Parallel Media Group plc **Registered Number 00630968**

Annual report for the year ended 31 December 2015

A LEADING SPORTS AND ENTERTAINMENT AGENCY

Who We Are

Parallel Media Group PLC (PMG) is a leading Communications Agency specialising in Sports, Entertainment and Media. Founded in 1987 by Chairman, David Ciclitira and listed on the London Stock Exchange's AIM since August 2001, Parallel Media Group connects lifestyle brands to opportunities in Asian markets.

What We Do

In Sport

PMG specialises in golf and has worked in the industry for over 25 years promoting tournaments on the European tour. PMG successfully moved the Ballantines Championship in Korea to Singapore and promoted and managed the second Prudential Causeway Trophy, a Ryder Cup style tournament, between Singapore and Malaysia. PMG still holds the rights to the renamed Championship formally the Ballantines Championship.

In Music

PMG created AIA K-Pop, a collaboration between one of Asia's biggest financial brands, AIA and Korea's best exports, K-Pop. PMG also owns the Blue & White Festival rights promoting the region of PyeongChang in the run up to the 2018 Winter Olympics and beyond and continues to expand launching the AIA Real Life: NOW Festival.

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DIRECTORS AND ADVISERS

Directors	David Ciclitira (Chairman) Maria Serena Papi Ranjit Murugason Timothy Sturm
Public Limited Company No	00630968 - incorporated in England and Wales
Secretary and Registered Office	Matthew Ellis Devonshire House, 60 Goswell Road London, EC1M 7AD
Nominated Adviser and Broker	Stockdale Securities Limited Beaufort House, 15 St Botolph Street London, EC3A 7BB
Auditor	Kingston Smith LLP 6th Floor, Charlotte Building 17 Gresse Street, London, W1T 1QL
Solicitors	Druces LLP Salisbury House London, EC2M 5PS
Bankers	Lloyds Bank Plc 2nd Floor, 25 St George Street London, W1S 1FS National Westminster Bank Plc 2nd floor, 65 Piccadilly London, W1A 2PP
Registrars	Capita IRG Plc Beckenham, Kent, BR3 4TU

I have pleasure in presenting the Company's Annual Report, Strategic Report and Financial Statements for the year ended 31 December 2015. Over the past year PMG has continued to restructure its balance sheet, reduce overheads and strengthen its music business in Asia.

During the period under review PMG has:

- Structured a long term contract with Team Rock this allows it to represent its interests in Asia and specifically to co-promote the Classic Rock Awards in Japan.
- Organised the sponsorship by AIA of Maroon 5's tour of Hong Kong and in Thailand.
- Continued to seek sponsorship for its European Tour date through its Singapore based subsidiary The Championship Limited.
- Continued to review its asset base and has worked towards further reducing annual overheads. The Company has sold Parallel Media Group (Championship) Ltd to its Chairman which has significantly reduced the liabilities on the Company's balance sheet.

Other significant events:

- The Company has reached a settlement with Arena whereby the Company has received a cash sum of US$125k (£84K) received in March 2016 and another US$25k (Approx £17k) is to be received in February 2017.
- The Company has further improved its balance sheet by reaching an agreement to remove certain liabilities which have been taken over by a Company under the control of its Chairman.
- The Company has signed a series of agreements securing the promotion of the Classic Rock Awards in Tokyo on 11th November 2016.

Outlook:

With a much cleaner balance sheet and a reduced cost base, PMG can now look clearly to the future to focus on its two primary sources of revenue – its live event division and its entertainment business. The board feels positive about the growth potential of the Group and, wishing further to demonstrate support of PMG, David Ciclitira has increased his loans to the Company from £872k at 31st December 2015 to £984k at the date of the publication of these accounts.

I would like to take this opportunity to thank my fellow board members, as well as all of our hard working staff around the world.

David Ciclitira
Chairman
29 June 2016

Strategic Report

The Directors of the Company and its subsidiary undertakings, which together comprise Parallel Media Group, present their Strategic Report for the year ended 31 December 2015.

The Strategic Report is a statutory requirement under the Companies Act 2006 and is intended to provide fair and balanced information that enables the Directors to be satisfied that they have complied with s172 of the Companies Act 2006, which sets out the Directors' duty to promote the success of the Company.

Principal Activities

The principal activities of the Group during the year ended 31 December 2015 were live music and entertainment events.

Organisation Review

PMG has expertise in guiding some of the world's leading brands in the Asian markets. Founded in 1987 by Chairman, David Ciclitira, and listed on the London Stock Exchange's AIM since August 2001, the operations of PMG are run from two main offices in London and Singapore.

The Board of Directors comprises the Chairman and three non-executive Directors. Their profiles can be found on the Company's website www.parallelmediagroup.com

Strategy and Business Plan

PMG now focuses on two distinct business areas, Sport and Entertainment, and retains an interest in developing opportunities in its Media business.

In Sport PMG specialises in golf and has been responsible for promoting tournaments such as The Championship (formerly the Ballantine's Championship), the 2013 event having taken place in Korea and the 2014 event having been held in Singapore at Laguna National, and the Prudential Causeway Trophy a Ryder Cup style competition between professional golfers from Singapore and Malaysia. Discussions continue regarding the renamed 2016 Golf Tournament.

In entertainment PMG specialises in connecting international brands with music solutions in the Asian markets and will continue to focus on its live events and expanding music business over the next 12 months.

The media business is still under review by the Company's management.

Financial and Performance Review

During the year the PMG board of Directors sold Parallel Media Group (Championship) Ltd therefore removing certain debts from the statement of financial position.

The statement of financial position of the Group is set out in page 22 and shows the impact of the removal of Parallel Media Group (Championships) Ltd with net liabilities falling to £1.01m from £1.65m the previous year. PMG is continuing its current discussions with creditors which should allow for continued improvement of the balance sheet.

The consolidated Income Statement is set out on page 20. The Company has generated a gross profit of £0.24m in the current year against £0.25m for the previous year.

The continued cost cutting exercise across the Group has again been a significant success with other administrative expenses down from £0.98m to £0.35m, a saving of £0.63m in the twelve month period under review.

Operating loss has improved by £0.76m compared to last year with the current year showing a loss of £0.27m against a loss of £1.03m from the previous financial year.

Operating Review

Sport

- Continues to seek sponsorship for its European Tour date.

Entertainment

- Structured a long term contract with Team Rock to represent its interests in Asia .
- To co-promote the Classic Rock Awards in Japan.
- Organised the sponsorship by AIA of Maroon 5's tour of Hong Kong and Thailand.

Media

- Under review by the management of the Company.

Risk and Uncertainties

Revenue risk:
PMG derives the majority of its revenues from events promotion and sponsorship sales in Asia. Sponsorship sales rely on international brands seeking to expand their presence in the Asian markets. A downturn in Asian sponsorship could negatively impact PMG results. PMG is working to mitigate this risk through the development of long-term sponsorship contracts.

Cost risk:
A considerable portion of PMG's cost of sales is derived from business in Asia through the delivery of events in the region. Increases in local supplier costs may negatively impact PMG's financial performance. PMG works to mitigate this risk by working with internationally recognised suppliers and renegotiates supply contracts on an event by event basis.

Event cancellation risk:
When staging international golf events in the Asia region. To mitigate the impact of event cancellation, PMG insures against this risk.

New product risks:
PMG carries out market research on new products and expects all new products to generate revenues.

Financial Instruments

Although PMG is headquartered in the UK, a considerable portion of revenue and costs are denominated in US dollars, Euros and Korean Won. As a result, the Group's consolidated financial statements (presented in Sterling) can be affected by adverse currency movements. The Group's financial risk management objective is to minimise the exposure to such foreign currency risks. PMG's policy is to match US dollar, Euro and Korean Won revenue and costs as closely as is practicable.

