DCD Media Plc

("DCD Media" or the "Group")

Unaudited Interim Results For The Six Months Ended 30 June 2014

DCD Media, the independent TV production and distribution group, is pleased to report unaudited interim results for the six months ended 30 June 2014.

Financial highlights

• Revenue	£6.0m (2013: £7.4m)
• Gross profit	£1.5m (2013: £1.9m)
• Operating loss	£0.7m (2013: £0.9m)
• Unadjusted loss before tax	£0.8m (2013: £0.9m)
• Adjusted EBITDA	Loss £0.1m (2013: Loss £0.4m)
• Adjusted loss before tax	£0.3m (2013: £0.5m)
• Adjusted basic earnings per share	Loss 55p (2013: Loss 122p)
• Long term liabilities (excluding deferred tax)	£0.9m (2013: £1.1m)

Highlights

- **DCD Rights** won the tender to represent the Open University's prestigious catalogue, comprising over 200 hours of inspiring documentaries and series.
- **DCD Rights** sold three series of each of its hit reality series **Bridezillas** and **Marriage Bootcamp** to ITV's brand new channel ITVBe.
- **September Films** was commissioned to produce a seven part series of the traditionally long-running comedy game show favourite **Celebrity Squares** for ITV.
- **Rize USA** won a number of paid development commissions and has an encouraging slate for the second half of the year.
- **Sequence Post** significantly increased turnover in the period, delivering its biggest series to date **RV Rampage** to Travel Channel.
- **DCD Publishing** secured a second instalment of **Jack Monroe**'s frugal cooking bible with Penguin books and signed an exclusive representation deal with chef and pop-up king, **Jimmy Garcia**.
- **Matchlight** delivered a number of documentary commissions for BBC One, BBC Two and Channel 4 and delivered the three part series **Women in Art** for BBC Two.
- **Funding of £0.8m** secured in the form of new convertible loan notes from the Group's largest shareholders, including £0.6m issued to Timeweave Ltd in settlement of amounts relating to accounting and director services.

Post period events

- **DCD Rights** has made significant sales of its Australian drama series **The Code** and is planning to launch a raft of its newly acquired titles at MIPCOM in October.

- **DCD Rights** has sold peak time entertainment extravaganza Penn & Teller Fool Us to the Universal Channel, NBC Universal's flagship entertainment channel for Asia and to Prava I Prevodi in The Balkans. In addition, the series, hosted by Jonathan Ross, premiered on The CW Network in the US where it was the network's most watched summer series to date.

- **Matchlight –** terms have been agreed to sell Matchlight to the existing management team, however completion of the sale remains subject to a number of conditions. **DCD Rights** is to retain a long-term option over Matchlight's distribution rights.

- **Rize USA** secured a second series of **Liberty** for Channel 4 and continues to work on a number of paid development projects.

- **September Films USA** continues to pursue opportunities with American broadcasters in redeveloping Group formats.

- **Board appointment -** Nicky Davies Williams, CEO of DCD Media's distribution division, DCD Rights, has been appointed to the main Board.

- **Bank term loan –** since the period end, the term debt has been reduced to £0.12m and is due to be fully repaid in November 2014.

David Craven, Executive Chairman, commented:

"We are delighted to report that we are almost through the turnaround cycle with a return to economic and financial stability in sight. We have all but completed the repayment of the term debt which had previously caused the business to be radically weakened.

"The focus on the international rights distribution business continues to excite and we are delighted to welcome Nicky Davies Williams to the Board. And while we have faced tough challenges in the production divisions, we now look forward to progressing with a leaner business."

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Executive Chairman's Statement

This announcement presents the unaudited results for the Group for the six months ended 30 June 2014.

During the first half of 2014, the Group traded in line with the Directors' expectations and, as set out in the announcement of the Group's final results for the year ended 31 December 2013, the Board has continued to focus on developing the rights and licensing division and rationalising the production entities to build a sustainable business. As anticipated, trading is challenging in the production divisions, however, the directors remain cautiously optimistic.

1. Financial Review

In May, the Group's largest shareholders agreed to lend a further £0.8m in the form of new convertible loan notes, of which £0.6m is being used to settle amounts in respect of accounting and director services. The notes have an interest rate of 10% and a conversion price of £1 and are due for repayment on 30 May 2016 if not previously converted.

