

# Boomerang Plus plc

## Preliminary results for the year ended 31 May 2008

Boomerang Plus plc (AIM: BOOM.L), a profitable and vertically integrated, multi-genre, independent television production group operating within the Nations and Regions today announces its maiden set of preliminary results for the year ended 31 May 2008 following its admission to AIM in November 2007.

### Financial Highlights

- Revenue increased 100 per cent to £20.93m (2007: £10.46m)
- Adjusted operating profit\* increased 144 per cent to £2.20m (2007: £0.90m)
- Adjusted profit before tax\* increased 144 per cent to £2.10m (2007: £0.86m)
- Profit before tax increased 91 per cent to £1.30m (2007: £0.68m)
- Cash and cash equivalents increased to £6.33m (2007 - £3.94m)

*\* adjusted for exceptional administrative expenses (2008: £0.74m, 2007: £nil), impairment provisions (2008: £nil, 2007: £0.10m), amortisation of intangible assets arising on business acquisitions (2008: £0.04m, 2007: £0.06m) and share-based payments (2008: £0.02m, 2007: £0.02m).*

### Operational Highlights

- Successful admission to AIM in November 2007 following a £3 million placing (£2.21 million net of expenses)
- Significant recommissions won from Channel 4 and S4C particularly in drama, extreme sports and lifestyle
- Production commenced in October 2007 of “Planed Plant”, the children’s continuity links for S4C worth over £4 million over a two-year period. The contract was won in open tender against strong competition
- Continuing investment in staff, production and post-production facilities, digital media opportunities and programme development

### Outlook

- high visibility over future commissions
- favourable regulatory environment
- strong balance sheet to fund growth
- current trading is in line with directors’ expectations

**Huw Eurig Davies, Chief Executive Officer of Boomerang Plus, commented:**

*“We are delighted to announce our maiden results to the market. During the year to 31 May 2008, the Group has experienced strong growth and has been successful in securing recommissions for a significant number of its key programs. We will continue to develop and grow the Group organically, and look for acquisitions which add value and diversification to its offering.*

- Ends -

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**Notes to Editors:**

- The Group, founded in 1994, has extensive experience in producing content in a variety of genres, including youth programming, lifestyle, music, entertainment, children's programming, extreme sports and drama
- The Group has good revenue visibility as a high proportion of its budgeted revenue is contracted with broadcasters
- The market for independent television production companies in the Nations and Regions has grown following quotas from the regulator Ofcom, which require that, depending on the broadcaster, between 10 per cent. and 50 per cent. of qualifying programming hours must be sourced from outside the M25 boundary
- Boomerang is ranked in the top five independent television production companies, by revenue, in the Nations and Regions according to the Broadcast Survey (Nations and Regions) 2007
- The Board's strategy is both to achieve strong organic growth by leveraging the Group's existing customer base coupled with strategic acquisitions, with a view to becoming a major supplier to UK networks looking to satisfy their Nations and Regions quotas
- Boomerang is well placed to participate in the consolidation of independent production companies across the UK. Target companies which meet the acquisition criteria will have a strong track record, which will assist the Group to grow further, outside Wales

## **Chairman's statement**

I am pleased to present the Group's results for the year ended 31 May 2008.

These are Boomerang's maiden annual results since its admission to AIM in November 2007 and represent the first year of trading for the enlarged group, following the acquisitions of Mwnci and Apollo in 2007. The Group has grown substantially over the year, both organically and as a result of the acquisitions.

Organic growth and the acquisitions made to date have created a well diversified group, which is amongst the largest Nations and Regions television production companies in the UK, producing programming across a wide variety of genres including entertainment, drama, lifestyle, children's, sports and factual.

Our continuing investment in production and post-production facilities ensures we have the latest technology and infrastructure to support the rapid expansion of the Group, enabling us to provide real value for money to our customers. In addition, operational synergies within the Group provide cost and creative benefits to our customers and career progression for our staff.