The Group is exposed to interest rate risk from movements in the bank base rate. The Company's £0.32m debt facility with Lloyds is charged interest at 4% above base.

The Group is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The Group's customers are predominantly comprised of, large multi-national luxury brands. The sponsorship & consulting revenues are secured by contracts for the provision of services. Title sponsors pay contracted stage payments in regular intervals throughout the year. Secondary sponsors pay contracted sponsorship fees usually 60 days prior to the event. The Group aims to ensure that the majority of sponsorship is paid prior to the provision of the service or event.

The Group and Company's surplus liquid resources were maintained on short-term interest bearing deposits. The Group plans to continue to meet operating and other commitments as they fall due. Liquidity risk is managed through cash flow forecasts and regular planning.

Internal Controls and Risk Management

The Directors are responsible for the Group's system of internal financial control. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's system is designed to bring reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

The Board reviews capital investment, additional borrowing facilities, guarantees and insurance arrangements.

Forward Looking Statement

PMG will continue to focus on its Live Events and expanding music businesses over the forthcoming 12 months.

PMG is acting as co-promoter of the Classic Rock Awards and expects the initial event to be held on the 11th November 2016. It foresees that 2017 will see the extension of the Classic Rock Awards into a weekend long festival, taking advantage of relationships built up with various artists who will be performing in the Classic Rock Awards.

This year's artists include Jeff Beck, Steven Tyler, and Cheap Trick.

PMG is currently in discussion to extend its Live Events portfolio by means of acquisition and expects to make announcements later in 2016 or early 2017.

Corporate Governance

The company is committed to high standards of corporate governance. The non-executive director Timothy Sturm heads the Audit Committee, while Ranjit Murugason continues his role as a non-executive director and member of the Audit Committee.

Role of the Board

The Board's role is to agree PMG's long-term direction and strategy and monitor achievement of its objectives. The board aims to meet six times a year for these purposes and hold additional meetings where necessary. The Board receives reports on all significant strategic and operational matters.

Shareholders

The Board seeks to protect shareholders' interests by following where appropriate the guidelines in the UK Corporate Governance Code. The annual general meeting provides the Board with an opportunity to informally meet and communicate with investors.

Suppliers and Contractors

It is Group policy that appropriate terms and conditions for its transactions be agreed with its suppliers and that payment should be made in accordance with those terms and conditions, provided that the supplier has also complied with them. The Group does not follow any code or standard on payment practice.

This strategic report was approved by the Board of Directors on 29 June 2016 and signed on its behalf.

David Ciclitira
Chairman
29 June 2016

BASIS OF PREPARATION, FORECASTS AND ASSUMPTIONS

The financial statements have been prepared on a going concern basis as per note 1.1 which assumes that the Group will continue in operational existence for the foreseeable future. The Directors have prepared trading and cash flow forecasts for the Group for the period to 31 December 2016.

BRANCHES IN THE EU

The Group has no branches in the EU whilst the Joint Venture, Parallel Media Italia s.r.l., a company incorporated in Italy has not traded.

DIVIDEND

No dividend is recommended in respect of the year ended 31 December 2015 (2014 - £Nil).

DIRECTORS

The Directors during the year and there period of office were:

David Ciclitira	-	Director for the full year ended 31 December 2015
Maria Serena Papi	-	Non-Executive Director for the full year ended 31 December 2015
Ranjit Murugason	-	Non-Executive Director for the full year ended 31 December 2015
Timothy Sturm	-	Non-Executive Director for the full year ended 31 December 2015

Directors' interests in shares and options:

The beneficial interests in the ordinary share capital of the Company of the Directors in office at 31 December 2015 were as follows:

	31 December 2015 Ordinary shares of 1p*		31 December 2014 Ordinary shares of 1p*	
Director	**Fully Paid**	**Options**	**Fully Paid**	**Options**
David Ciclitira	1,014,317	1,872	1,014,317	1,872
Maria Serena Papi	6,423	-	6,423	-
Ranjit Murugason	180,649	-	180,649	-
Tim Sturm	7,083	-	7,083	-

The shares or beneficial interest in the shares held by David Ciclitira are as follows:

Holder	No. of 1p* shares 31 December 2015	No. of 1p* shares 31 December 2014	Reference
D Ciclitira	688,747	688,747	Held by D Ciclitira directly
Walbrook Trustees (Jersey) Ltd	206,532	206,532	A discretionary trust, of which D Ciclitira is a potential beneficiary
Luna Trading Ltd	116,434	116,434	A company held by a discretionary trust, of which D Ciclitira is a potential beneficiary
S Ciclitira	6,423	6,423	Held by S Ciclitira directly
Lynchwood Nominees	2,604	2,604	
	1,020,740	**1,020,740**	

The above table constitutes the David Ciclitira Concert Party

*Throughout these accounts the ordinary shares of 52.8p have been amended to show ordinary shares of 1p. In the prior year the shares were shown as ordinary shares of 52.8p with no split between the two. The other value that should have been recorded was 51.8p deferred shares. This has no financial impact nor changes to the shares in issue.

SUBSTANTIAL SHAREHOLDINGS

The following investors notified the Directors that they hold or are beneficially interested in 3% or more of the Company's ordinary share capital.

	No	%
David Ciclitira Concert Party	1,020,740	33.92%
Harwood Capital LLP	849,530	28.23%
BNY (OCS) Nominees Limited	189,881	6.31%
Ranjit Murugason	183,846	6.11%

DIRECTORS' LIABILITY INSURANCE

During the year, Directors' and officers' liability insurance was maintained for Directors and other officers of the Company as permitted by the Companies Act 2006.

AIM COMPLIANCE

In accordance with AIM Rule 31, the Company is required to have in place sufficient procedures, resources and controls to enable its compliance with the AIM Rules. In order to ensure that these obligations are met, matters of compliance are managed through regular Board meetings and advice is sought from the Group's nominated adviser (Nomad). The Directors are satisfied that the Company's obligations under AIM Rule 31 have been met during the period under review.

PROVISION OF INFORMATION TO AUDITOR

In the case of each of the Directors who are Directors of the Company at the date when this report is approved:

- So far as they are individually aware, there is no relevant audit information of which the Company's auditor is unaware; and
- Each of the Directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of the information.

AUDITOR

Parallel Media Group re-appointed Kingston Smith LLP as auditors for the Company and its subsidiaries for the financial year 2015. A resolution to re-appoint Kingston Smith LLP for the 2016 audit will be put to the shareholders at the next Annual General Meeting.

POST BALANCE SHEET EVENTS

The Company has further improved its balance sheet by reaching an agreement to remove certain liabilities which have been taken over by a Company under the control of its Chairman. The amount of which totals £58k.

There has been no further matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

On behalf of the Board
D Ciclitira

Chairman
29 June 2016

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange, the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and have also elected to prepare the parent Company financial statements in accordance with those standards. 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 judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRSs as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARALLEL MEDIA GROUP PLC

We have audited the financial statements of Parallel Media Group plc for the year ended 31 December 2015 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated and Company Statements of Financial Position, Consolidated and Company Statements of Changes in Equity, Consolidated and Company Statements of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the Company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the Company and Company's members as a body, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 17 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2015 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Kingston Smith LLP

Peter Smithson (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

30 June 2016

6th Floor
Charlotte Building
17 Gresse Street
London
W1T 1QL

Parallel Media Group plc

CONSOLIDATED INCOME STATEMENT for the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Revenue	4	241	692
Cost of sales	5	(5)	(442)
Gross profit		236	250
Administrative expenses			
Foreign exchange		(9)	(106)
Depreciation and amortisation of non financial assets		(139)	(187)
Other administrative expenses		(354)	(984)
Total administrative expenses		(502)	(1,277)
Operating loss	6	(266)	(1,027)
Exceptional items	7b	-	(3,648)
Operating loss after exceptional Items		(266)	(4,675)
Finance costs	10	(43)	(65)
Share of post acquisition profit of Joint Venture		-	129
Profit/(loss) before tax	4	(309)	(4,611)
Tax expense	12	-	-
Loss for the year		(309)	(4,611)
Discontinued operations			
Profit from discontinued operations	7a	920	-
Profit/(loss) for year after discontinued operations		611	(4,611)
Attributable to:			
Non-controlling interests		-	-
Equity holders of the parent		611	(4,611)
		611	(4,611)
Earnings /(loss) per share			
-basic	13	20.3p	(153.2p)
-diluted	13	20.3p	(153.2p)

The accompanying accounting policies and notes form an integral part of the financial statements.