In order to facilitate conversion of the convertible loan notes, at the AGM in June, a share sub-division of each existing ordinary share of £5 each in the capital of the Company into one new ordinary share of £1 each and four new deferred shares of £1 each was approved. In addition, the conversion price of the convertible loan notes that were signed in May 2013 was changed to match that of the new 2014 convertible loan notes.

Following continued scheduled repayments, at 30 June 2014 the balance on the bank loan with Coutts & Co was £0.24m (2013: £0.72m). The facility incurs interest at 3.5 per cent. above Libor and is repayable on demand, but scheduled to be repaid by 30 November 2014 in quarterly instalments. The balance has been reduced by £0.24m in the period since 31 December 2013 and has been reduced by a further £0.12m post period end. The Group continues to make use of the overdraft facility, which at 30 June 2014 was £0.64m (2013: £0.47m). The Group's overdraft facility is subject to quarterly review with the next review due in December 2014. The Board currently expects the facility to be available for the foreseeable future. At 30 June 2014 the Group had cash and cash equivalents of £2.2m, comprising working capital commitments in relation to programme making, client cash held on account by DCD Rights and an element of free cash available to the Group.

The income statement reflects one month of interest on the new convertible loan notes, six months interest on the 2013 loan notes and interest on the Group's bank facility.

In the preparation of the 2013 Annual Report, it was noted that some accruals that had been adjusted in the prior year adjustments made in the 2012 Annual Report were actually valid and therefore these have been re-instated into the comparative figures.

2. Profit and Loss Review

Revenues for the six months to 30 June 2014 were £6.0m (2013: £7.4m). The reduction is mainly due to cessation of the Bridezillas series in September Films USA, although this is partially offset by increased revenues in September Films UK arising from the production of Celebrity Squares for ITV.

Adjusted loss before tax was £0.3m (2013: £0.5m), resulting in adjusted loss per share for the period of 55p (2013: 122p). Due to the £0.4m non-cash charge against intangibles, described in the balance sheet section below, the Group's statutory loss after tax was £0.8m (2013: £0.8m).

UK productions, consisting of September Films UK, Rize USA and Matchlight, contributed £3.2m to revenue but made an operating loss of £0.1m. Our UK production division has been streamlined in the period and following the disposal of Matchlight to management to conclude later in the year, it will be focussed on output from the London teams led by Sheldon Lazarus and Bob Massie.

September Films USA contributed no revenue to the Group in the period as a result of the cancellation of the Bridezillas series. As noted in the 2013 Annual Report, the Group had invested resources into development activity resulting in broadcaster engagement across a range of funded projects. Disappointingly, the team were not able to capitalise on these opportunities and consequently the US operation has been downsized. However, we continue to develop both new ideas and our own formats with networks which again we are hopeful will bear fruit in the near future.

Sequence contributed £0.4m to revenue in the first six months compared with £0.2m for 2013. The division continues to break new ground and the interim results reflect success in winning business from several new and returning clients.

DCD Rights has performed well in the first half of the year although revenue has decreased by £0.3m to £2.2m. Gross margin has remained constant between the periods. A focus on content acquisition in the first half will benefit sales in the second half and beyond.

Executive Chairman's Statement

DCD Publishing division, including Music and DVD sales, has reduced turnover by £0.1m to £0.2m between the periods with gross margins excluding one offs remaining consistent.

Adjusted loss before tax (LBT) is the measure used by the Group to indicate operating performance and aims to reflect normalised trading before exceptional, restructuring items and non cash impairment charges, but after net finance costs. Adjusted LBT has reduced by 45% from to £0.26m (2013: £0.47m).

A reconciliation of the Group's operating loss to Adjusted Loss before Tax and Earnings before Interest Tax Depreciation and Amortisation (EBITDA) is shown below:

	Unaudited 6 months ended 30 June 2014 £'m	**Unaudited 6 months ended 30 June 2013 £'m**
Operating loss per accounts	**(0.72)**	**(0.86)**
Add: Net amortisation and capitalisation of programme rights	0.09	0.02
Add: Impairment of programme rights	0.06	0.20
Add: Amortisation of trade names	0.21	0.23
Add: Impairment of goodwill and related intangibles	0.00	0.00
Add: Depreciation	0.02	0.03
EBITDA	**(0.34)**	**(0.38)**
Add: Restructuring costs (legal and statutory)	0.20	0.00
Adjusted EBITDA	**(0.14)**	**(0.38)**
Less: Net financial expense	(0.10)	(0.06)
Less: Depreciation	(0.02)	(0.03)
Adjusted LBT	**(0.26)**	**(0.47)**

3. Balance Sheet review

Intangible assets as at 30 June 2014 stood at £4.3m (2013: £6.1m). The balance at 31 December 2013 was £4.6m and details of this movement were explained in the results for the year ended 31 December 2013. The subsequent movement in intangible assets within the six month period to 30 June 2014 reflects the ongoing amortisation of trade names of £0.2m (2013: £0.2m), the net capitalisation and amortisation of programme rights of £0.1m (2013: £0.02m) and impairment of programme rights on £0.1m (2013: £0.2m).