As a creative business, our staff are key to our success and we will continue to invest substantially in their training and development. We believe that this continuing investment will improve our skills base and provide for the long-term success of the Group.

We are a strong, creatively-led independent group, with ambitious and proven management and staff, and are in an excellent position to capitalise on the considerable opportunities within the changing media marketplace. As such, we will continue to invest in new markets, such as talent management and digital media opportunities, in order to become a more diverse, broader-based media business. We will also continue to look for acquisitions, particularly in the fragmented freesports and wider branded content markets, but only if we are certain that they can add value to the Group.

We are mindful, however, that we operate in dynamic and competitive markets that will continue to experience change and consolidation over the coming years. We will therefore regularly monitor both the performance of our businesses and their competitive positions with a view to ensuring that maximum value is delivered to shareholders.

I would like to take this opportunity to thank our Chief Executive, Huw Eurig Davies, and all of our staff for their contribution during the year.

**Roger Moore**  
**Chairman**

21 October 2008

## **Business Review**

### **Financial review**

Following the acquisitions of Mwnci and Apollo last year and continued investment in development, the year to 31 May 2008 was a period of high growth with turnover increasing 100% to £20.93m (2007: £10.46m) and adjusted operating profits\* increasing 144% to £2.20m (2007: £0.90m).

One of the Group's key performance indicators is gross profit which increased by £1.78m to £3.90m, up by 84% on the prior year. In line with management expectations, gross profit margins for the year were 18.6% (2007: 20.2%) predominantly due to the Group's organic growth deriving mainly from drama programmes which have lower margins.

Exceptional items included £0.64m of costs associated with listing on AIM in November 2007 and £0.10m of costs in relation to an unsuccessful merger.

Adjusted profit before tax\* was £2.10m compared with £0.86m for the prior year, representing an increase of 144%. Reported profit before tax for the year was £1.30m (2007: £0.68m).

The Group had net cash of £6.33m at 31 May 2008 (2007: £3.94m), reflecting proceeds of £2.21m from the IPO, net of expenses. Deferred consideration payments in respect of acquisitions in prior periods of £0.84m and debt repayments of £0.68m were also made during the year. The Group incurred capital expenditure of £0.9m in the year to 31 May 2008, principally on new studios and office space to service the tender won from S4C to produce "Planned Plant", the daily children's continuity links.

As at 31 May 2008 the Group had net assets of £7.75m (2007 - £4.06m), reflecting the retained profits for the year and the new shares issued on IPO.

### **Programming**

All the Group's content production businesses, Boomerang, Fflic, Alfresco and Apollo, have contributed towards a strong, multi-genre portfolio of programmes for our broadcast customers during the year. Highlights include:

#### *Sports and branded content*

Boomerang's Sports department completed the sixth series of the Royal Television Society's award winning "Freesports on 4" for Channel 4 and is currently in production of a seventh series. We have long and trusted relationships with major brands such as Red Bull, Quicksilver, Billabong, Xbox and Sony. The department is also producing an extreme sports series, "Chwa", for S4C.

Major new commissions for brand sponsored extreme sports events have been won in 2008 including "Nissan Quasqai Challenge" and "Sony Eriksson B-boy Championships Both commissions have been won in competitive tender and feature events from around the world.

A second series of "Rasus ar Garlam" which follows the Welsh point-to-point season, was delivered for S4C.

### *Drama*

The first series of both “Teulu”, a 10-part 60-minute drama set around a doctor’s surgery in Aberaeron, and “Dau dy a Ni”, a 13-part 30-minute teen drama set in a foster home in the Welsh valleys, have both been filmed in the period for S4C and have both been subsequently recommissioned. Apollo has produced a 90-minute film for S4C entitled “Martha, Jac a Sianco” and has recently finished production of the third series of their Rose d’Or award winning drama, “Con Passionate” which follows a Welsh male voice choir.