Parallel Media Group plc

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2015

	2015	2014
	£'000	£'000
Profit/(loss) for the year	611	(4,611)
Items that will be subsequently reclassified to profit and loss		
Exchange difference on translation of foreign operations	34	(69)
Total comprehensive income /(expense) for the year	645	(4,680)
Total comprehensive income/(expense) attributable to:		
Equity holders of the parent	645	(4,680)
Non-controlling interest	-	-
	645	(4,680)

Parallel Media Group plc Company Number 00630968

STATEMENTS OF FINANCIAL POSITION as at 31 December 2015

		Group		Company	
		2015	**2014**	**2015**	**2014**
		£'000	**£'000**	**£'000**	**£'000**
Non current assets					
Property, plant and equipment	14	3	6	-	-
Intangible assets - Tournament rights	15	1,458	1,594	1,458	1,594
Investments	16	-	-	54	58
Total non current assets		1,461	1,600	1,512	1,652
Current assets					
Trade and other receivables	17	61	72	537	549
Cash and cash equivalents	18	14	3	7	(1)
Total current assets		75	75	544	548
Current liabilities					
Financial liabilities - Borrowings	19	85	85	85	85
Trade and other payables	20	2,229	2,927	4,295	3,603
Total current liabilities		2,314	3,012	4,380	3,688
Net current liabilities		(2,239)	(2,937)	(3,836)	(3,140)
Non current liabilities					
Financial liabilities - Borrowings	21	231	317	231	317
		231	317	231	317
Net liabilities		(1,009)	(1,654)	(2,555)	(1,805)

STATEMENTS OF FINANCIAL POSITION as at 31 December 2015 (continued)

		Group		Company	
		2015	**2014**	**2015**	**2014**
		£'000	**£'000**	**£'000**	**£'000**
Share capital	24	4,612	4,612	4,612	4,612
Share premium		8,741	8,741	8,741	8,741
Other reserves		503	503	557	557
Capital redemption reserve		5,034	5,034	5,034	5,034
Foreign exchange reserve		(82)	(116)	-	-
Retained earnings		(19,970)	(20,581)	(21,499)	(20,749)
Equity attributable to equity holders of the parent		(1,162)	(1,807)	(2,555)	(1,805)
Non-controlling interests		153	153	-	-
		(1,009)	(1,654)	(2,555)	(1,805)

The financial statements were approved and authorised for issue by the Board of Directors on 29 June 2016 and were signed on its behalf by:

David Ciclitira
Chairman

Parallel Media Group plc

STATEMENTS OF CHANGES IN EQUITY for the year ended 31 December 2015

	Ordinary Share Capital	Share Premium	Other Reserves	Capital Redemption Reserve	Forex Reserve	Retained Earnings	Subtotal	Non controlling Interests	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Group									
As at 31 December 2014	4,612	8,741	503	5,034	(116)	(20,581)	(1,807)	153	(1,654)
Profit for the year	-	-	-	-	-	611	611	-	611
Foreign exchange	-	-	-	-	34	-	34	-	34
Total comprehensive Income for the year	-	-	-	-	34	611	645	-	645
At 31 December 2015	4,612	8,741	503	5,034	(82)	(19,970)	(1,162)	153	(1,009)
Company									
At 31 December 2014	4,612	8,741	557	5,034	-	(20,749)	(1,805)	-	(1,805)
Loss for the year	-	-	-	-	-	(750)	(750)	-	(750)
At 31 December 2015	4,612	8,741	557	5,034	-	(21,499)	(2,555)	-	(2,555)

	Ordinary Share Capital	Share Premium	Other Reserves	Capital Redemption Reserve	*Forex Reserve	Retained Earnings	Subtotal	Non controlling Interests	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Group									
As at 31 December 2013	4,612	8,741	503	5,034	13	(16,030)	2,873	-	2,873
Loss for the year	-	-	-	-	-	(4,611)	(4,611)	-	(4,611)
Foreign exchange	-	-	-	-	(129)	60	(69)	-	(69)
Total comprehensive income for the year	-	-	-	-	(129)	(4,551)	(4,680)	-	(4,680)
Issued share capital	-	-	-	-	-	-	-	153	153
At 31 December 2014	4,612	8,741	503	5,034	(116)	(20,581)	(1,807)	153	(1,654)
Company									
At 31 December 2013	4,612	8,741	557	5,034	-	(16,966)	1,978	-	1,978
Loss for the year	-	-	-	-	-	(3,783)	(3,783)	-	(3,783)
At 31 December 2014	4,612	8,741	557	5,034	-	(20,749)	(1,805)	-	(1,805)

*The Foreign Exchange translation reserve comprises foreign exchange differences arising from the translation of the financial statements of subsidiaries that do not have a sterling functional currency. A reclassification amounting to £60k was made in 2014 to correct a prior year balance not recognised. The correction therefore adjusted the forex reserve by removing from retained earnings and reclassifying to the forex reserve. The Capital Redemption reserve comprises amounts transferred from share capital on redemption of issued shares.

Parallel Media Group plc

STATEMENTS OF CASH FLOWS for the year ended 31 December 2015

	Group		Company	
				(Restated)
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Operating Loss	(266)	(4,675)	(707)	(3,718)
(Decrease) in translation reserve	34	(69)	-	-
Depreciation	3	6	-	-
Amortisation of intangibles - Tournament rights	136	136	136	136
Amortisation of intangibles - Development costs	-	45	-	45
Loss on disposal of Intangible asset	-	2,370	-	95
Loss on disposal of Investments	-	2	4	2,307
Decrease in inventory	-	8	-	8
Decrease in receivables	11	2,386	12	2,713
(Decrease)/increase in payables	(748)	(170)	642	(1,430)
Consideration of purchaser of Parallel Media Group Championship Ltd	50	-	50	-
Profit from discontinued operations	920	-	-	-
Cash generated from operations	140	39	137	156
Cash flow from investing activities				
Acquisition of property, plant and equipment	-	(9)	-	-
Investments in joint ventures	-	-	-	31
Net cash (used in)/generated from investing activities	-	(9)	-	31
Cash flow from financing activities				
Shares issued to non-controlling interests	-	153	-	-
Loans repaid	(86)	(139)	(86)	(139)
Interest paid	(43)	(65)	(43)	(65)
Net cash used in financing activities	(129)	(51)	(129)	(204)
Cash and cash equivalents at beginning of the year	3	24	(1)	16
Net increase/(decrease) in cash and cash equivalents	11	(21)	8	(17)
Cash and cash equivalents at end of the year	14	3	7	(1)

The 2014 restatement is due to the interest paid £65k not being classified correctly within the 2014 company cash flow statement. This has now been rectified by amending the Operating loss figure to not include the interest paid and reclassifying to Interest paid under the heading Cash flow from financing activities.

1. Basis of preparation

These financial statements have been prepared on the historical cost basis as modified by use of the fair-value basis where required and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS as at 31 December 2015.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements which are disclosed in note 3.

A separate Income Statement or statement of comprehensive income for the parent Company has not been presented as permitted by section 408 of the Companies Act 2006. The parent Company loss for the year was £0.75m (2014 £3.78m).

