DCD Media Plc

("DCD Media", the "Company" or the "Group")

Unaudited Interim Results for the Six Months Ended 30 June 2018

DCD Media, the independent TV distribution and production group, is pleased to report unaudited interim results for the six months ended 30 June 2018.

Financial highlights

• Revenue	£3.4m (2017: £4.7m)
• Gross profit	£1.0m (2017: £1.4m)
• Operating profit	£0.1m (2017: £0.3m)
• Unadjusted profit before tax	£0.1m (2017: £0.3m)
• Adjusted EBITDA	£0.1m (2017: £0.5m)
• Adjusted profit before tax	£0.1m (2017: £0.5m)
• Cash & cash equivalents	£1.9m (FY2017: £1.3m)
• Adjusted basic earnings per share	5p (2017: 22p)

Operational highlights

- DCD Rights continued to invest heavily in new programming as a consequence of extended funding from its primary funding partner.
- The fourth series of **Penn & Teller: Fool Us in Vegas** was transmitted in H1 2018. The highly successful series is a co-production between 1/17 Productions and September Films for The CW Network in the USA.
- DCD Rights secured distribution of factual crime series **21st Century Serial Killer** which was pre-sold to UKTV's Really Channel prior to its launch to international buyers at MIPTV.
- After a reboot of September Films' long running entertainment series **Bridezillas** last year, the iconic reality show, now in its eleventh season, was secured by ITV (UK), Nine Network (Australia) and Medialaan (Belgium).
- DCD Rights also signed a run of deals with Discovery for two series of America's number one reality show **Mama June: From Not To Hot**, while the Family Edition of **Marriage Boot Camp: Reality Stars** was secured by ITV.
- The BBC ran the UK premiere of **Romper Stomper,** the DCD Rights distributed contemporary political thriller, which was nominated for 'Most Outstanding Mini Series' at the LOGIE's on BBC Three.
- Rize's popular children's reality show **Got What It Takes?** premiered its third season during the first half of the year and it rated successfully on CBBC, the BBC's children's television strand.
- **James Martin's American Adventure**, which premiered on ITV at the start of the year, sold to Asia in a pan-regional deal as well as to Australia, New Zealand, Poland and Hungary.

Post period events

- Headway has been made in the third quarter to improve sales revenue, after having a challenging start to the year, as disclosed in the Group's final results in June 2018, and the Company expects to report sales in line with last year.
- WE TV confirmed the renewal of a further season of 10 hour-long episodes of September Films' highly popular and long-running series **Bridezillas** to deliver in 2019.

- We are delighted to announce a further episode of **Penn and Teller: April Fool Us** for 2019. This is a compilation of some of the best clips from the previous season.

David Craven, Executive Chairman, commented:

“DCD Rights secured significant and record levels of third party programme funding in 2017. There is a latent effect in the application of these new funds into viable, quality programming to augment the catalogue. In 2018, we have therefore seen the negative effects of the early stage investment in the buying cycle, albeit supported by increased funding.

“So while DCD Media has continued to make solid progress on acquiring new titles in the catalogue, sales revenue generated from the increased investment into the acquisition of new content in 2017 has yet to be fully realised. Thus despite the high levels of acquisition, the revenue figures for H1 2018 are lagging behind the previous year.

“However, the prospects remain positive for the remainder of the year, after a challenging start, with improved sales in the post period and a return to normalised trading with levels of sales which are likely to come back into line with the previous year’s sales performance.

“The business reports an adjusted pre-tax profit of £0.1m and top line revenue of £3.4m (2017: £4.7m) which was suppressed by the lag effect mentioned above as we further invest in new programming to build a business with sustained profitability. The DCD Rights senior management team has responded well to the challenge to increase the catalogue in quality and depth through additional hours on offer, however the perennial challenge is to source high quality content which is marketable quickly and this can only be achieved by building long-term strong relationships with successful independent producers.

“It is also worth noting that a sizeable portion of the DCD Rights income is earned in US Dollars. Over recent years, the exchange rate movements have been favourable for the Company, however, the strengthening of GBP against the USD over H1 2018 has led to an exchange rate loss for the current period. The underlying financial performance has been broadly consistent if foreign exchange gains and losses are removed from both current and prior periods.

