

**Unaudited interim consolidated financial  
statements for the period  
1 July to 31 December 2010  
for  
ADVFN PLC**

**Registered Number: 2374988**

# ADVFN PLC

## Unaudited Interim Results for the Six Months Ended 31 December 2010

ADVFN, Europe's leading stocks and shares website, today announces its unaudited interim results for the six months ended 31 December 2010.

### Highlights:

**Turnover up 13.5% to £4,597,000 (2009: £4,049,000)**

**Cash and gilts in hand of £2.283M up 29.5% (2009: £1.763M)**

**Loss for the Period - down 80% to £67,000 (2009: £330,000)**

**Operating Loss - down 53% to £75,000 (2009: £160,000)**

**ADVFN user numbers - up 17% to 2.1M (2009: 1.8M)**

### Contacts:

Clem Chambers [clemc@advfn.com](mailto:clemc@advfn.com)

Francesca De Franco, PR [francescad@advfn.com](mailto:francescad@advfn.com) 020 7070 0932

Fiona Kindness, Grant Thornton UK LLP (Nominated Adviser) 020 7728 3414

**Chief Executive's Statement**

The half year interim period has shown a continuation of good growth and bottom line improvement. Comparable sales are up 13.5%. Cash flow for the period was much improved with our cash and gilts in hand rising 29.5% for the period, up by £520,000. The increase in cash and gilts is tracking against the growth in sales which is a good indication that growth is directly driving cash generation. The end of this period enjoyed record sales in both subscriptions and advertising and a strong finish to the half year. Robust growth has continued into the new half, which feels very positive.

We are entering into a new phase as a business, which sees us building on overseas success in Brazil and the US. We are implementing a long term effort to lever up income in major markets like Australia, Canada, India, Japan and Mexico and broaden our reach yet further into these exciting markets. We already have toe-holds in most of the global markets and it is our plan to extend these using established levels of business a spring board into monetising local markets around the globe

With our UK market showing strength, further progress in all markets, significant opportunities in large territories opening up and forward momentum with transactional platforms, we are feeling buoyant about the months ahead.

**Financial performance**

Key financial performance for the period has been summarised as follows:

	Six Months ended 31 December 2010	Six Months ended 31 December 2009	Change	Change
	£'000	£'000	£'000	%
Loss for the period	(67)	(330)	263	80%
Operating Loss	(75)	(160)	85	53%
Loss per share	0.01p	0.05p	0.04p	80%

**Clem Chambers**

CEO

23rd February 2011

**Consolidated income statement**

		6 months to 31 Dec 2010 £'000 unaudited	6 months to 31 Dec 2009 £'000 unaudited	12 months to 30 June 2010 £'000 audited
	Notes			
Revenue		4,597	4,049	8,475
Cost of sales		(208)	(199)	(404)
Gross profit		4,389	3,850	8,071
Share based payment		(14)	(10)	(43)
Amortisation of intangible assets		(589)	(593)	(1,149)
Other administrative expenses		(3,861)	(3,407)	(6,963)
Total administrative expense		(4,464)	(4,010)	(8,155)
Operating loss		(75)	(160)	(84)
Finance income		6	8	23
Finance expense		(24)	(6)	(8)
Goodwill credit & fair value adjustment		-	(216)	(214)
Result from associates after taxation		-	(18)	(18)
Loss before tax		(93)	(392)	(301)
Taxation		26	62	331
(Loss)/profit for the period		(67)	(330)	30
<b>Loss per share from continuing operations</b>				
Basic and diluted (pence per share)	3	(0.01)	(0.05)	-

**Consolidated statement of comprehensive income**

		6 months to 31 Dec 2010 £'000 unaudited	6 months to 31 Dec 2009 £'000 unaudited	12 months to 30 June 2010 £'000 audited
(Loss)/profit for the period		(67)	(330)	30
<b>Other comprehensive income:</b>				
Exchange differences on translation of foreign operations		14	22	(8)
<b>Total comprehensive income for the year</b>		(53)	(308)	22

**Consolidated balance sheet**

	31 Dec 2010 £'000 unaudited	31 Dec 2009 £'000 unaudited	30 June 2010 £'000 audited
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	85	80	84
Goodwill	1,590	1,590	1,590
Intangible assets	2,669	3,232	2,973
Trade and other receivables	113	204	113
<b>Total non-current assets</b>	<b>4,457</b>	<b>5,106</b>	<b>4,760</b>
<b>Current assets</b>			
Trade and other receivables	1,133	867	890
Current tax recoverable	9	85	92
Other financial assets (available for sale)	729	31	709
Cash and cash equivalents	1,571	1,763	1,599
<b>Total current assets</b>	<b>3,442</b>	<b>2,746</b>	<b>3,290</b>
<b>Total assets</b>	<b>7,899</b>	<b>7,852</b>	<b>8,050</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	6,238	6,236	6,238
Share premium	7,902	7,898	7,900
Merger reserve	221	221	221
Share based payments reserve	499	466	485
Foreign exchange reserve	(12)	4	(26)
Retained earnings	(8,812)	(9,119)	(8,745)
<b>Total equity</b>	<b>6,036</b>	<b>5,706</b>	<b>6,073</b>
<b>Non-current liabilities</b>			
Deferred tax	273	604	342
Borrowings - obligations under finance leases	6	11	6
<b>Total non-current liabilities</b>	<b>279</b>	<b>615</b>	<b>348</b>
<b>Current liabilities</b>			
Trade and other payables	1,581	1,518	1,616
Borrowings – overdraft and obligations under finance leases	3	13	13
<b>Total current liabilities</b>	<b>1,584</b>	<b>1,531</b>	<b>1,629</b>
<b>Total liabilities</b>	<b>1,863</b>	<b>2,146</b>	<b>1,977</b>
<b>Total equity and liabilities</b>	<b>7,899</b>	<b>7,852</b>	<b>8,050</b>