1.1 Going concern

The Directors have prepared trading and cash flow forecasts for the Group for the period to 31 December 2016. The forecasts incorporate trading assumptions, including increased sponsorship from existing tournaments, new sponsorship revenues, and revenues from new products. The forecasts show that the Group has sufficient cash to meet liabilities as they fall due for a period of 12 months from the date of signature of the financial statements.

In addition, the Directors have received confirmation that financial support will be provided to the PMG Group of companies sufficient to enable the Group to continue to trade and meet its financial obligations as they fall due or the foreseeable future being at least 12 months from the date of signature of the financial statements from the date that the Parallel Media Group plc financial statements for the year ended 31 December 2015 are approved and signed.

The Directors believe these forecasts to be realistic, and consequently have prepared the financial statements on the going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future.

1.2 Adoption of standards effective in 2015

The financial statements are prepared in accordance with International Financial Reporting Standards and Interpretations as adopted by the EU in force at the reporting date.

a) New and amended standards adopted by the Group.

There were no new standards in effect that have had a significant effect on the financial statements. There have been improvements to standards which provide clarifications rather than substantive changes to requirements.

New and Revised Standards

IFRS in issue but not applied in the current financial statements

The following IFRS and IFRIC Interpretations have been issued but have not been applied by the Company in preparing these financial statements as they are not as yet effective and in some cases had not yet been adopted by the EU. The Company intends to adopt these Standards and Interpretations when they become effective, rather than adopt them early.

- IFRS 9, 'Financial Instruments'
- IFRS 15, 'Revenue from Contracts with Customers'
- IFRS 11 (amendments), 'Accounting for Acquisitions of Interests in Joint Operations'
- IAS 1 (amendments), 'Disclosure Initiative'
- IAS 16 and IAS 41 (amendments), 'Clarification of Acceptable Methods of Depreciation and Amortisation'
- IAS 16 and IAS 41 (amendments), 'Agriculture: Bearer Plants'
- IAS 27 (amendments), 'Equity Method in Separate Financial Statements'
- IFRS 10 and IAS 28 (amendments), 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'
- IFRS 10, IFRS 12 and IAS 28 (amendments), 'Investment Entities: Applying the Consolidation Exemption'
- Annual Improvements to IFRSs: 2012-2014 – various clarifications
- IFRS 16 Leases

1.2 Adoption of standards effective in 2015 (continued)

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the Group in future periods except that IFRS 9 will impact both the measurement and disclosure of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures. Beyond this, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 and IFRS 15 until a detailed review has been completed.

A number of IFRS and IFRIC interpretations are also currently in issue which are not relevant for the Company's activities and which have not therefore been adopted in preparing these financial statements.

2. Accounting policies

2.1 Consolidation and investments

The consolidated financial statements incorporate the results of the Company and all of its subsidiary undertakings as at 31 December 2015 using the purchase method of accounting. Under the purchase method the results of subsidiary undertakings are included from the date of acquisition. On disposal, the results are included up to the date of disposal. Inter-company balances, transactions, and unrealised gains/losses are eliminated on consolidation.

2.2 Intangible assets – Tournament rights

The rights to promote European Tour golf events were acquired in September 2006 and are included in the statement of financial position as intangible assets in the audited financial statements for the year ended 31 December 2006. These assets are amortised on a straight line basis over their expected life of 20 years. Intangible assets acquired are held at cost less amortisation and are reviewed on an annual basis for impairment.

2.2.1 Intangible assets - Development costs

Development costs are included in the statement of financial position at cost less any impairment provision. Development costs are only recognised where it can be demonstrated that the project is technically feasible; where there is a clear intention to complete the project; that there is ability to use or sell the asset; that there is a high probability of future economic benefits and expenditure can be measured reliably.

Amortisation is charged to the Income Statement on a straight-line basis over the estimated useful lives of the intangible asset. This is between 2 and 11 years based on the asset unless such lives are indefinite. These changes are included in administrative expenses in the Income Statement.

2.3 Investment in joint ventures

A joint venture is an entity over which the Group has joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The investment in a joint venture is initially recognised at cost and adjusted for the Group's share of the changes in the net assets of the joint venture after the date of acquisition, and for any impairment in value. If the Group's share of losses of a joint venture exceeds its interest in the joint venture, the Group discontinues recognising its share of further losses.

2.4 Property, plant & equipment

All property, plant and equipment assets are stated at cost less accumulated depreciation.

Depreciation is provided on office equipment and fixtures & fittings at 20% on a straight line basis.
Residual values, remaining useful lives and depreciation methods are reviewed annually and adjusted if appropriate.

2.5 Impairment of assets

The carrying amounts of the Group's assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

2.6 Financial instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are recognised on trade date when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair-value plus, in the case of a financial instrument not at fair-value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments are derecognised on trade date when the Group is no longer a party to the contractual provisions of the instrument.

2.7 Trade receivables

Trade receivables are stated at their amortised cost. Trade receivables are reduced by appropriate allowances for estimated irrecoverable amounts.

2.8 Cash and cash equivalents

Cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.9 Trade payables

Trade payables are stated at their amortised cost.

2.10 Interest-bearing borrowings (other than compound financial instruments)

Interest-bearing borrowings are stated at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

2.11 Share based payments

Options are measured at fair-value at grant date using the Black-Scholes model. The fair-value is expensed on a straight line basis over the vesting period, based on an estimate of the number of options that will eventually vest. Cash settled share based payment transactions results in the recognition of a liability at its current fair-value.

2.12 Revenue recognition

Revenue includes sponsorship, management fees, sales & consulting fees, and income from sales of broadcasting rights. Revenue is recognised when the Group has earned the right to receive consideration for its performance, measured on the following basis:

(i) Management fees and other fees earned – on rendering of services to third parties.
(ii) Income from sale of sponsorship and commercial rights – on a straight line basis in accordance with the terms of the agreement.
(iii) Income from sale of broadcasting rights – on delivery of the programmes to broadcasters in accordance with the terms of the agreement.

2.13 Barter transactions

When services are rendered in exchange for dissimilar goods or services, the revenue generated for the services rendered is measured at the fair-value of the goods or services received, adjusted for the amount of any cash or cash equivalents transferred.

2.14 Leases

Rentals under operating leases are charged to the Income Statement on a straight line basis over the lease term.

2.15 Deferred taxation

Deferred tax is provided in full using the balance sheet liability method. Deferred tax is the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities shown on the statement of financial position.

The amount of deferred tax provided is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

The Group does not recognise deferred tax liabilities, or deferred tax assets, on temporary differences associated with investments in subsidiaries, as it is not considered probable that the temporary differences will reverse in the foreseeable future.

2.15 Deferred tax – (continued)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amounts of the deferred tax assets are reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered.

2.16 Segmental reporting

The Group has three operating segments: the Sports, Entertainment and Media segments. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services (see note 4).

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources. All inter-segment transfers are carried out at arm's length prices.

For management purposes, the Group uses the same measurement policies as those used in its financial statements, except for certain items not included in determining the operating profit of the operating segments, such as share-based payment expenses.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment. This primarily applies to the Group's headquarters.

2.17 Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated at the rates of exchange ruling at the reporting date. Transactions in foreign currencies are translated at the rate ruling at the date of the transaction. Differences on exchange arising on translation of subsidiaries are charged directly to other comprehensive income. All other exchange differences have been charged to the Income Statement in the period under review.

2.18 Business combinations

The consolidated financial statements incorporate the results of business combinations using the purchase method. The cost of an acquisition is measured as an aggregate of the consideration transferred, measured at the acquisition date fair-value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Subsequent changes in the proportion of the non-controlling interests, which do not result in the de-recognition of the subsidiary, are accounted for in equity. Costs incurred in connection with the acquisition are recognised in profit or loss as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair-value of the Group's previously held equity interest in the acquiree is re-measured to fair-value at the acquisition date through profit or loss. Goodwill is initially measured at cost being the excess of the consideration transferred over the Group's share of net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair-value of nets assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any recognised impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to either the acquired business or to each of the Group's cash generating units that are expected to benefit from the combination irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms a part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit until retained.