“We are seeing strong traction from the catalogue in the latter part of the summer, with a number of larger deals with long-standing customers having been completed post period end.

“The Company remains confident in the rights and licencing business’ underlying momentum, despite the weaker than anticipated sales delivery in H1 2018. DCD Rights has secured a number of large acquisition deals which bolsters the Board’s confidence that the catalogue remains attractive and we have tangible evidence of this progress post period end.

“We have always assumed the scale-up journey might not always be a smooth one, however, with strong commitment from Back Catalogue Distribution, and with continued support from Timeweave, we look forward to both top and bottom line growth as the Company continues its period of expansion and growth in global sales of its burgeoning catalogue.”

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

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Executive Chairman’s Statement

This announcement presents the unaudited interim results for the Group for the six months ended 30 June 2018.

In spite of a relatively weak start to the year, the business is likely to keep pace with sales levels seen in 2017 of c. £10m. The Board is pleased that we have established the underlying pillars for growth in the business, namely increased funding from a strong funding partner and a platform for exploitation of TV rights in global markets.

The funding partnership with Back Catalogue Distribution independent programming fund has increased its commitment to DCD Rights by driving more programming through the cycle. The Back Catalogue Distribution Board has also supported investment co-production arrangements to essentially build longer-term relationships with independent producers.

The robust platform, which is a key strength of the business, is essentially driven through people skills and expertise. Led by DCD Rights CEO Nicky Davies Williams and MD, Steve Ayton, the team have become well-established and have demonstrated their ability to increase sales over the last five years or so.

The team have also developed their own proprietary technology as a backbone for the tracking, distribution and invoicing of their content, and again this has proved to be a reliable asset over the last few years.

As the business continues to scale-up, we are pleased to report a number of notable content achievements in the first half of the year.

We are pleased to report once again that in H1 2018, DCD Media’s proprietary formats, continue to perform well.

The evergreen **Bridezillas** franchise with WE TV has seen further success. Currently in season 11, WE TV confirmed after the period end the renewal of a further season of 10 hour-long episodes to deliver in 2019. After its successful reboot and with the addition of another season, the popular entertainment series will now comprise a total of over 200 episodes.

Las Vegas magic show**, Penn and Teller: Fool Us** continues to be a success, as the previously announced fourth season is currently airing and rating well on The CW. Earlier in the year, an **‘April Fool Us’** special was also announced and premiered in between seasons, proving popular amongst its audiences. A second episode has now been confirmed for 2019.

And another DCD Media jointly owned format, **Got What It Takes?**, premiered its third season during the first half of the year rating well on CBBC, the BBC’s children’s television strand.

DCD Rights started the year positively, when the BBC ran the UK premiere of DCD distributed drama **Romper Stomper** on digital platform BBC Three. The contemporary political thriller was nominated for ‘Most Outstanding Mini Series’ at the LOGIE’s, a celebration of the best of Australian television, as well as receiving nominations for its excellent casting, which included Jacqueline McKenzie, Lachy Hulme and David Wenham.

Following the demand for specific global programming, DCD Rights’ Producer Support Initiative green lit a brand new factual crime series, **21st Century Serial Killer**. Produced by FirstLookTV and with the commercial help from DCD Media, this market-tailored series was pre-sold to UKTV’s Really Channel prior to its launch to international buyers at MIPTV.

After the success of **James Martin’s French Adventure**, the celebrity chef’s second leg of his journey across the US proved popular in a number of presales. **James Martin’s American Adventure**, which premiered on ITV at the start of the year, sold to Asia in a pan-regional deal as well as to Australia, New Zealand, Poland and Hungary. The show was also acquired for DVD and Digital Download in the UK and Eire.

