (2014: £3,071).

The share price of the options granted on 21 April 2015 was 9p per share. The Fair Value of these options, based on the Black Scholes model, was 13.57p per share based on a risk free interest rate of 5% and a volatility of 40%. A share option charge of £9,986 has been made for the year ended 31 October 2015.

Notes to the Consolidated Financial Statements
For the year ended 31 October 2015

15. Company reserves

	Share redemption reserve	Share premium	Share based payment reserve	Retained earnings	Total
	£	£	£	£	£
At 1 November 2013	**239,546**	**1,389,145**	**26,192**	**558,021**	**2,212,904**
Proceeds from the issue of new shares	-	63,750	-	-	63,750
Share based payment charge	-	-	10,615	-	10,615
Release from share based payment reserve			(15,592)	15,592	-
Profit for the year	-	-	-	281,885	281,885
Dividends	-	-	-	(100,598)	(100,598)
At 1 November 2014	**239,546**	**1,452,895**	**21,215**	**754,900**	**2,468,556**
Proceeds from the issue of new shares	-	4,750	-	-	4,750
Share based payment charge	-	-	22,282	-	22,282
Profit for the year	-	-	-	280,657	280,657
Dividends	-	-	-	(100,647)	(100,647)
At 31 October 2015	**239,546**	**1,457,645**	**43,497**	**934,910**	**2,675,598**

The Consolidated Statement of Changes in Equity is shown on page 18.

16. Dividends per share

The total dividend paid in the year ended 31 October 2015 was £100,647 (2014: £100,598). The dividend was paid in two installments. On 21 November 2014 at 0.071p per share and on 21 August 2015 a further dividend of 0.071p per share was paid.

17. Contingent liabilities

Due to the nature of the business, from time to time, claims will be made against the Group. Nonetheless, the Directors are not aware of any claims that are likely to be successful and, in their opinion, result in a material liability. In 2015 and 2014 the Directors were not aware of any claims that were likely to be successful and result in a material liability.

18. Capital commitments

There were no capital commitments at 31 October 2015 or at 31 October 2014.

19. Operating lease commitments

	Within one year	1 to 5 years	2015 Total	Within one year	1 to 5 years	2014 Total
	£	£	£	£	£	£
Rent	51,252	102,503	153,755	32,701	-	32,701
Vehicles	12,057	6,982	19,039	16,735	23,954	40,689
	63,309	109,485	172,794	49,436	23,954	73,390

The lease for rent is due to expire on 31 July 2018 and for the vehicles leases during 2016 and 2018. The Company has no operating lease commitments.

20. Financial instruments

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

Financial assets by category

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

	Loans and receivables	Non financial assets	2015 Total	Loans and receivables	Non financial assets	2014 Total
	£	£	£	£	£	£
Licenses and other intangible assets	-	3,323,323	3,323,323	-	3,214,744	3,214,744
Property, plant and equipment	-	8,017	8,017	-	11,312	11,312
Trade receivables	93,780	-	93,780	53,748	-	53,748
Other receivables	320,881	-	320,881	427,600	-	427,600
Prepayments	25,591	-	25,591	35,907	-	35,907
Cash and cash equivalents	816,249	-	816,249	1,219,466	-	1,219,466
	1,256,501	3,331,340	4,587,841	1,736,721	3,226,056	4,962,777

Included within loan and receivables above are cash and cash equivalents of £110,771 (2014: £268,945), and trade and other receivables of £15,107 (2014: £19,042) excluding amounts owed by group undertakings in relation to the company.

Trade Debtors at 31 October 2015 of £93,780 (2014: £53,748) include £61,682 (2014:£34,245) payable in $USD and £2,147 (2014: £5,985) payable in Euro.

Notes to the Consolidated Financial Statements
For the year ended 31 October 2015

20. Financial instruments - continued

Financial liabilities by category

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

	Other financial liabilities at amortised cost	Liabilities within the scope of IAS 39	2015 Total	Other financial liabilities at amortised cost	Liabilities within the scope of IAS 39	2014 Total
	£	£	£	£	£	£
Trade payables	47,150	-	47,150	86,945	-	86,945
Social security and other taxes	21,928	-	21,928	10,333	-	10,333
Corporation tax	96,712	-	96,712	23,487	-	23,487
Accruals and deferred income	-	735,598	735,598	-	1,246,708	1,246,708
Other payables	242,495	-	242,495	436,219	-	436,219
	408,285	735,598	1,143,883	556,984	1,246,708	1,803,692

Included within other financial liabilities are trade payables of £15,325 (2014: £19,250), and other payables of £6,000 (2014: £6,650) in relation to the company.

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

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

Credit risk

The Group's credit risk is primarily attributable to its trade receivables, other receivables and cash and cash equivalents. The amounts presented in the Consolidated Statement of Financial Position are net of any allowances for doubtful receivables. The Group has a significant concentration of credit risk associated with its distributor of digital content, The Orchard. Cash at bank is all held with highly rated banks or deposit takers, the suitability of which is constantly reviewed. The maximum credit to which the Group is exposed, including Cash at bank of £816,249 is £1,256,501 (2014: £1,736,721).

Liquidity risk

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

All the financial liabilities noted above, with the exception of the liability to corporation tax of £96,712 (2014: £23,487) are expected to result in cash outflow within six months of the year end. At 31 October 2015, £311,573 (2014: £533,497) of the financial liabilities were expected to result in cash outflow within six months of the year end.

Notes to the Consolidated Financial Statements
For the year ended 31 October 2015

20. Financial instruments - continued

Currency risk

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

Included in Cash and cash equivalents, Trade receivables and Other receivables is USD$920,776 (2014: USD$900,152) equivalent to £597,707 (2014: £562,595) and Euro 12,847 (2014: Euro 16,292) equivalent to £9,176 (2014 £12,829) payable in Euro. If the foreign exchange rate was 10% different from the rate used at the year end there would be an under/over statement of assets of £67,454 (2014: £63,936).

Included in Accruals & deferred income and Other payables is USD$1,045,921 (2014: USD$2,126,458) equivalent to £719,169 (2014: £1,329,037) payable in USD$. If the foreign exchange rate was 10% different from the rate used at the year end there would be an under/overstatement of liabilities of £79,908 (2014: £147,671).

21. Related party transactions

There were no related party transactions in the year under review or in the year ended 31 October 2015 nor 31 October 2014, other than transactions with the directors as disclosed in the Directors' Report and note 5 to the financial statements.

At 31 October 2015 the principal operating subsidiary One Media iP Limited owed the Company £2,432,496 (2014: £2,066,170). No formal inter-company loan agreement is in existence between the Company and its subsidiaries. During the year the Company made a management charge of £300,000 (2014: £300,598) against One Media iP Limited and received a dividend of £300,000 (2014: £300,000).