### *Comedy, Entertainment and Music*

Alfresco produced the “PC Leslie Wynne Show”, the “Eleri Sion Show” and the second series of “Codi Canu”, which follows a number of Rugby supporters’ choirs, for S4C during the year and has recently completed a major 10-part travel quiz show, “0 ond 1”, for S4C.

For E4, Boomerang produced “Mayhem Makers” which was part of its comedy strand, “Funny Cuts” which showcased new on-screen talents plus a first-time director.

Boomerang is currently in production for another series of its late-night youth music show “Bandit” and the new spin-off series, “Nodyn”.

### *Lifestyle*

Fflic is currently producing another season of its high-end, lifestyle programming for S4C. “04 Wal”, which looks at contemporary and period architecture and design; “Ty Cymreig”, which investigates historical and vernacular house building; and “Cwpwrdd Dillad”, which looks at an individual’s life through their wardrobe.

Alfresco has delivered another series of “Stories from the Street” for ITV Wales which looks at communal and community buildings. Also for ITV Wales, Alfresco has recently completed the production of “Secrets of my Success” featuring the lives and houses of the rich and famous.

### *Children’s*

On 29 October 2007, Boomerang commenced production of the two-year, £4m contract for S4C’s “Planed Plant” children’s continuity links. This contract was won in open tender against strong competition.

The “Planed Plant” commission has further strengthened the reputation of the Group, principally through Fflic and Apollo, in children’s programming. Series currently in production include “Stwffio”, “Hip Neu Sgip?”, “Dawnstastig”, “Garej” and “ABC”. The 2008 Broadcast Survey highlighted the Group as one of the largest children’s producers in the UK.

### *Events*

In July 2007, Boomerang produced the live broadcast of the “Royal Welsh Agricultural Show” for the second year of a four year contract with S4C which included over 60 hours of live TV broadcast, live web streaming and interactive coverage. The Group’s joint venture company, Hanner: Hanner, produced in May 2008 the live broadcast of the “Eisteddfod Genedlaethol yr Urdd” for the third year of a four-year contract.

### **Post-production**

The acquisition last year of Mwnci, an editing services company based in Cardiff, almost doubled the capacity of Boomerang's post-production department. In addition, a second, high-end, dubbing suite has been added this year. These cutting-edge facilities provide a quality finish to many of the productions across the Group and for external clients. Significant investment in post-production services has enabled us to accelerate our training of new technical staff, improve the quality of our programmes and provide real value for money for our clients.

### **Radio**

The Group continues to supply a diverse range of radio programmes for BBC Radio Wales and Radio Cymru, and content to Radio 2 and 4.

### **Talent management**

Boom Talent was established in March 2007 as a management company representing actors and presenters in film, television, theatre, radio, corporate and voice-over work. Boom Talent continues to establish itself and increase its profile and client base.

### **Digital media**

With our digital media partner, Cube Interactive, we continue to explore and develop opportunities in digital media including websites, web streaming and interactive media. Significant interactive contracts include content for the Royal Welsh, Eisteddfod Genedlaethol yr Urdd and Planed Plant.

In addition, during the period, we launched the first stage of our "fso4.com" freesports website associated with our "Freesports on 4" extreme sports series for Channel 4.

### **Regulatory Environment**

Ofcom, the Industry Regulator, published phase 2 of its second public sector broadcasting review on 25 September 2008. This for the first time proposes a specific quota (3%) from outside England from 2010 for Channel 4 together with an increase in the outside London quota from 30% to 35%. Ofcom also "welcomes the BBC's target to reach 50% out-of-London production, with 17% from the nations...". Together with a very positive review from Ofcom of S4C, this strengthens our belief that being based in the Nations, and Wales in particular, provides substantial opportunities for the Group.

### **Dividend policy**

The Directors are not recommending the payment of a dividend for the year. The declaration of any future dividends will depend on the Group's results, its financial position, cash requirements, future prospects and other factors deemed to be relevant at that time. In due course, the Director's intend to adopt a progressive dividend policy.