In the year to 31 December 2013, an impairment charge of £1.0m was booked to goodwill relating to September Films, following a review of future anticipated discounted cash flows for this Cash Generating Unit, which included both September Films USA and September Films UK. A similar review of the carrying value of goodwill was carried out at 30 June 2014 and no further charge was deemed necessary (2013: £nil).

The total convertible loan debt at 30 June 2014 stood at £1.9m (2013: £1.0m) including accrued interest. A new loan note instrument was signed on 30 May 2014 and has a maturity date of 31 May 2016. The convertible element of the new loan notes was subject to shareholder approval of, inter alia, the authorisation to issue sufficient shares to satisfy the conversion rights, and was put to shareholders at the AGM in June 2014. The notes accrue interest at 10% per annum from the date of issue. The new notes will be convertible at £1.00 per share. The conversion price of the convertible loan notes that were signed in May 2013 was changed to match that of the new 2014 convertible loan notes. The 2013 notes mature in May 2015.

Bank debt, provided by Coutts & Co., was £0.24m (2013: £0.72m) at the period end. This reflects a reduction of two quarterly payments totalling £0.24m since the year end and four totalling £0.48m since June 2013. A further £0.12m has been repaid after the period end reducing the outstanding amount to £0.12m. The loan is scheduled to be repaid in quarterly instalments up to November 2014, but is repayable on demand.

A short term loan was provided by Timeweave Ltd, one of DCD Media's largest shareholders, to fund the production of Celebrity Squares for ITV. The balance at 30 June 2014 was £1.1m and this was repaid shortly after the period end.

Executive Chairman's Statement

Trade and other receivables and trade and other payables at £8.4m (2013: £5.2m) and £7.4m (2013: £5.8m) respectively have both risen due to increased rights and television production activity prior to the period end.

Cash on hand at the period end stood at £2.2m (2013: £2.6m). The majority of the Group's cash balances represent working capital commitment in relation to programme making and cash held in DCD Rights' client accounts and therefore is not all considered to be free cash.

The amounts owing to taxation and social security stood at £0.6m (2013: £0.4m).

There is no UK tax charge as a result of losses available for offset. No deferred tax asset has been recognised in relation to these losses.

No interim dividend is proposed for the period. Adjusted earnings per share are disclosed in the notes below.

4. Substantial shareholdings

As at 30 September 2014, the following notifications had been made by holders of beneficial interests in 3% or more of the Company's issued ordinary share capital as follows:

	No. of £1 ordinary shares	%
Colter Ltd *	124,000	29.93
Timeweave Ltd *	104,642	25.31
Henderson Global Investors Ltd	88,299	21.08

*Timeweave Ltd and Colter Ltd are under the common ownership.

5. Review of operational activities

The Group consists of three key divisions: Rights and Licensing, Production and Post Production.

Rights and Licensing

DCD Rights
In 2014, DCD Rights continued to build on the previous year's successes and significantly increased its acquisition slate by winning the tender to represent the Open University's prestigious catalogue, comprising over 200 hours of inspiring documentaries and series.

DCD Rights secured a major US network sale of the primetime comedy and magic series Penn and Teller: Fool Us which aired on the CW Network in August and was declared the channel's most watched summer series ever as sale of the programme to Asia and the Balkans was announced.

Following a lucrative format rights sale of the multi award winning Australian drama The Slap to US network NBC in 2013 through DCD Rights' format deal with NBCU International, casting was announced in August 2014.

At MIP TV in April 2014, DCD Rights launched the new Australian drama The Code; a 6 part series for which DCD Rights represent finished programming and format sales. Sales to BBC Four and Sundance International for Latin America where announced at the market.