Goodwill arising from business combinations is assessed for impairment annually.

The results of the acquired operations are included in the consolidated Income Statement and consolidated statement of comprehensive income from the date on which control is obtained.

2.19 Inventory

Inventory is stated at the lower of cost and net realisable value. Cost is based on purchase price and net realisable value is based on estimated selling price less disposal costs.

2.20 Exceptional items

Exceptional costs are those costs incurred in the Group which are considered by the Directors to be material in size and are unusual and infrequent in occurrence which require separate disclosure within the financial statements.

3. Accounting estimates and judgements

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

3.1 Intangible assets

Tournament rights are the rights to promote European Tour golf events acquired in a market transaction in September 2006. These assets are carried at cost less amortisation. Amortisation is calculated to write-off the assets over their expected useful life of 20 years. Tournament rights have a carrying value of £1.46m (2014 £1.59m)

4. Segment reporting

Operating segments

The Group now operates under three segments, Sports, Entertainment and Media.

Parallel Sports

Parallel Sports operates professional golf tournaments around the world sanctioned by The European Tour, The Asian Tour and The Korean LPGA with a focus in Asia.

Parallel Media

The media segment had focused on smart media using the technology developed by PSM (developed apps include the Hong Kong Eye iPad and iPhone app, available through the appstore). This is currently being reviewed by the Directors of the Company.

Parallel Entertainment

The entertainment division has been developed throughout 2015 and is focused on building on our relationships with AIA and promoting new music related events.

4. Segment reporting (continued)

Segment results for the year

Operating segments	Sports		Entertainment		Media		(Restated) Consolidated	
	£'000		£'000		£'000		£'000	
	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	40	531	201	161	-	-	241	692
Joint ventures	-	(15)	-	29	-	115	-	129
Segment result	40	202	196	62	-	115	236	*379
Unallocated corporate expenses							(502)	(1,277)
Operating loss							(266)	(898)
Exceptional Items							-	(3,648)
Discontinued operations							920	-
Finance costs							(43)	(65)
Profit/(loss) for the year							**611**	**(4,611)**

*Restated due to rounding error of £1,000

Revenue by major customer

Operating Segments	Sports		Entertainment		Media		Consolidated	
	£'000		£'000		£'000		£'000	
	2015	2014	2015	2014	2015	2014	2015	2014
Other Clients	40	531	-	161	201	-	241	692
Total by client and segment	**40**	**531**	**-**	**161**	**201**	**-**	**241**	**692**

4. Segment reporting (continued)

Geographical analysis

Operating segments	**Revenues**		**Non-current Assets**	
	£'000		**£'000**	
	2015	**2014**	**2015**	**2014**
South Korea	-	161	270	292
Hong Kong	-	12	1,020	1,120
Singapore	201	537	3	*6
Europe	-	(40)	-	-
UK	40	22	168	182
Malaysia	-	-	-	-
Total by geography	**241**	**692**	**1,461**	***1,600**

*Restated due to inclusion of an incorrect Non Current Asset £60k has been removed from the Singapore operating segment. This was a typing error in the prior year.

4. Segment reporting (continued)

Segment assets and liabilities

Operating segments	**Sports**		**Entertainment**		**Media**		**Consolidated**	
	£'000		**£'000**		**£'000**		**£'000**	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Segment assets	1,504	1,661	-	-	-	-	1,504	1,661
Unallocated corporate assets							32	14
Consolidated total assets							**1,536**	**1,675**
Segment liabilities	(638)	(1,570)	(83)	(78)	(3)	(5)	(724)	(1,653)
Unallocated corporate liabilities							(1,821)	(1,676)
Consolidated total liabilities							**(2,545)**	**(3,329)**
Net liabilities							**(1,009)**	**(1,654)**

Other segment information for the year

Operating segments	**Sports**		**Entertainment**		**Media**		**Consolidated**	
	£'000		**£'000**		**£'000**		**£'000**	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Depreciation of tangible assets	(3)	(6)	-	-	-	-	(3)	(6)
Capital expenditure	-	9	-	-	-	-	-	9
Amortisation of intangible assets	(136)	(141)	-	-	-	(40)	(136)	(181)

5. Cost of sales

The Group's cost of sales comprises:

	2015 £'000	2014 £'000
Commissions payable	-	35
Direct delivery costs	-	407
Other	5	-
Cost of Sales	**5**	**442**

6. Operating loss on ordinary activities before tax

	2015 £'000	2014 £'000
This is stated after charging: Depreciation	3	6
Amortisation	136	181
Exceptional items	-	3,648
Discontinued operations	920	-
Operating lease rentals – land & buildings	-	25
Gain on foreign exchange	-	175

7a. Discontinued operations

As per IFRS5 the sale of Parallel Media Group (Championship) Ltd is a discontinued operation as such the amounts in relation to the discontinued operation, together with the profit on disposal, are shown as a separate item in the Group's consolidated Income Statement.

Discontinued operations	£'000
Profit on sale of business	1,042
Foreign exchange movement	(72)
Consideration paid to purchaser	(50)
Discontinued operations total	**920**

7b. Exceptional items

The exceptional items within the 2014 Income Statement relate to the revaluation and treatment of intercompany loans and related party balances, the write down of goodwill is in relation to the intangible asset.

Intercompany/related party write offs	£'000
Parallel Media Korea	785
Parallel Smart Media Alpha Entertainment	253
Parallel Media Italia	240
Intangible impairment	
Development costs (see note 15)	2,878
Parallel Smart Media – Goodwill	200
Parallel Smart Media – Deferred tax write back	(708)
Exceptional items total	**3,648**

8. Auditor's remuneration

	2015	2014
	£'000	£'000
2003 2003		
Fees payable to the auditor Kingston Smith LLP for the audit of the annual accounts of the Group, the Company and the Group subsidiaries.	25	32
Services relating to taxation	5	5
	30	**37**

9. Employees

	2015	2014
Group		
The average number of employees (including Directors) during the year was:	(Number)	(Number)
Administration	**4**	**8**

	2015	2014
	£'000	£'000
The aggregate payroll costs including Directors were:		
Wages, salaries and fees	140	428
Social security costs	11	22
	151	**450**

10. Finance costs

	2015	2014
200 3 200 3	£'000	£'000
On bank loans	23	37
On loan guarantee from related parties	20	28
Finance costs	**43**	**65**

11. Remuneration of Directors

The Directors are the key management personnel of the Group. Directors' remuneration, including non executive Directors, during the year was as follows:

	2015	2014
Group & Company	**£'000**	**£'000**
David Ciclitira (Chairman)	-	221
Maria Serena Papi(Non – Executive)	-	15
Ranjit Murugason (Non – Executive)	15	15
Tim Sturm (Non – Executive)	-	15
Total Emoluments	**15**	**266**

There are no other benefits for Directors other than Emoluments.

12. Tax

	Year ended 31 December 2015	**Year ended 31 December 2014**
	£'000	**£'000**
UK Corporation tax in respect of current year:	-	-
Current taxation	-	-
Total tax charge for the year	-	-

Profit/(loss) on ordinary activities before tax	611	(4,611)
Profit/(loss) on ordinary activities at the standard rate of corporation tax of 2015 20% (2014 – 21%)	122	-
Effect of:		
Revenue expenditure capitalised	-	9
Tax losses utilised in year – not recognised through deferred tax	-	(9)
Tax (gain) carried forward against losses carried forward – deferred tax not recognised	(122)	-
Total tax charge for the year	-	-

13. Earnings per share

The basic earnings per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of shares in issue during the year. In calculating the diluted earnings per share, outstanding share options, warrants and convertible loans are taken into account where the impact of these is dilutive.