**Outlook**

Our position as a multi-genre independent television production company based in the Nations and Regions makes us well placed to take advantage of the regulated market in which we operate.

Historically, a high proportion of the Group's programmes are recommissioned by the broadcasters and this trend is continuing, providing the Group with visibility not often experienced elsewhere in the industry. We have good visibility over revenues for the next financial year. The mix of our programming genre and underlying margins are not expected to change significantly in the forthcoming year.

Integration of our businesses is continuing well, and our talented teams of people are developing many new ideas for our clients, which is helping us to grow our business organically.

We will also continue to look for acquisitions which add shareholder value and diversify the offerings and customer base of the Group.

Huw Eurig Davies  
Chief Executive Officer  
21 October 2008

Mark Fenwick  
Finance Director  
21 October 2008

**BOOMERANG PLUS PLC**  
**Consolidated income statement**  
**Year ended 31 May 2008**

	Note	2008 £'000	2007 £'000
<b>Continuing operations</b>			
Revenue		20,931	10,459
Cost of sales		(17,034)	(8,343)
		<u>3,897</u>	<u>2,116</u>
<b>Gross profit</b>			
Administrative expenses			
Other administrative expenses		(1,874)	(1,311)
Exceptional administrative expenses	2	(739)	-
Amortisation of intangibles arising on business acquisitions	5	(38)	(56)
Equity-settled share-based payments		(23)	(15)
		<u>(2,674)</u>	<u>(1,382)</u>
Total administrative expenses		(2,674)	(1,382)
Other operating income		133	72
Share of results of joint ventures		48	20
Provision for impairment of investment in associate		-	(102)
		<u>1,404</u>	<u>724</u>
<b>OPERATING PROFIT</b>			
Investment revenue		32	38
Finance costs		(133)	(82)
		<u>1,303</u>	<u>680</u>
<b>PROFIT BEFORE TAX</b>			
Tax	3	(617)	(301)
		<u>686</u>	<u>379</u>
<b>PROFIT FOR THE PERIOD</b>			
Attributable to:			
Equity holders of the parent		686	345
Minority interests		-	34
		<u>686</u>	<u>379</u>
Earnings per share			
Basic	4	<u>8.77p</u>	<u>5.65p</u>
Diluted		<u>8.31p</u>	<u>5.06p</u>
Adjusted basic		<u>18.99p</u>	<u>6.81p</u>
Adjusted diluted		<u>17.78p</u>	<u>6.08p</u>

**BOOMERANG PLUS PLC**  
**Consolidated statement of changes in equity**  
**Year ended 31 May 2008**

<b>Group</b>	<b>Share capital £'000</b>	<b>Share premium account £'000</b>	<b>Merger reserve £'000</b>	<b>Retained earnings £'000</b>	<b>Total £'000</b>	<b>Minority interest £'000</b>	<b>Total equity £'000</b>
Balance at 1 June 2006	66	969	744	1,441	3,220	-	3,220
Profit for the financial year	-	-	-	345	345	34	379
New shares issued	2	-	473	-	475	-	475
Equity-settled share-based payments	-	-	-	15	15	-	15
Acquisition of minority interest	-	-	-	-	-	(34)	(34)
<b>Balance at 31 May 2007</b>	<b>68</b>	<b>969</b>	<b>1,217</b>	<b>1,801</b>	<b>4,055</b>	<b>-</b>	<b>4,055</b>
Profit for the financial year	-	-	-	686	686	-	686
New shares issued (*)	21	2,962	-	-	2,983	-	2,983
Equity-settled share-based payments	-	-	-	23	23	-	23
<b>Balance at 31 May 2008</b>	<b>89</b>	<b>3,931</b>	<b>1,217</b>	<b>2,510</b>	<b>7,747</b>	<b>-</b>	<b>7,747</b>

The Group has taken advantage of section 131 of the Companies Act 1985 and therefore the excess over the nominal value of shares issued other than for cash has been allocated to the merger reserve.