DCD Publishing
The Group's talent division represents a broad range of clients including Russell Grant, Flavia Cacace-Mistry, Vincent Simone, Kate Spicer, Simon Mann, Jack Monroe (A Girl Called Jack), Deborah Lickfett (Metropolitan Mum), The Duchess of Northumberland, the Meek family and William Banks-Blaney (William Vintage).

Major music publishers EMI, Chrysalis, Peermusic, Carlin and Sony/ATV are also represented by DCD Publishing for music merchandising providing access to over six million songs.

In 2014, the lucrative Zalza Fitness DVD series released on QVC in 2013 was made available on Amazon (a box-set of which is due for release later in the year), a second instalment of Jack Monroe's frugal cooking bible was secured with Penguin books and the first book released by Plenish Cleanse's founder Kara Rosen was announced in July. DCD Publishing also signed an exclusive representation deal with chef and pop-up king, Jimmy Garcia.

Executive Chairman's Statement

Production
The Production division comprises entertainment and factual brands September Films UK, Rize USA and Matchlight all in the United Kingdom, and the reality television, entertainment and formats production company September Films USA in America. Their output encompasses all non-fiction genres including Entertainment, Factual and Lifestyle programming.

Rize USA
Following an extremely successful 2013 (A Very British Wedding (BBC, Spring), The Alps Murders (Channel 4, June), Memory Games (Science Channel, July), and three-part series Liberty of London (Channel 4, Christmas)), Rize USA is currently in production for a second series of Liberty of London, a one-off, high-profile, primetime documentary for Channel 4, and a memory championships documentary Total Recall for ITV.

September Films
Following a successful pilot in 2013, a revival of the traditionally long-running comedy game show favourite Celebrity Squares was commissioned by ITV and filmed at the London studios in June. Presented by the popular actor Warwick Davies (Star Wars, Life's Too Short) in his first presenting role, the entertaining series is currently airing on ITV primetime.

Besides applying themselves to delivering a world-class production for ITV, the team are also focused on winning new commissions with an improved slate of activity now emerging from the London-based team.

September Films USA
As disclosed in the 2013 Annual Report, the US operations have been downsized. However, DCD Media remains committed to the development of opportunities in the US and the Group is pursuing two significant projects with a reasonable expectation of commercial success.

Matchlight
Matchlight started 2014 with a one-off special for BBC Scotland's Burns' Night celebrations, promptly followed by Jockey School on Channel 4, which gained excellent coverage across social media networks. The Battle to Beat Polio presented by Stephanie Flanders for BBC Two in May attracted over a million viewers and was accompanied by The Story of Women and Art by Amanda Vickery in the same month. In June, Channel 4 Dispatches exposed Tricks of the Junk Food Business and three further documentaries are currently in production for 2015 viewing.

Post Production – Sequence Post

Sequence has continued to break new ground working for a diverse range of both new and returning clients including Firecracker Films, JA Digital, Fulwell 73, JJ Stereo, Tuesday's Child, Newman Street Productions and Waddell Media.

Projects included a fly-on-the-wall crime thriller series Suspects (Channel 5, March 2014), Sequence's biggest series to date (10 x 60 min) RV Rampage (Travel Channel, May 2014), and the exclusive and awe-inspiring album film Coldplay: Ghost Stories for the bands eagerly anticipated 6th studio album.

Sequence also post produced an accompanying behind-scenes documentary, Coldplay: The Making of Ghost Stories and has subsequently been re-commissioned by Grammy Award-winning Coldplay Director Paul Dugdale for another world famous British band's album film.

Sequence has been chosen to post produce two films in the Vodafone Firsts series, aimed at helping people across the world do something for the very first time.

6. Outlook

The DCD Media Board has taken the appropriate steps to restructure operations, to focus more on the international rights business while taking action to mitigate the risks inherent in the challenging production environment. We are now anticipating an expansion of the rights business into lucrative genres which will help to exploit the maximum value from our rapidly growing library. The outlook in the short to medium term is encouraging, being content rich in distribution; the foundation is laid for accelerated growth.

We are also well-placed now to benefit from the array of broadcaster engagements in the production division, having adjusted the cost base and focused attention on business winners.

These developments, we believe, position DCD Media well for a return to profitability.