	2015	2014
(i) Basic		
Profit/(loss) for the financial year after tax (£'000)	611	(4,611)
Weighted average number of shares in issue	3,009,233	3,009,233
Profit/(loss) per share	20.3p	(153.2p)
Weighted average number of shares in issue	3,009,233	3,009,233
Fully diluted profit/(loss) per share*	20.3p	(153.2p)

*The fully diluted loss per share is the same as the basic loss per share as the effects of potential shares are anti-dilutive.

*Diluted earnings per share for the period ended 31 December 2015 was the same as basic earnings per share as the share options in issue were non-dilutive in the period.

14. Property, plant & equipment

The useful lives of each class of property, plant and equipment are reviewed annually to assess impairment. Where the asset is found to be impaired an appropriate charge is taken to the Income Statement.

	Group		Company	
	Office Equipment 2015 £'000	**Office Equipment 2014 £'000**	**Office Equipment 2015 £'000**	**Office Equipment 2014 £'000**
Cost				
Cost at start of year	264	255	45	45
Additions for year	-	9	-	-
Cost at end of year	**264**	**264**	**45**	**45**
Depreciation				
Cumulative depreciation at start of year	258	252	45	45
Charge for year	3	6	-	-
Cumulative depreciation at end of year	**261**	**258**	**45**	**45**
Net book value at end of year	**3**	**6**	**-**	**-**
Net book value at start of year	6	3	-	-

15. Intangible assets

Tournament rights

Tournament rights are the rights to promote European Tour golf events acquired in a market transaction in September 2006. These assets are carried at cost less amortisation. Amortisation is calculated to write-off the assets over their expected useful life of 20 years.

	2015	2014
Group and Company	**£'000**	**£'000**
Cost		
Cost at start of year	2,713	2,713
Additions in the year	-	-
Cost at end of year	2,713	2,713
Amortisation		
Cumulative amortisation at start of year	1,119	983
Amortisation for the year	136	136
Cumulative amortisation at end of year	**1,255**	**1,119**
Net book value at start of year	**1,594**	**1,730**
Net book value at end of year	**1,458**	**1,594**

The Company works on delivering the next tournament either in the last quarter or early in the following year therefore after reviewing the value of the tournament rights the Directors believe they have not been impaired.

15. Intangible assets (continued)

Development costs

Development costs are incurred in the creation of new media assets and propositions, the benefits of which are expected to be derived in future years. Development costs are written-off over the expected useful life of the asset. The development assets are assessed for impairment when indicators of impairment occur. As no revenue was derived from the asset as expected in 2014 this triggered an impairment review.

As a result of the impairment review it was deemed that the asset had no commercial value at this stage and a charge to the 2014 Income Statement was recognised.

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Cost				
Cost at start of year	3,222	3,222	439	439
Additions for year	-	-	-	-
Cost at end of year	**3,222**	**3,222**	**439**	**439**
Depreciation				
Cumulative depreciation and charges at start of year	3,222	299	439	299
Charge for year	-	45	-	45
Impairment review	-	2,878	-	95
Cumulative charges at end of year	**3,222**	**3,222**	**439**	**439**
Net book value at end of year	-	-	-	-
Net book value at start of year	-	2,923	-	140

All research costs are expensed as incurred. Similarly, sales and marketing costs of exploiting assets are expensed through the Income Statement as incurred.

16. Investments

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Investment in subsidiaries	-	-	54	58
	-	-	54	58

The investment in subsidiaries relates to the 25% equity purchase of Parallel Media Group Asia PTE Ltd in 2013. The consideration paid to Urban Strategic PTE Ltd, a Company controlled by the Non Executive Director R Murugason, was 1,074,283 shares in the Group at 5p £53,714.

A list of subsidiary companies is included in Note 29. Classic Car Worldwide Ltd was closed and Parallel Media Group (Championship) Ltd was sold in the year ending 2015 so are no longer within the subsidiary note.

16. Investments (continued)

Parallel Media Group Asia has a 50% interest in Parallel Smart Media Asia Alpha Entertainments Private Limited and holds 50% of the 200 ordinary shares at 1SGD each. The Company is incorporated in Singapore.

Parallel Media Group has a joint venture with Parallel Media Italia s.r.l a Company incorporated in Italy and holds 51% of the ordinary share capital of EUR10,000. The Company did not trade in 2014 and 2015.

Parallel Media Group has a joint venture with Causeway Trophy PTE Ltd a Company incorporated in Singapore and holds 50% of the ordinary share capital of SGD100.

The Joint Venture with Pico TV PTE Ltd was dissolved in 2014 with no gain or loss to the Group.

The results of the joint ventures owned during the year are:

	2015	2014
	£'000	£'000
Turnover	-	538
Profit before tax	(5)	209
Taxation	-	-
Profit after tax	(5)	209
Fixed assets	-	-
Current assets	15	20*
Liabilities due within one year	(41)	(42)*
Liabilities due after one year	-	-
Capital	7,581	7,581
Reserves	(292,428)	(287,821)

*Restated due to error in calculation of losses.
All the Joint Ventures are loss making or have not traded in the period.

17. Trade and other receivables

	Group		Company	
	2015	**2014**	**2015**	**2014**
	£'000	**£'000**	**£'000**	**£'000**
Trade receivables	50	38	-	-
Amounts owed by subsidiaries	-	-	537	540
Other receivables	11	32	-	7
Prepayments and accrued income	-	2	-	2
	61	**72**	**537**	**549**

At 31 December 2015 all amounts included under trade receivables are due within one year. Company trade receivables include £nil respectively due from related parties (2014: £Nil).

18. Cash and cash equivalents

	Group		Company	
	2015	**2014**	**2015**	**2014**
	£'000	**£'000**	**£'000**	**£'000**
Sterling bank accounts	7	-	7	-
Singapore dollar bank accounts	7	4	-	-
Cash at bank	**14**	**4**	-	-
Bank overdrafts	-	(1)	-	(1)
Total cash and cash equivalents	**14**	**3**	**7**	**(1)**

19. Current financial liabilities – Borrowings

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Bank facility	85	85	85	85
	85	**85**	**85**	**85**

The bank facility at 31 December 2015 totalling £0.32 million is secured by a personal guarantee provided by David Ciclitira at a monthly cost in 2015 of £1,674 (2014 £2,326).

20. Trade and other payables and deferred income

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Trade payables	920	2,186	597	890
Amounts owed to subsidiary entities	-	-	2,420	2,081
Other payables	892	258	899	238
Other tax and social security	274	311	273	311
Accruals	143	172	106	83
Trade and other payables	**2,229**	**2,927**	**4,295**	**3,603**

21. Non-current liabilities

Financial borrowings

	Group		Company	
	2015	**2014**	**2015**	**2014**
	£'000	**£'000**	**£'000**	**£'000**
Bank facility	231	317	231	317
	231	**317**	**231**	**317**

At the 31 December 2015, amounts payable to Lloyds Bank totalled £316k (of which £85k is included in current liabilities and £231k is included in non-current liabilities above). The loan was restructured in August 2013 and is now repayable in 48 consecutive monthly instalments representing principal and interest. The loan carries interest payable at 4% over base rate. The loan may be repaid early at the discretion of the Group. The loan is secured by a personal guarantee provided by David Ciclitira.

22. Financial instruments

The Group and Company operations expose them to a number of financial risks. The Directors aim to protect the Group and Company against the potential adverse effects of these financial risks.

Financial assets

Financial assets include cash and trade and other receivables (excluding prepayments) which are classified as "loans and receivables"; and equity investments which are classified as "available for sale" (excluding investments in subsidiaries and joint ventures). These amounts have been shown separately on the face of the statement of financial position. Funds not immediately required for the Group and Company's operations are invested in bank deposits. It is the Directors' opinion that the carrying values of cash, trade receivables and investments approximate to their fair values.