(\*) Amount is stated net of share issue costs

**BOOMERANG PLUS PLC**  
**Consolidated balance sheet**  
**31 May 2008**

		2008	2007
	Note	£'000	As restated – see note 6 £'000
<b>NON-CURRENT ASSETS</b>			
Goodwill	5	2,108	2,108
Other intangible assets	5	1,229	1,225
Property, plant and equipment		1,662	1,302
Investments		124	83
		<hr/> 5,123	<hr/> 4,718
<b>CURRENT ASSETS</b>			
Inventories		3	5
Trade and other receivables		2,851	1,817
Cash and cash equivalents		6,325	3,935
		<hr/> 9,179	<hr/> 5,757
<b>TOTAL ASSETS</b>		<hr/> <hr/> 14,302	<hr/> <hr/> 10,475
<b>CURRENT LIABILITIES</b>			
Trade and other payables		4,894	4,009
Current tax liabilities		589	423
Interest-bearing loans and borrowings		278	421
Deferred consideration		174	864
		<hr/> 5,935	<hr/> 5,717
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing loans and borrowings		290	272
Other payables		68	44
Deferred tax liabilities		103	81
Deferred consideration		159	306
		<hr/> 620	<hr/> 703
<b>TOTAL LIABILITIES</b>		<hr/> <hr/> 6,555	<hr/> <hr/> 6,420
<b>NET ASSETS</b>		<hr/> <hr/> 7,747	<hr/> <hr/> 4,055
<b>EQUITY</b>			
Share capital		89	68
Share premium account		3,931	969
Merger reserve		1,217	1,217
Retained earnings		2,510	1,801
<b>TOTAL EQUITY</b>		<hr/> <hr/> 7,747	<hr/> <hr/> 4,055

**BOOMERANG PLUS PLC**  
**Consolidated cash flow statement**  
**Year ended 31 May 2008**

	Note	2008 £'000	2007 £'000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	7	1,044	2,379
<b>INVESTING ACTIVITIES</b>			
Interest received		32	38
Purchase of property, plant and equipment		(346)	(109)
Disposal of subsidiary		-	109
Acquisition of subsidiaries - net cash outflow arising on acquisition		-	(106)
Acquisition of subsidiaries		(2)	-
Acquisition of subsidiaries - deferred consideration payments		(837)	(530)
Acquisition of associates - deferred consideration payments		-	(34)
Acquisition of intangible fixed assets		(69)	(26)
Proceeds on disposal of property, plant and equipment		184	2
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		(1,038)	(656)
<b>FINANCING ACTIVITIES</b>			
Repayments of obligations under finance leases		(329)	(193)
Repayment of borrowings		(350)	(16)
Proceeds on issue of shares		2,983	-
Preferred dividends paid		-	(28)
Grants received		80	37
<b>NET CASH GENERATED FROM / (USED) IN FINANCING ACTIVITIES</b>		2,384	(200)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		2,390	1,523
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		3,935	2,412
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		6,325	3,935

# BOOMERANG PLUS PLC

## Notes to the preliminary announcement

### 1. BASIS OF PREPARATION

The financial information set out in this announcement does not constitute the company's statutory financial statements for the years ended 31 May 2008 or 2007, but is derived from those accounts. Statutory accounts for 2007 have been delivered to the Registrar of Companies and those for 2008 will be delivered following the company's annual general meeting. The auditors have reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain any statements under s237(2) or (3) Companies Act 1985.

The group income statement, balance sheets and cash flow statements for the years ended 31 May 2008 and 31 May 2007 have been prepared on a basis consistent with the accounting policies disclosed in the group's annual report for the year ended 31 May 2007.