DCD Rights continued to work alongside award-winning factual specialists Tern TV, part of Zinc Media plc, in acquisition of compelling new content. **Emergency Helicopter Medics** was picked up in a presale deal by Sky TV in New Zealand, followed by a presale for **World’s Wildest Weather: Caught On Camera**, sold to TVNZ. Other programming included **Flights From Hell: Caught On Camera**, which was secured by Nine Network (Australia), Sky TV (New Zealand), BBC Brit (Poland), TV2 (Denmark), RTL (Netherlands), TV2 (Norway) and Channel 8 (Israel) and **Best Laid Plans** which headed to broadcasters in Canada and Poland. With the third season launched at MIPTV, the second rating-winning season of **The Art Detectives** picked up new broadcasters in New Zealand, France and the USA with its headline-grabbing discovery of a lost Rubens masterpiece.

As we look forward to the remainder of the year, we believe sales revenue will largely remain static against last year but with our low-cost structure, the business is expected to show growth as a result of strong investment in the library in the next financial year.

The Board would like to thank our funders and staff for their continued support and wish everyone well for the remainder of 2018.

1. Profit and Loss Review

Revenues for the six months to 30 June 2018 were £3.4m (2017: £4.7m). Production revenues remain in line with prior years while DCD Rights has decreased by £1.5m to £2.9m in H1 2018. Revenues are down on the prior year due to a lag effect on the purchasing of programming content. As mentioned above, the investments are at an early stage and we expect sales from these to increase as they mature and accordingly contribute in H2 2018 and into the coming financial year.

We continue to benefit from funding support from our existing finance provider and our major shareholder, Timeweave. The funding support both funders have provided allows us to be competitive in the tender process for new titles and content, while we add to our burgeoning catalogue.

Adjusted profit before tax was £0.11m (2017: £0.49m), resulting in an adjusted gain per share for the period of 5p (2017: 22p). The Group's statutory profit after tax was £0.08m (2017: £0.33m).

Adjusted profit or loss before tax (PBT) 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. The change in PBT is largely down to decreased sales due to timing of DCD Rights income and contract completion.

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

	Unaudited 6 months ended 30 June 2018 £'m	**Unaudited 6 months ended 30 June 2017 £'m**
Operating profit per accounts	**0.11**	**0.30**
Add: Net amortisation and capitalisation of programme rights	-	0.02
Add: Impairment of programme rights	-	-
Add: Amortisation of trade names	-	0.21
Add: Depreciation	0.02	0.03
EBITDA	**0.13**	**0.56**
Add: Restructuring income	-	(0.03)
Adjusted EBITDA	**0.13**	**0.53**
Less: Net financial expense	-	(0.01)
Less: Depreciation	(0.02)	(0.03)
Adjusted PBT	**0.11**	**0.49**

2. Balance Sheet Review

Intangible assets as at 30 June 2018 stood at £1.0m (2017: £1.1m). The balance as at 31 December 2017 was £1.0m and details of the movement from December 2016 was explained in the results for the year ended 31 December 2017. There has been no movement in intangible assets within the six month period to 30 June 2018. In the six month period to June 2017 there was £0.2m amortisation of trade names and impairment of programme rights of £0.02m.

Trade and other receivables and trade and other payables at £10.2m (2017: £9.7m) and £10.3m (2017: £9.8m) respectively. While debtors are up on the same period last year they are down from the year end position of £10.9m. Increase in creditors due to timing of producer payments, this is partly off-set by the increase in cash held.

Cash on hand at the period end stood at £1.9m (FY2017: £1.3m). 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.

Bank overdrafts are secured by a fixed charge over the Group's intangible programme rights and a floating charge over the remaining assets of the Group. The bank overdraft facility of £150k (reduced from £175k at 31 December 2017) has been extended to the 30 November 2018 and is repayable on demand. The Directors expect an overdraft facility to be available to the Group for the foreseeable future.

The total convertible loan debt at 30 June 2018 stood at £0.1m (2017: £0.1m) including accrued interest. The balance as at 31 December 2017 was £0.1m.

At the end of 2016, the Group had accrued £0.9m of recharges including VAT for director, management and financial services from Timeweave Ltd ("Timeweave"), its major shareholder. In 2017, the Group was recharged £0.2m which has been repaid. A further £0.2m has been repaid over 2018 against the balance before a further recharge of £0.1m being made to cover the first half of 2018. As at 30 June 2018 the balance payable to Timeweave is £0.8m. The Group aims to repay management charges as they fall due going forward while aiming to repay the remaining outstanding balance as and when this is possible.