David Craven
Executive Chairman
26 September 2014

Consolidated income statement (unaudited) for the 6 months ended 30 June 2014

	Note	**Unaudited 6 months to 30 June 2014 £'000**	Unaudited 6 months to 30 June 2013 £'000	Audited Year to 31 December 2013 £'000
Revenue		**6,027**	7,419	14,241
Cost of sales		**(4,483)**	(5,454)	(9,540)
Impairment of programme rights		**(57)**	(67)	(214)
Gross profit		**1,487**	1,898	4,487
Selling and distribution expenses		**(24)**	(10)	(22)
Administration expenses:				
- Other administrative expenses		**(1,771)**	(2,549)	(5,716)
- Impairment of goodwill and trade names		**-**	-	(1,255)
- Amortisation of goodwill and trade names		**(210)**	(231)	(462)
- Restructuring costs		**(203)**	-	(69)
Total administrative expenses		**(2,184)**	(2,780)	(7,502)
Other comprehensive income		**-**	32	70
Operating loss		**(721)**	(860)	(2,967)
Finance income		**-**	1	1
Finance costs		**(102)**	(56)	(148)
Loss before taxation		**(823)**	(915)	(3,114)
Taxation - current	2	**51**	109	320
Loss after taxation for continuing operations		**(772)**	(806)	(2,794)
Loss on discontinued operations net of tax		**-**	-	(16)
Loss for the period		**(772)**	(806)	(2,810)
Loss attributable to:				
Owners of the parent		**(733)**	(843)	(2,717)
Non controlling interest		**(39)**	37	(93)
		(772)	(806)	(2,810)
Earnings per share attributable to the equity holders of the Company during the period (expressed as pence per share)				
Basic loss per share from continuing operations		**(177p)**	(240p)	(652p)
Basic profit per share from discontinued operations		**-**	-	(4p)
Total basic loss per share	3	**(177p)**	(240p)	(656p)
Diluted loss per share from continuing operations		**(177p)**	(240p)	(652p)
Diluted profit per share from discontinued operations		**-**	-	(4p)
Total diluted loss per share		**(177p)**	(240p)	(656p)

Consolidated statement of comprehensive income (unaudited) for the 6 months to 30 June 2014

	Unaudited 6 months to 30 June 2014 £'000	Unaudited 6 months to 30 June 2013 £'000	Audited Year to 31 December 2013 £'000
Loss	**(772)**	(806)	(2,810)
Prior year adjustments	-	(257)	(257)
Loss reported since the prior year	**(772)**	(1,063)	(3,067)
Other comprehensive (expenses)/income			
Exchange losses arising on translation of foreign operations	**(10)**	56	10
Total other comprehensive (expenses)/income	**(782)**	56	10
Total comprehensive expenses	**(782)**	(1,007)	(3,057)
Total comprehensive expenses attributable to:			
Owners of the parent	**(743)**	(1,044)	(2,964)
Non controlling interest	**(39)**	37	(93)
	(782)	(1,007)	(3,057)

Consolidated statement of financial position (unaudited) at 30 June 2014

	Unaudited 30 June 2014 £'000	Unaudited 30 June 2013 £'000	Audited 31 December 2013 £'000
Assets			
Non-current			
Goodwill	**2,789**	3,893	2,789
Other intangible assets	**1,478**	2,204	1,826
Property, plant and equipment	**84**	143	105
Trade and other receivables	**346**	180	766
	4,697	6,420	5,486
Current assets			
Inventories	**103**	107	133
Trade and other receivables	**8,021**	5,017	5,507
Cash and cash equivalents	**2,170**	2,566	1,108
	10,294	7,690	6,748
Liabilities			
Current liabilities			
Bank overdrafts	**(640)**	(469)	(629)
Convertible loan	**(1,084)**	-	-
Bank and other loans	**(1,675)**	(720)	(506)
Trade and other payables	**(7,375)**	(5,793)	(6,021)
Taxation and social security	**(582)**	(392)	(387)
Obligations under finance leases	**(8)**	(7)	(26)
	(11,364)	(7,381)	(7,569)
Non-current liabilities			
Convertible loan	**(837)**	(1,005)	(1,072)
Bank and other loans	**-**	(54)	(29)
Obligations under finance leases	**(16)**	(25)	(-)
Deferred tax liabilities	**(263)**	(374)	(315)
	(1,116)	(1,458)	(1,416)
Net assets	**2,511**	5,271	3,249
Equity			
Called up share capital	**10,145**	10,145	10,145
Share premium account	**51,118**	51,118	51,118
Equity element of convertible loan	**99**	55	55
Translation reserve	**(201)**	(145)	(191)
Own shares held	**(37)**	(83)	(37)
Retained earnings	**(58,476)**	(55,851)	(57,743)
Equity attributable to owners of the parent	**2,648**	5,239	3,347
Non controlling interest	**(137)**	32	(98)
Total equity	**2,511**	5,271	3,249