Whilst the financial information included in this preliminary announcement has been computed in accordance with International Financial Reporting Standards (IFRSs), this announcement does not itself contain sufficient information to comply with IFRSs. The Company expect to publish full financial statements that comply with IFRSs in November 2008.

### 2. EXCEPTIONAL ITEMS

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Costs associated with AIM listing	642	-
Professional fees in relation to unsuccessful merger	97	-
	<u>739</u>	<u>-</u>

Costs associated with AIM listing were costs not directly attributable to the raising of equity.

# BOOMERANG PLUS PLC

## Notes to the preliminary announcement

### 3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current taxation</b>		
United Kingdom corporation tax:		
Current tax on income for the year at 30%/28% (2007 – 30%)	618	343
Adjustment in respect of prior years	(23)	-
	<u>595</u>	<u>343</u>
<b>Total current tax</b>		
<b>Deferred tax</b>		
Origination and reversal of timing differences	40	(42)
Adjustments to the estimated recoverable amounts of deferred tax assets arising in previous periods	(18)	-
	<u>22</u>	<u>(42)</u>
<b>Total charge for the year</b>	<u>617</u>	<u>301</u>

The difference between the total tax shown above and the amount calculated by applying the standard rate of United Kingdom corporation tax to the profit before tax is as follows:

	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before tax	<u>1,303</u>	<u>680</u>
Tax on profit on ordinary activities before tax at 30%/28% (2007 - 30%)	387	204
<b>Factors affecting charge for the year</b>		
Expenses not deductible for tax purposes	249	20
Non-deductible amortisation and impairment charges	11	47
Capital allowances (in excess of)/less than depreciation	(45)	13
Unutilised tax losses	12	3
Other	4	5
Marginal relief	-	18
Chargeable gains	-	33
Prior year adjustments	(23)	-
Origination and reversal of timing differences	40	(42)
Adjustments to the estimated recoverable amounts of deferred tax assets arising in previous periods	(18)	-
<b>Total tax charge for the year</b>	<u>617</u>	<u>301</u>

The tax rate is a blended rate of 30% to 31 March 2008 and 28% from 1 April 2008. The reduction in the corporation tax rate to 28% from 1 April 2008 is not anticipated to materially affect the future tax charge.

# BOOMERANG PLUS PLC

## Notes to the preliminary announcement

### 4. EARNINGS PER SHARE

The calculation of the basic, diluted and adjusted earnings per share is based on the following data:

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
<i>Earnings</i>		
Profit for the year	686	345
Preferred share finance cost	17	8
	<hr/>	<hr/>
Diluted profit	703	353
Exceptional administrative expenses	739	-
Amortisation of intangibles arising on business acquisitions	38	56
Equity-settled share-based payments	23	15
	<hr/>	<hr/>
Adjusted profit	1,503	424
	<hr/>	<hr/>
<i>Number of shares</i>	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares for the purpose of basic earnings per share	7,824,974	6,104,348
Effect of diluted potential ordinary shares:		
Share options	631,148	872,028
	<hr/>	<hr/>
Diluted weighted average number of shares	8,456,122	6,976,376
	<hr/>	<hr/>
Earnings per ordinary share – basic	8.77p	5.65p
	<hr/>	<hr/>
Earnings per ordinary share – diluted	8.31p	5.06p
	<hr/>	<hr/>
Adjusted earnings per share – basic	18.99p	6.81p
	<hr/>	<hr/>
Adjusted earnings per share – diluted	17.78p	6.08p
	<hr/>	<hr/>