The amounts recoverable from HMRC in relation to VAT and social security stood at £0.1m (2017: £0.1m).

There is a tax charge of £32k (2017: £Nil) recognised in the period in relation to 31 December 2017 profits. No deferred tax asset has been recognised in relation to these losses.

Called up share capital has not changed, being £12.3m at 30 June 2017, 31 December 2017 and 30 June 2018.

No interim dividend is proposed for the period. Adjusted earnings per share are disclosed in note 3 to the interim financial statements.

3. Substantial shareholdings

As at 26 September 2018, 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	%
Timeweave Ltd	1,818,377	71.55
Lombard Odier *	664,728	26.16

*Lombard Odier means Lombard Odier & Co Limited and certain funds managed by any Lombard Odier Group.

4. Review of operational activities

The Group consists of two key divisions: rights and licensing, and production. The post-production division, Sequence Post Limited, ceased trading in 2017.

Rights and Licensing

DCD Rights' catalogue now represents some significant long running series that have continued to perform well in the period. Popular Australian series, Aussie Gold, launched a third season, bringing the franchise up to 31 hours in total. New seasons were acquired by Viasat for Scandinavia and Eastern Europe. The US Coast Guard series, which runs to a total of 68 episodes, was acquired for the Alaska seasons by Discovery Italy, and Mama June season 2 was acquired by Discovery Australia and New Zealand, as well as Africa. Marriage Bootcamp, launched season 9, whilst seasons 6, 7 and 9 were acquired by MNET for Africa and A&E acquired season 8 as well as Bridezillas 11 for South Africa and sub-Saharan Africa. In drama, three season series Janet King, launched season 1 into Spain as well as season 3 sales to Plator for Middle East and Africa whilst Rake Season 5 was acquired for US rights by Acorn.

DCD Rights attended MIP TV in April 2018 with a strong acquisitions team who were successful in securing the rights for 6 new factual series to deliver later in the year for October release. The sales team launched a second season of top rating Australian crime thriller, Jack Irish, starring Guy Pearce, and well as Striking Out, our new Irish drama now in season 2. Our new co-production crime series 21st Century Serial Killer, pre-sold to the History Channel in Spain, and is expected to premiere on UK TV channel Really, later this year.

As mentioned in the Annual Results in June we have a number of block international deals with SVOD channels in the pipeline and this remains the case as at the date of signing with several under negotiation. It is expected these will make a contribution in H2 2018 revenue accordingly.

Production

DCD Media's production subsidiary September Films (in a co-production with 1/17 Productions) transmitted the fourth series of **Penn & Teller: Fool Us in Vegas** in H1 2018 for The CW Network in the USA. Furthermore, Rize USA's hugely popular talent show for teenagers **Got What It Takes?** aired on CBBC in early 2018. The Group continues to focus on its key production franchises that includes these titles.

5. Outlook

The market back-drop for DCD Media remains very exciting and vibrant as the SVOD market continues to grow globally, challenging established TV businesses which is stimulating demand for high quality, original TV programming.

DCD Rights has worked with its core funders over the last 18 months by demonstrating strong returns to its investors which has led to further investments being committed to the DCD Media catalogue. As digital platforms deliver more and more television programming via broadband networks, and traditional TV remains robust, we see DCD Media as a well-placed content provider to deliver capacity because it has always focused on quality content within its this party licensed library.

In the near-term, it is important that DCD Media grows to a level of scale in this marketplace which will allow the business to exploit the opportunities in an expanding addressable market.

The outlook for DCD Media remains positive as we expect the recent investment in programming to bear fruit in future periods.