Financial liabilities

Financial Liabilities include current and non-current borrowings, convertible loans and trade and other payables (excl. tax & social security, and deferred income). All amounts are carried at amortised cost. These amounts have been disclosed in the notes to the financial statements. It is the Directors' opinion that the carrying values of financial liabilities approximate to their fair-value.

22. Financial instruments (continued)

Liquidity risk

The Group and Company's surplus liquid resources were maintained on short-term interest bearing deposits. The Group and Company plans to continue to meet operating and other loan commitments as they fall due. Liquidity risk is managed through cash flow forecasts and regular planning.

Remaining contractual maturities year ended 31 December 2015

Group	Within 3 months	> 3 months < 1 year	> one year < 5 years	Total carrying amount
Bank loans & borrowings	21	64	231	316
Trade & other payables (excluding tax and deferred income)	1,812	-	-	1,812
	1,833	**64**	**231**	**2,128**

Company	Within 3 months	> 3 months < 1 year	> one year < 5 years	Total carrying
Bank loans & borrowings	21	64	231	316
Trade & other payables (excluding tax and deferred income)	3,916	-	-	3,916
	3,937	**64**	**231**	**4,232**

22. Financial instruments (continued)

Liquidity risk (continued)

Set out below are Liquidity risk comparative tables as at 31 December 2014

Remaining Contractual Maturities Year ended 31 December 2014

Group	Within 3 months	> 3 months < 1 year	> one year < 5 years	Total carrying amount
Bank loans & borrowings	21	64	317	**402**
Trade & other payables (excluding tax and deferred income)	2,444	-	-	**2,444**
	2,465	**64**	**317**	**2,846**

Company	Within 3 months	> 3 months < 1 year	> one year < 5 years	Total carrying amount
Bank loans & borrowings	21	64	317	**402**
Trade & other payables (excluding tax and deferred income)	3,209	-	-	**3,209**
	3,230	**64**	**317**	**3,611**

22. Financial instruments (continued)

Credit risk

Financial assets past due but not impaired as at 31 December 2015:

	Not impaired (£'000)	Not impaired but past due by the following amounts			
		>30 days	>60 days	>90 days	>120 days
Group: Trade & other receivables (excluding prepayments)	11	-	50	-	-
Company: Trade & other receivables (excluding prepayments)	537	-	-	-	-

Financial assets past due but not impaired as at 31 December 2014:

	Not impaired (£'000)	Not impaired but past due by the following amounts			
		>30 days	>60 days	>90 days	>120 days
Group: Trade & other receivables (excluding prepayments)	70	-	38	-	-
Company: Trade & other receivables (excluding prepayments)	547	-	-	-	-

Group trade and other receivables excluding prepayments as at 31 December 2015 were £18k. Assets not impaired but past due were £50k. PMG have contra supply arrangements which are expected to enable the recovery of the unimpaired but past due amounts and/or consider these collectable. Impaired trade receivables for the year ended 31 December 2015 represent specifically identified amounts which are past due and for which collection is deemed unlikely. All remaining trade and other receivables as at 31 December 2015 are collected and/or collectable and are therefore considered of low credit risk. All bank deposits are maintained in the UK and are considered to be low credit risk.

22. *Financial instruments (continued)*

Market risk (continued)

Year ended 31 December 2014

Carrying amount (Sterling Equiv.)	£ '000	$ '000	€ '000	HK$ '000	SGD '000	Carrying Amount £'000	Forex Risk (-10%) £'000	Forex Risk 10% £'000
Financial Assets								
Cash	(1)	-	-	-	4	3	-	-
Trade receivables	-	-	-	-	38	38	4	(4)
Other receivables	8	-	-	-	24	32	2	(2)
Total financial assets	7	-	-	-	66	73	6	(6)
Financial Liabilities								
Borrowings<1 year	85	-	-	-	-	85	-	-
Trade payables	762	1,350	16	34	24	2,186	(142)	142
Other payables	247	-	-	-	11	258	1	(1)
Non current borrowings	317	-	-	-	-	317	-	-
Total financial liabilities	1,411	1,350	16	34	35	2,846	(141)	141
Net Impact							(135)	135

23. Deferred taxation

The actual and potential liability to deferred tax is £Nil. Due to the availability of UK tax losses, subject to agreement with the HM Revenue and Customs, there is an estimated deferred tax asset of £5,631k (2014: £5,561k* Restated due to 2013 number quoted in prior year) This is not recognised as there is insufficient evidence of future profits against which it could be utilised.

There were no deductible temporary differences or unused tax credits at either 31 December 2014 or 31 December 2015. There were no amounts of deferred tax recognised in the Income Statement for either the year ended 31 December 2015 or for the year ended 31 December 2014.

	Group	
	2015	**2014**
	£'000	**£'000**
Balance brought forward from investment in joint venture	-	(708)
Less write off of tax asset due to Investment impairment	-	708
	-	-

24. Share capital

The authorised share capital is set out in the table below this table for 2014 has been restated due to a previous error. The error has no numerical effect on this or the prior year financial statements. The error occurred by grouping the new 0.01p ordinary shares with the new 0.518p deferred shares and showing them as ordinary shares of 0.528p

	2015	**2014**
	£'000	**£'000**
Authorised share capital		(Restated)
3,009,233 ordinary shares of £0.01p	30	30
3,009,233 new deferred shares of £0.518p	1,559	1,559
199,831,545 deferred shares of £0.005p each	999	999
103,260 deferred B shares of £19.60	2,024	2,024
	4,612	**4,612**

22. Financial instruments (continued)

Market risk

(a) Interest rate risk

Bank loans totalling £0.3 million are at variable interest rates and are therefore exposed to interest rate fluctuations. Sensitivity: For each +/- 1% change in the bank rate, the Profit for the year will be positively or negatively impacted by £3,170 (2014: £4,024).

(b) Foreign currency risk

Although the Company is based in the UK, a significant part of the Group's and Company's operations are overseas, primarily in Asia, and the operating or functional currency of a large part of the Asian business is in US Dollars or Euros. As a result, the Company's consolidated Sterling accounts can be affected by movements in the US Dollar/Sterling and the Euro/Sterling exchange rates.

The foreign assets and liabilities of the Group and Company are closely matched as at 31 December 2015. The table below sets out the carrying amounts of assets and liabilities for the Group in their presentational currency (i.e. Sterling) and a total impact for each 10% fluctuation in exchange rates. Based on the carrying amounts of foreign assets and liabilities as at 31 December 2015, for each 10% fluctuation in exchange rates, net assets are expected to be impacted by +/- £42k (2014: £135k).

22. Financial instruments (continued)

Market risk (continued)

(b) Foreign currency risk (continued)

Year ended 31 December 2015

Carrying amount (Sterling Equiv.)	£ '000	$ '000	€ '000	HK$ '000	SGD '000	Carrying Amount £'000	Forex Risk (-10%) £'000	Forex Risk 10% £'000
Financial Assets								
Cash	7	-	-	-	7	14	1	(1)
Trade receivables	-	-	-	-	61	61	6	(6)
Total financial assets	7	-	-	-	68	75	7	(7)
Financial Liabilities								
Borrowings<1 year	85	-	-	-	-	85	-	-
Trade payables	462	410	7	37	4	920	(46)	46
Other payables	892	-	-	-	-	892	-	-
Non current borrowings	231	-	-	-	-	231	-	-
Accruals and provisions	106	-	-	-	-	143	(3)	3
Total financial liabilities	1,776	410	7	37	41	2,271	(49)	49
Net Impact							(42)	42

24. Share capital (continued)

The issued Share capital is set out in the table below:

	2015	2014
	£'000	£'000
Issued and fully paid		(Restated)
3,009,233 ordinary shares of £0.01p	30	30
3,009,233 new deferred shares of £0.518p	1,559	1,559
199,831,545 deferred ordinary shares of £0.005p each	999	999
103,260 deferred B shares of £19.60	2,024	2,024
	4,612	**4,612**

Reconciliation of the number of shares outstanding is:		
	2015	**2014**
	(number)	**(number)**
Ordinary shares		
Ordinary shares of 0.01p each in issue at end of year	**3,009,233**	**3,009,233**
Issued and fully paid deferred shares	(number)	(number)
New Deferred shares of 51.8p	3,009,233	3,009,233
Deferred shares of 0.5p each in issue	199,831,545	199,831,545
Deferred B shares of £19.60	103,260	103,260

24. Share capital (continued)

(i) Deferred B shares

The deferred shares do not entitle their holders to receive any dividend or other distribution, they do not entitle their holders to receive notice of or to attend, speak or vote at any General Meeting of the Company, and they do not entitle their holders on a return of assets on a winding-up of the Company or otherwise only to the repayment of the capital paid up on such Deferred Shares and only after repayment of the capital paid up on each Ordinary Share in the capital of the Company and the payment of a further £100,000 on each such Ordinary Share (£1,000,000 in the case of each deferred B share).