## BOOMERANG PLUS PLC

### Notes to the preliminary announcement

#### 5. GOODWILL AND OTHER INTANGIBLE FIXED ASSETS

	Goodwill £'000	Customer relationships £'000	Non- compete agreements £'000	Programmes catalogue £'000	Other £'000	Total £'000
<b>Cost</b>						
At 1 June 2006	1,216	649	7	25	-	1,897
Additions	-	-	-	11	15	26
Acquisition of subsidiary	844	548	30	-	-	1,422
At 1 June 2007 (as reported)	2,060	1,197	37	36	15	3,345
Fair value adjustments	48	-	-	-	-	48
At 1 June 2007 (as restated)	2,108	1,197	37	36	15	3,393
Additions	-	-	-	10	59	69
At 31 May 2008	2,108	1,197	37	46	74	3,462
<b>Amortisation</b>						
At 1 June 2006	-	-	-	-	-	-
Charge for the year	-	43	13	4	-	60
At 1 June 2007	-	43	13	4	-	60
Charge for the year (*)	-	23	15	-	27	65
At 31 May 2008	-	66	28	4	27	125
<b>Carrying amount</b>						
At 31 May 2008	2,108	1,131	9	42	47	3,337
At 31 May 2007 (as restated)	2,108	1,154	24	32	15	3,333

(\*) Amortisation of intangibles arising on business acquisitions of £38,000 relate to the amortisation of customer relationships and non-compete agreements.

# BOOMERANG PLUS PLC

## Notes to the preliminary announcement

### 6. ACQUISITIONS

On 31 May 2007, the Group acquired 100% of the issued share capital of Ffilmiau Apollo Cyfyngedig (“Apollo”). Ffilmiau Apollo Cyfyngedig is the parent company of Teledu Apollo Cyfyngedig and is involved in independent television production. Adjustments to the provisional fair values of assets acquired have been made during 2008 as detailed below.

	<b>Provisional fair value £'000</b>	<b>Adjustment £'000</b>	<b>Final Fair value £'000</b>
<b>Net assets acquired</b>			
Tangible fixed assets	67	(37)	30
Investments	70	-	70
Debtors	628	-	628
Cash at bank and in hand	496	-	496
Creditors	(680)	(73)	(753)
	<hr/>	<hr/>	<hr/>
	581	(110)	471
Goodwill	549	48	597
Customer relationships	408	-	408
Non compete agreements	12	-	12
	<hr/>	<hr/>	<hr/>
Total consideration	<u>1,550</u>	<u>(62)</u>	<u>1,488</u>
<b>Satisfied by</b>			
Cash	450	-	450
Shares allotted	200	-	200
Deferred consideration	871	(64)	807
Costs	29	2	31
	<hr/>	<hr/>	<hr/>
	<u>1,550</u>	<u>(62)</u>	<u>1,488</u>

The adjustment to fixed assets relates to the alignment of depreciation rates with those of the Group. The adjustment to creditors relates to pre acquisition liabilities. Adjustment to costs relate to un provided costs at the prior year end. In accordance with IFRS 3 “Business combinations” adjustments in respect of provisional fair values recorded at 31 May 2007 have been reflected in the prior year.

During the year ended 31 May 2007 the group made further acquisitions. There were no adjustments to provisional fair values attributed to assets acquired in respect of these acquisitions therefore these are excluded from the table above.

## BOOMERANG PLUS PLC

### Notes to the preliminary announcement

#### 7. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
<b>Profit from operations</b>	1,404	724
Adjustment for:		
Impairment of non-current asset investment	-	102
Amortisation of intangible fixed assets	65	60
Depreciation of property, plant and equipment	363	368
Profit on property, plant and equipment disposals	(7)	(2)
Government grants	(38)	(16)
Results of joint venture	(48)	(14)
Equity-settled share-based payments	23	15
	<hr/>	<hr/>
Operating cash flows before movement in working capital	1,762	1,237
(Increase)/decrease in receivables	(1,034)	378
Increase in payables	870	1,251
Decrease/(increase) in inventory	2	(4)
	<hr/>	<hr/>
Cash generated by operations	1,600	2,862
Income taxes paid	(423)	(409)
Interest paid	(133)	(74)
	<hr/>	<hr/>
Net cash inflow from operating activities	<u>1,044</u>	<u>2,379</u>