David Craven
Executive Chairman
27 September 2018

Consolidated income statement (unaudited) for the 6 months ended 30 June 2018

	Note	**Unaudited 6 months to 30 June 2018 £'000**	Unaudited 6 months to 30 June 2017 £'000	Audited Year to 31 December 2017 £'000
Revenue		**3,369**	4,686	10,243
Cost of sales		**(2,392)**	(3,314)	(7,708)
Impairment of programme rights		**-**	(18)	(13)
Gross profit		**977**	1,354	2,522
Administration expenses:				
- Other administrative expenses		**(920)**	(884)	(1,792)
- Impairment of goodwill and trade names		**-**	-	-
- Amortisation of goodwill and trade names		**-**	(210)	(209)
- Restructuring costs		**-**	30	-
Total administrative expenses		**(920)**	(1,064)	(2,001)
Other income		**22**	-	-
Operating profit		**79**	290	521
Finance costs		**(3)**	(9)	(2)
Profit before taxation		**76**	281	519
Taxation - current	2	**(32)**	40	40
Profit for the period from continuing operations		**44**	321	559
Profit / (loss) on discontinued operations net of tax		**35**	7	(137)
Profit for the period		**79**	328	422
Profit attributable to:				
Owners of the parent		**79**	328	422
		79	328	422
Earnings per share attributable to the equity holders of the Company during the period (expressed as pence per share)				
Basic profit per share from continuing operations		**2p**	13p	22p
Basic earnings per share from discontinued operations		**1p**	-	(5p)
Total basic profit per share		**3p**	13p	**17p**
Diluted profit per share from continuing operations		2p	13p	21p
Diluted earnings per share from discontinued operations		1p	-	(5p)
Total diluted profit per share		**3p**	13p	**16p**

Consolidated statement of comprehensive income (unaudited) for the 6 months to 30 June 2018

	Unaudited 6 months to 30 June 2018 £'000	Unaudited 6 months to 30 June 2017 £'000	Audited Year to 31 December 2017 £'000
Profit	**79**	328	422
Other comprehensive income			
Exchange gain arising on translation of foreign operations	**-**	-	-
Total other comprehensive income	**-**	-	-
Total comprehensive income	**79**	328	422
Total comprehensive expenses attributable to:			
Owners of the parent	**79**	328	422
	79	328	422

Consolidated statement of financial position (unaudited) at 30 June 2018

	Unaudited 30 June 2018 £'000	Unaudited 30 June 2017 £'000	Audited 31 December 2017 £'000
Assets			
Non-current			
Goodwill	**1,017**	1,017	1,017
Other intangible assets	**19**	38	19
Property, plant and equipment	**42**	74	35
Trade and other receivables	**78**	124	64
	1,156	1,253	1,135
Current assets			
Trade and other receivables	**10,190**	9,611	10,937
Taxation and social security	**85**	141	-
Cash and cash equivalents	**1,908**	1,733	1,323
	12,183	11,485	12,260
Liabilities			
Current liabilities			
Bank overdrafts	**-**	(63)	-
Bank and other loans	**-**	(32)	-
Unsecured convertible loan	**(76)**	(70)	(73)
Trade and other payables	**(10,256)**	(9,771)	(10,378)
Taxation and social security	**(32)**	-	(48)
	(10,364)	(9,936)	(10,499)
Net assets	**2,975**	2,802	2,896
Equity			
Called up share capital	**12,272**	12,272	12,272
Share premium account	**51,215**	51,215	51,215
Equity element of convertible loan	**1**	1	1
Own shares held	**(37)**	(37)	(37)
Retained earnings	**(60,476)**	(60,649)	(60,555)
Equity attributable to owners of the parent	**2,975**	2,802	2,896
Total equity	**2,975**	2,802	2,896

Consolidated statement of cash flows (unaudited) for the 6 months ended 30 June 2018

