MediaZest plc

("MediaZest", the "Company" or the "Group"; AIM:MDZ)

Final Results for the Year Ended 31 March 2013

CHAIRMAN'S STATEMENT

Introduction

The results for MediaZest plc (the "Group") for the year ended 31 March 2013 incorporate the results of its subsidiary, which is wholly owned.

Results for the Year and Key Performance Indicators

Turnover for the year was £1,850,000 (2012: £2,521,000), cost of sales was £941,000 (2012: £1,394,000) and the Group made a loss for the year, after taxation, of £551,000 (2012: £424,000) after finance costs of £138,000 (2012: £104,000) and having paid administrative expenses of £1,322,000 (2012: £1,447,000).

The basic loss and diluted loss per share was 0.15p (2012: 0.16p). The Group had cash in hand of £1,000 (2012: £88,000) and a bank overdraft of £92,000 (2012: £nil) at the year end and an invoice discounting facility over the debtors of Touch Vision of which £108,000 (2012: £84,000) was in use at 31 March 2013. As at 31 March 2013, the Group has a current maximum limit of £350,000 under the existing invoice discounting facility.

As at 31 March 2013 the Group also had loans from shareholders of £530,000 (2012: £530,000).

Business overview

The Group operates two trading divisions through its wholly owned subsidiary Touch Vision Ltd : Touch Vision (TV) and MediaZest Ventures (MV). TV trades as an Audio Visual supply and installation company whilst MV operates as a 'digital out of home' creative agency.

The results for the year ended 31 March 2013 demonstrate that the Group endured a disappointing year with turnover falling short of the previous year's level and the loss for the year increasing accordingly. Much of this decrease in turnover was as a consequence of the rescheduling of a large project that was anticipated to generate revenues of in excess of £400,000 in the financial year ended 31 March 2013, to the subsequent financial year (ending 31 March 2014). In addition, HMV, a long standing and valued client of the Company for many years went into administration in January 2013. Both of these events have been announced previously and referred to in the Group's interim report released in December 2012 and a subsequent trading update in June 2013.

On a more positive note, the Company also announced in April 2013 that it had won a significant global contract that it expected to deliver revenues in excess of £1 million over the subsequent 18 months. The Board believes that this contract offers significant future business opportunities for the Company.

The Company raised £179,000 before expenses during the year and £358,000 before expenses subsequent to the year end from both existing and new shareholders, the proceeds of which were applied towards both providing additional working capital and the financing to expand the sales team/marketing assets to take advantage of the opportunities before the Company.

The Board's strategy, consistent with previous announcements, has been one of increasing turnover by concentrating on and increasing the higher margin business achievable through MV whilst both maintaining and expanding revenue through the Education Framework agreements that TV became a participant of in November 2010.

MediaZest Ventures Division

MediaZest Ventures continued to provide the Group with growth potential by providing the highest profile and most profitable opportunities. A considerable amount of effort was placed upon expanding the product and service base with an increasing emphasis on providing clients with content work to complement the division's offerings.

Touch Vision Division

The Touch Vision division continued to generate the bulk of its business from the educational market during the year. In addition, amongst its retail customers, several high street names continued to be valued clients. However, further emphasis was placed on opportunities in the Corporate market and this is a sector that will receive ongoing attention as the Board believes that clients continue to search for better value solutions and reliable systems providers.

Outlook

The Group has continued to add to its client base of blue chip retailers and brands and has an enviable record of client retention. In view of this and with the objective of expanding the Group's business further the Company has taken on new business premises in Woking, moving from its current location in Farnham. It has also set up a demonstration showroom in Shoreditch in close proximity to the City of London.

There has been a successful start to the financial year ending 31 March 2014. The Group won its single largest piece of business in April 2013 and this along with several other substantial contracts have given the Company a strong business base for this financial year. It has already booked revenue within the first five months of the current financial year significantly in excess of the corresponding period in the financial year ending 31 March 2013.

Lance O'Neill
Chairman

ENQUIRIES

Geoff Robertson Chief Executive Officer MediaZest plc	020 7724 5680
Gavin Burnell/Edward Hutton Nominated Adviser Northland Capital Partners Ltd	020 7796 8800
Claire Noyce/William Lynne Broker Hybridan LLP	020 7947 4350 / 4361

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 £'000	2012 £'000
Continuing operations			
Revenue		1,850	2,521
Cost of sales		(941)	(1,394)
Gross profit		909	1,127
Administrative expenses		(1,322)	(1,447)
Operating loss	2	(413)	(320)
Finance costs		(138)	(104)
Loss on ordinary activities before taxation		(551)	(424)
Tax on loss on ordinary activities		-	-
Loss for the year and total comprehensive loss for the year attributable to the owners of the parent		(551)	(424)
Loss per ordinary 0.1p share			
Basic	3	(0.15p)	(0.16p)
Diluted	3	(0.15p)	(0.16p)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2013

(Company No. 05151799)

	2013	2012
	£'000	£'000
Non-current assets		
Goodwill	2,772	2,772
Property, plant and machinery	63	97
Total non-current assets	2,835	2,869
Current assets		
Inventories	123	106
Trade and other receivables	515	270
Cash and cash equivalents	1	88
Total current assets	639	464
Current liabilities		
Trade and other payables	(1,155)	(789)
Financial liabilities	(707)	(547)
Total current liabilities	(1,862)	(1,336)
Net current liabilities	(1,223)	(872)
Non-current liabilities		
Financial liabilities	-	(8)
Total non-current liabilities	-	(8)
Net assets	1,612	1,989
Equity		
Share capital	2,736	2,587
Share premium account	4,029	4,004
Share options reserve	7	7
Retained earnings	(5,160)	(4,609)
Total equity	1,612	1,989