(ii) Shares issued to non controlling interest

In 2014 the Championship attracted significant attention in Singapore and as a result the PMG board made the decision to involve local interested investors who understand the long term value in Singapore. We have decided to sell up to 40% of The Championship (Singapore) PTE Ltd. To date 5% of the equity has been sold for £153k valuing the Company at approx £3.0m.

(iii) New Deferred B Shares

Upon consolidation of the shares in 2013 each ordinary share of 52.8p was subdivided and converted into one New Ordinary Share of 1p and one New Deferred Share of 51.8p each. The new deferred shares share the same rights as the existing Deferred B Shares.

25. Share based payments

Share options outstanding at the year ended 31 December 2015 had a weighted average exercise price of 55p (2014 55p) and a weighted average remaining contract life of 10 months (2014 1.8 years). No options were exercised during the year. There were no warrants outstanding.

	2015		**2014**	
	Number of options & warrants **('000s)**	Weighted average exercise price **(Pence)**	Number of options & warrants **('000s)**	Weighted average exercise price **(Pence)**
Outstanding at start of year	38	55p	46	36p
Share options & warrants expiring during the year	-	-	8	14.5p
Outstanding at the end of the year	**38**	**55p**	**38**	**55p**
Exercisable at the end of the year	-	-	-	-

The weighted average vesting period is estimated at 10 months. There is no charge to the Income Statement for the twelve months to 31 December 2015 (2014 £Nil) for share based payment as reported under IFRS2 as no share based payments were made in 2015 and all previously issued options have now been vested.

25. Share based payments (continued)

Share option scheme

The Group operates approved and unapproved share option schemes. No new share options were issued during the year. The following share options were outstanding at 31 December 2015.

Scheme	Latest exercise date:	Exercise price (pence)	Options as at 31 December 2014	Options as at 31 December 2015
Approved	October 2016	55p	33,806	33,806
Unapproved	October 2016	55p	35,113	35,113
			68,919	**68,919**

Options granted to Directors and not exercised at 31 December 2015 (included above) were as follows:

Name	Latest exercise dates	Approved Scheme		Unapproved Scheme	
		price	**Number**	**price**	**Number**
D Ciclitira	October 2016	55 pence	11,818	55p	33,117
L Fine	October 2016	55 pence	10,909	55p	998
			22,727		**34,115**

25. Share based payments (continued)

Share warrants

No new warrants grants were entered into during the year. There we no warrants outstanding at 31 December 2015.

Share based payments measured directly

During the year ended 31 December 2015, no share based payments were actioned.

26. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders. The Group had net liabilities of £1.01m as at year ending 31 December 2015. The Group's capital management strategy is to retain sufficient working capital for day to day operating requirements and to ensure sufficient funding is available to meet commitments as they fall due and to support growth.

	31 December 2015	**31 December 2014**
Bank facility	316	402
Total Debt	**316**	**402**
Cash	(14)	(3)
Net Debt	**302**	**399**

In order to maintain or adjust the capital structure the Group may issue new shares or sell assets to reduce debt.

27. Related parties

At 31 December 2015 director Maria Serena Papi was owed £35,953 (2014 £35,953), Ranjit Murugason £30,000 (2014 £15,000), Tim Sturm £15,000 (2014 £15,000) in unpaid director fees. These are intended to be settled in 2017.

Luna Trading

Luna Trading Ltd is a Company under the control of David Ciclitira. The movements in the payable balances due by PMG in 2015 were as follows:

	2015
	£'000
At 31 December 2014 – Total loan amounts outstanding to Luna Trading	**157**
Loan guarantee interest paid	20
Total Owed to Luna Trading at 31 December 2015	**177**

Luna Trading Ltd is the Company through which PMG contracts with D Ciclitira for consulting and business services. During the year ended 31 December 2015, Luna Trading Ltd charged PMG for Consultancy fees of £Nil. (2014 £221,000), remote office costs of £Nil (2014 £29,250).

Total amounts owed to David Ciclitira and entities under his control is £872k (Parallel Contemporary Art Ltd £590k, David Ciclitira £105k, Luna Trading £177k (2014 £162k).

The sale of Parallel Media Group (Championship) Ltd for the consideration of £50k is deemed a related party transaction and the amount owed is included in the amounts owed to David Ciclitira. Details of which can be found on Note 7a.

POST BALANCE SHEET EVENT

The Company has further improved its balance sheet by reaching an agreement to remove certain liabilities which have been taken over by a Company under the control of its Chairman. The amount of which totals £58k.

27. Related parties (continued)

Parallel Media Korea Limited:

The shareholding for Parallel Media Korea Limited is held by D Ciclitira. During 2014 the re classification of amounts owed to PMG were written back to the Income Statement. The balance owed to Parallel Media Group Plc at year end is £Nil (2014 £16k PMGA)

Parallel Contemporary Art Limited:

During the year PMG incurred costs and received funding from Parallel Contemporary Art Limited, a Company under the control of David Ciclitira. Amounts owed by PMG to PCA at 31 December 2015 are £590k (2014 £298k)

28. Operating Leases

The amounts payable in respect of operating leases are shown below. All of the operating lease amounts relate to the rental of premises. The future minimum lease payments under non-cancellable operating leases are £Nil. Lease payments recognised in the profits for the period amounted to £25k (2014 £25k).

	Group		Company	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	£'000	£'000	£'000	£'000
Lease commitments payable within 1 year	4	25	-	-
Lease commitments payable 1-2 years	-	25	-	-

29. Subsidiaries

The following were subsidiaries at the end of the year and have all been included in the consolidated financial statements.

	Country of Incorporation	PMG % of ordinary shares	Nature of Business
Holding companies:			
Held Directly			
Parallel Media (Jersey) Ltd	Jersey	100%	Holding company
Held Indirectly			
Parallel Media Group International Ltd	Jersey	100%	Holding company
Parallel Media (Americas) Ltd	BVI	100%	Holding company
Trading subsidiaries:			
Held Directly			
Parallel Media Hong Kong Ltd	HK	100%	Dormant
Parallel Media Korea (New Media) Ltd	UK	100%	Smart media
Parallel Media Group Asia PTE Ltd	Singapore	100%	Management of events
The Championship (Singapore) PTE LTD	Singapore	95%	Management of sports events
Held Indirectly			
Parallel Media Europe Ltd	UK	100%	Marketing of sports events
Parallel Smart Media UK Ltd	UK	100%	Marketing of sports events
PGAA Media Limited	BVI	83.9%	Exploitation and sale of commercial and broadcasting rights relating to golf tournaments

29. Subsidiaries (continued)

Held directly and indirectly			
Parallel Smart Media Limited	UK	75%	Smart Media
Dormant Held Indirectly			
Parallel Media Americas Inc	US	100%	Dormant