Cash flow from operating activities including discontinued operations	**Unaudited 6 months ended 30 June 2018 £'000**	Unaudited 6 months ended 30 June 2017 £'000	Audited Year ended 31 December 2017 £'000
Net profit before taxation	**111**	288	382
Adjustments for:			
Depreciation of tangible assets	**15**	28	47
Amortisation and impairment of intangible assets	**-**	228	246
Net bank and other interest charges	**3**	9	2
Net cash flows before changes in working capital	**128**	553	677
Increase/(decrease) in trade and other receivables	**646**	(703)	(1,793)
(Decrease)/increase in trade and other payables	**(165)**	(241)	387
Cash from continuing operations	**609**	(391)	(729)
Cash flow from discontinued operations			
Net profit/(loss) before taxation	**35**	-	(137)
Adjustments for:			
(Profit)/loss on discontinued operations	**(35)**	-	137
Net cash flows before changes in working capital	**-**	-	-
Interest paid	**(3)**	(9)	(2)
Net cash flows from operating activities	**606**	(400)	(731)
Investing activities			
Sale of property, plant and equipment	-	-	13
Purchase of property, plant and equipment	**(21)**	(8)	(4)
Purchase of intangible assets	**-**	-	-
Net cash flows used in investing activities	**(21)**	(8)	9
Financing activities			
Repayment of finance leases	**-**	(22)	(23)
Repayment of loan	**-**	(101)	(133)
Net cash flows from financing activities	**-**	(123)	(156)
Net increase/(decrease) in cash	**585**	(531)	(878)
Cash and cash equivalents at beginning of period	**1,323**	2,201	2,201
Cash and cash equivalents at end of period	**1,908**	1,670	1,323

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 2016	**12,272**	**51,215**	**1**	**(174)**	**(37)**	**(61,244)**	**2,033**	**24**	**2,057**
Profit and total comprehensive income for the period	-	-	-	-	-	477	**477**	(24)	453
Exchange differences on translating foreign operations	-	-	-	(36)	-	-	**(36)**	-	(36)
Movement between reserves	-	-	-	210	-	(210)	**-**	-	-
Balance at 31 December 2016	**12,272**	**51,215**	**1**	**-**	**(37)**	**(60,977)**	**2,474**	**-**	**2,474**
Profit and total comprehensive income for the year	-	-	-	-	-	328	**328**	-	**328**
Balance at 30 June 2017	**12,272**	**51,215**	**1**	**-**	**(37)**	**(60,649)**	**2,802**	**-**	**2,802**
Profit and total comprehensive income for the period	-	-	-	-	-	94	**94**	-	94
Balance at 31 December 2017	**12,272**	**51,215**	**1**	**-**	**(37)**	**(60,555)**	**2,896**	**-**	**2,896**
Profit and total comprehensive income for the period	-	-	-	-	-	79	**79**	-	**79**
Balance at 30 June 2018	**12,272**	**51,215**	**1**	**-**	**(37)**	**(60,476)**	**2,975**	**-**	**2,975**

Notes to the interim financial statements (unaudited)

Nature of operations and general information

During the period, the principal activity of DCD Media Plc and subsidiaries (the Group) was the worldwide distribution of programmes for television and other media; the Group also distributes programmes on behalf of other independent producers.

DCD Media Plc is the Group's ultimate parent company, and it is incorporated and registered in England and Wales. The address of DCD Media Plc's registered office is 9th Floor, Winchester House, 259 - 269 Old Marylebone Road, London, NW1 5RA, and its principal place of business is London. DCD Media Plc's shares are listed on the Alternative Investment Market (AIM) 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 27 September 2018.

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 2018 and are unchanged from those disclosed in the Group's Directors' Report and consolidated financial statements for the year ended 31 December 2017. 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 2018 and the six months ended 30 June 2017 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 2017 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 2018. 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 2017.

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 have prepared profit and cash flow projections which incorporate reasonably foreseeable impacts of the ongoing challenging market environment.

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

The Directors, after making enquiries, have a reasonable expectation that the Company and the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

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

2. Tax

There is a tax charge of £32k (2017: £Nil) recognised in the period in relation to 31 December 2017 profits. No deferred tax asset has been recognised in relation to brought forward losses within group companies.

Notes to the interim financial statements (unaudited)

3. Profit per share

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

	6 months to 30 June 2018 £'000	**6 months to 30 June 2017 £'000**
Profit attributable to ordinary shareholders:		
Basic	**79**	**328**
Adjusted basic profit	**111**	**486**
	No.	**No.**
Weighted average number of shares in issue:		
Basic	**2,541,419**	**2,541,419**
Profit per share (pence):		
Basic	**3**	**13**
Adjusted basic	**5**	**22**

4. Dividends

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

5. 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: 9th Floor, Winchester House, 259-269 Old Marylebone Road, London, NW1 5RA.