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2013

	Share Capital £'000	Share Premium £'000	Share Options Reserve £'000	Retained Earnings £'000	Total Equity £'000
Balance at 1 April 2011	2,507	3,929	7	(4,185)	2,258
Loss for the year	-	-	-	(424)	(424)
Total comprehensive income for the year	-	-	-	(424)	(424)
Issue of share capital	80	80	-	-	160
Share issue costs	-	(5)	-	-	(5)
Balance at 31 March 2012	2,587	4,004	7	(4,609)	1,989
Loss for the year	-	-	-	(551)	(551)
Total comprehensive income for the year	-	-	-	(551)	(551)
Issue of share capital	149	30	-	-	179
Share issue costs	-	(5)	-	-	(5)
Balance at 31 March 2013	2,736	4,029	7	(5,160)	1,612

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 £'000	2012 £'000
Net cash used in operating activities		(385)	(141)
Cash flows used in investing activities			
Purchase of plant and machinery		(16)	(62)
Disposal of plant and machinery		3	-
Purchase of leasehold improvements		-	(4)
Net cash used in investing activities		(13)	(66)
Cash flow from financing activities			
Repayment of bank borrowings		(17)	(16)
Other loans		77	50
Shareholder repayments		-	(25)
Interest paid		(39)	(104)
Proceeds of share issue		179	160
Share issue costs		(5)	(5)
Net cash generated from financing activities		195	60
Net decrease in cash and cash equivalents		(203)	(147)
Cash and cash equivalents at beginning of year		4	151
Cash and cash equivalents at end of the year	4	(199)	4

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The financial information set out above does not constitute the Company's statutory financial statements for the years ended 31 March 2012 and 31 March 2013 within the meaning of section 434 of the Companies Act 2006. Statutory financial statements for the year ended 31 March 2012 have been delivered to the Registrar of Companies and those for the year ended 31 March 2013 will be delivered in due course.

The auditors have reported on the financial statements for the year ended 31 March 2012; their report was unqualified and did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The auditors have reported on the statutory financial statements for the year ended 31 March 2013; their report was unqualified, and did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The statutory financial statements for the year ended 31 March 2013, from which the financial information included in this preliminary announcement is extracted, have been prepared in accordance with International Financial Reporting Standards (IFRS) 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.

Going concern

The directors have carefully considered the going concern assumption on the basis of financial projections and the factors outlined below.

The directors have considered financial projections based upon known future invoicing, existing contracts, pipeline of new business and the increasing number of opportunities it is currently working on, particularly in the retail sector. Subsequent to the year end the Company raised £358,000 before expenses as detailed in the Chairman’s Statement. The Company also announced in April 2013 that it had won a significant global contract that it expected to deliver revenues in excess of £1 million over the subsequent 18 months. The Board believes that this contract offers significant future business opportunities for the Company.

In addition, these forecasts have been considered in light of the ongoing economic difficulties in the UK and global economy, previous experience of the markets in which the company operates and the seasonal nature of those markets, as well as the likely impact of ongoing reductions to public sector spending. These forecasts indicate that the company will generate sufficient cash resources to meet its liabilities as they fall due over the 12 month period from the date of the approval of the financial statements.

The directors have obtained letters of support from shareholders who have provided loans to the Group totalling £530,000 at 31 March 2013 (2012: £530,000) stating that they will not call for repayment of the loans within the 12 months from the date of approval of these financial statements or, if earlier, until the Group has sufficient funds to do so.

As a result the directors consider that it is appropriate to draw up the financial statements on a going concern basis. Accordingly, no adjustments have been made to reflect any write downs or provisions that would be necessary should the Group prove not to be a going concern, including further provisions for impairment to goodwill and investments in Group companies.

2. OPERATING LOSS

	2013	2012
	£'000	£'000
This is stated after charging/(crediting):		
Depreciation of owned assets	47	24
Pension contributions	5	5
Operating lease rentals paid:		
- land and buildings	75	90
- other	17	12
Rentals receivable under operating leases	-	(2)

3. LOSS PER ORDINARY SHARE

	2013	2012
	£'000	£'000
Losses		
Losses for the purposes of basic and diluted earnings per share being net loss attributable to equity shareholders	551	424

	2013	2012
Number of shares	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	367,675,618	257,898,551
Number of dilutive shares under option or warrant	-	-
Weighted average number of ordinary shares for the purposes of dilutive loss per share	367,675,618	257,898,551

Basic loss per share is calculated by dividing the loss attributed to ordinary shareholders of £551,000 (2012: £424,000) by the weighted average number of shares during the year of 367,675,618 (2012: 257,898,551).

The diluted loss per share is identical to that used for basic loss per share as the exercise of warrants and options would have the effect of reducing the loss per share and therefore is not dilutive.

Earnings per share has been re-stated for the comparative year to correct a typographical error in the 2012 financial statements.

4. CASH AND CASH EQUIVALENTS

	The Group	The Group	The Company	The Company
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Cash held at bank	1	88	1	1
Bank overdraft	(92)	-	-	-
Invoice discounting facility	(108)	(84)	-	-
	(199)	4	1	1

5. POSTING OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Report and Financial statements for the year ended 31 March 2013 have been posted to the shareholders together with a notice convening the Annual General Meeting for 30 September 2013. The Report and Financial statements are available on the Company’s website: www.mediazest.com

Notes to Editors:

About MediaZest

MediaZest is a creative media agency that specialises in providing innovative out-of-home marketing solutions to leading retailers, brand owners and corporations, but also works in the public sector in both the NHS and Education markets. The Group supplies an integrated service from content creation and system design to installation, technical support and maintenance. MediaZest was admitted to the London Stock Exchange's AIM market in February 2005. For more information, please visit www.mediazest.com.