Consolidated statement of cash flows (unaudited) for the 6 months ended 30 June 2014

Cash flow from operating activities including discontinued operations	**Unaudited 6 months ended 30 June 2014 £'000**	Unaudited 6 months ended 30 June 2013 £'000	Audited year ended 31 December 2013 £'000
Net loss before taxation	**(823)**	(915)	(3,130)
Adjustments for:			
Depreciation of tangible assets	**21**	29	68
Amortisation and impairment of intangible assets	**504**	3,321	6,144
Net bank and other interest charges	**102**	55	147
Net exchange differences on translating foreign operations	**(10)**	56	10
Net cash flows before changes in working capital	**(206)**	2,546	3,239
Decrease/(increase) in inventories	**30**	(35)	(60)
Increase in trade and other receivables	**(1,804)**	(199)	(1,529)
Increase/(decrease) in trade and other payables	**1,832**	(1,124)	(674)
Cash from operations	**(148)**	1,188	976
Interest received	**-**	1	1
Interest paid	**(25)**	(45)	(71)
Income taxes received	**-**	-	229
Net cash flows from operating activities	**(173)**	1,144	1,135
Investing activities			
Purchase of property, plant and equipment	**-**	(23)	(24)
Purchase of intangible assets	**(204)**	(2,873)	(4,212)
Net cash flows used in investing activities	**(204)**	(2,896)	(4,236)
Financing activities			
Repayment of finance leases	**(2)**	(5)	(11)
Repayment of loan	**(240)**	(240)	(503)
New loans raised	**1,670**	1,000	1,000
Net cash flows from financing activities	**1,428**	755	486
Net increase/(decrease) in cash	**1,051**	(997)	(2,615)
Cash and cash equivalents at beginning of period	**479**	3,094	3,094
Cash and cash equivalents at end of period	**1,530**	2,097	479

Statement of changes in equity (unaudited)

	Share capital	Share premium	Equity element of convertible loan	Translation reserve	Own Shares Held	Retained earnings	Equity attributable to owners of the parent	Amounts attributable to non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 30 June 2012 (as reported)	**7,989**	**49,391**	**132**	**(238)**	**(83)**	**(55,571)**	**1,620**	**(20)**	**1,600**
Prior period adjustment (note 1)	-	-	-	-	-	(257)	(257)	-	(257)
Balance at 30 June 2012 (restated)	**7,989**	**49,391**	**132**	**(238)**	**(83)**	**(55,828)**	**1,363**	**(20)**	**1,343**
Profit and total comprehensive income for the period	-	-	-	-	-	820	820	15	835
Shares issued on conversion of loan	2,156	1,727	(131)	-	-	-	3,752	-	3,752
Exchange differences on translating foreign operations	-	-	-	37	-	-	37	-	37
Balance at 31 December 2012	**10,145**	**51,118**	**1**	**(201)**	**(83)**	**(55,008)**	**5,972**	**(5)**	**5,967**
Loss and total comprehensive income for the period	-	-	-	-	-	(843)	**(843)**	**37**	**(806)**
Convertible loan note issued	-	-	54	-	-	-	**54**	-	**54**
Exchange differences on translating foreign operations	-	-	-	56	-	-	**56**	-	**56**
Balance at 30 June 2013	**10,145**	**51,118**	**55**	**(145)**	**(83)**	**(55,851)**	**5,239**	**32**	**5,271**
Loss and total comprehensive income for the period	-	-	-	-	-	**(1,874)**	**(1,874)**	**(130)**	**(2,004)**
Exchange differences on translating foreign operations	-	-	-	**(46)**	-	-	**(46)**	-	**(46)**
Shares allocated from employee benefit trust	-	-	-	-	**46**	**(18)**	**28**	-	**28**
Balance at 31 December 2013	**10,145**	**51,118**	**55**	**(191)**	**(37)**	**(57,743)**	**3,347**	**(98)**	**3,249**
Loss and total comprehensive income for the period	-	-	-	-	-	**(733)**	**(733)**	**(39)**	**(772)**
Convertible loan note issued	-	-	44	-	-	-	**44**	-	**44**
Exchange differences on translating foreign operations	-	-	-	**(10)**	-	-	**(10)**	-	**(10)**
Balance at 30 June 2013	**10,145**	**51,118**	**99**	**(201)**	**(37)**	**(58,476)**	**2,648**	**(137)**	**2,511**

Note 1 – As disclosed in the 2013 Annual Report, during the year it was noted that some accruals that had been adjusted in the prior year adjustments were actually valid and these have been re-instated into the comparative figures.

Notes to the interim financial statements (unaudited)

Nature of operations and general information

The principal activities of DCD Media Plc and subsidiaries (the “Group”) are the production of television programmes in the United Kingdom and United States, and the worldwide distribution of those programmes and distribution of programmes on behalf of other independent producers.

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

DCD Media Plc’s condensed consolidated interim financial statements are presented in Pounds Sterling (£), which is also the functional currency of the parent company.

These condensed consolidated interim financial statements have been approved for issue by the Board of Directors on 26 September 2014.

The financial information in the half yearly report has been prepared using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted for use in the European Union (collectively Adopted IFRSs). The principal accounting policies used in preparing the half yearly report are those the Group expects to apply in its financial statements for the year ending 31 December 2014 and are unchanged from those disclosed in the Group’s Directors’ Report and consolidated financial statements for the year ended 31 December 2013. This interim report has neither been audited nor reviewed pursuant to guidance issued by the Audit Practice Board.

The financial information for the six months ended 30 June 2014 and the six months ended 30 June 2013 is unaudited and does not constitute the Group's statutory financial statements for those periods. The comparative financial information for the full year ended 31 December 2013 has, however, been derived from the audited statutory financial statements for that period. A copy of those statutory financial statements has been delivered to the Registrar of Companies. The auditor’s report on those accounts was unqualified.

While the financial figures included in this half-yearly report have been computed in accordance with IFRSs applicable to interim periods, this half-yearly report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

1. Basis of preparation

These interim condensed consolidated financial statements (the Interim Financial Statements) are for the six months ended 30 June 2014. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2013.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements and remain unchanged form those set out in the previous audited consolidated financial statements.

Basis of preparation – Going Concern

In considering the going concern basis of preparation of the Group’s financial statements, the Board has reviewed profit and cash flow projections which incorporate reasonably foreseeable impacts of the ongoing challenging economic environment. These projections reflect a reduction in operating costs to within current revenue expectations and the ongoing management of the day-to-day cash flows of the Group which include assumptions on the profile of receipts from existing and future commissions and payments of certain existing and of future liabilities of the Group. The forecasts show that the Group will fully repay its term loan in November 2014 but will continue to use its overdraft facility provided by its principal bankers for the foreseeable future.

The Group’s overdraft facility is subject to quarterly review and has been extended until December 2014. The bank loan facility, while being repayable on demand, is scheduled to be repaid on 30 November 2014. The Directors have a reasonable expectation that the overdraft facility will continue to be available to the Group for the foreseeable future.

In light of this continued debt funding, the lower cost base and certain ongoing trading assumptions, the Directors have a reasonable expectation that DCD Media Plc and the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Interim Financial Statements.

2. Tax

There is no UK tax charge as a result of losses available for offset. No deferred tax asset has been recognised in relation to these losses.

Notes to the interim financial statements (unaudited)

3. Loss per share

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

	6 months to 30 June 2014 £'000	6 months to 30 June 2013 £'000
Loss attributable to ordinary shareholders:		
Basic	**(733)**	(843)
Adjusted basic loss	**(226)**	(507)
	No.	No.
Weighted average number of shares in issue:		
Basic	**414,281**	414,281
Loss per share (pence):		
Basic	**(177)**	(240)
Adjusted basic	**(55)**	(122)

The consequences of conversion of convertible loan notes and exercise of share options held at period end have not been considered for either 2014 or 2013 as the effect would be anti-dilutive.

4. Dividends

The Directors do not propose to recommend the payment of a dividend.

5. Events after the reporting date

The Board confirms that it has agreed terms to sell Matchlight to the existing management team, however completion of the sale remains subject to a number of conditions. **DCD Rights** is to retain a long-term option over Matchlight's distribution rights.

There were no other significant events after the reporting date to be disclosed.

6. Publication of non-statutory accounts

Copies of the Interim Financial Statements are available from the registered office of DCD Media Plc or from the website – www.dcdmedia.co.uk. The address of the registered office is: Glen House, 22 Glenthorne Road, London, W6 0NG.