**Consolidated statement of changes in equity**

	Share capital	Share premium	Merger reserve	Share based payment reserve	Foreign exchange	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 July 2009</b>	6,156	7,758	221	456	(18)	(8,789)	5,784
Issue of shares	80	140	-	-	-	-	220
Equity settled share options	-	-	-	10	-	-	10
<b>Transactions with owners</b>	80	140	-	10	-	-	230
Loss for the period after tax	-	-	-	-	-	(330)	(330)
<b>Other comprehensive income</b>							
Exchange differences on translation of foreign operations	-	-	-	-	22	-	22
<b>At 31 December 2009</b>	6,236	7,898	221	466	4	(9,119)	5,706
Issue of shares	2	2	-	-	-	-	4
Equity settled share options	-	-	-	33	-	-	33
<b>Transactions with owners</b>	2	2	-	33	-	-	37
Profit for the period after tax	-	-	-	-	-	360	360
<b>Other comprehensive income</b>							
Exercise of share options	-	-	-	(14)	-	14	-
Exchange differences on translation of foreign operations	-	-	-	-	(30)	-	(30)
Total comprehensive income for the year	-	-	-	(14)	(30)	14	(30)
<b>At 30 June 2010</b>	6,238	7,900	221	485	(26)	(8,745)	6,073
Issue of shares	-	2	-	-	-	-	2
Equity settled share options	-	-	-	14	-	-	14
<b>Transactions with owners</b>	-	2	-	14	-	-	16
Loss for the period after tax	-	-	-	-	-	(67)	(67)
<b>Other comprehensive income</b>							
Exchange differences on translation of foreign operations	-	-	-	-	14	-	14
<b>At 31 December 2010</b>	6,238	7,902	221	499	(12)	(8,812)	6,036

**Consolidated cash flow statement**

	6 months to 31 Dec 2010 £'000 unaudited	6 months to 31 Dec 2009 £'000 unaudited	12 months to 30 June 2010 £'000 audited
<b>Cash flows from operating activities</b>			
Loss for the period before tax	(93)	(392)	(301)
Finance costs in the income statement	18	(2)	(15)
Results for associates	-	18	18
Depreciation of non-current assets	64	46	75
Amortisation	589	593	1,149
Goodwill credit & fair value adjustment	-	216	214
Impairment of financial assets	-	1	24
Share based payments	14	10	43
(Increase)/decrease in trade and other receivables	(243)	148	236
Decrease in trade and other payables	(35)	(124)	(26)
Net cash generated from operations	314	514	1,417
Interest paid	(24)	(6)	(8)
Income tax receivable / (payable)	40	-	(17)
Net cash generated by operating activities	330	508	1,392
<b>Cash flows from investing activities</b>			
Interest received	6	8	23
Payments for property, plant and equipment	(65)	-	(30)
Purchase of intangibles	(285)	(273)	(570)
Acquisition of subsidiary (net of cash with subsidiary)	-	(22)	(701)
Acquisition of investments	(20)	-	-
Disposal of assets	-	-	(22)
Net cash used in investing activities	(364)	(287)	(1,300)
<b>Cash flows from financing activities</b>			
Proceeds from issue of equity shares	2	26	-
Issue costs	-	-	27
Loans repaid (finance leases)	(10)	(15)	(21)
Net cash (used) / generated from financing activities	(8)	11	6
Net (decrease)/ increase in cash and cash equivalents	(42)	232	98
Exchange movements	14	22	(8)
Total (decrease)/ increase in cash and cash equivalents	(28)	254	90
Cash and cash equivalents at the start of the period	1,599	1,509	1,509
Cash and cash equivalents at the end of the period	1,571	1,763	1,599

**1. Legal status and activities**

ADVFN Plc ("the Company") is principally involved in the development and provision of financial information primarily via the internet and the development and exploitation of ancillary internet sites.

The company is a public limited liability company incorporated and domiciled in England and Wales. The address of its registered office is Suite 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA.

The Company is quoted on the Alternative Investment Market ("AIM") of the London Stock Exchange.

**2. Basis of preparation**

The unaudited consolidated interim financial information is for the six month period ended 31 December 2010. The financial information does not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2010, which were prepared under IFRS as adopted by the European Union (EU).

The accounting policies adopted in this report are consistent with those of the annual financial statements for the year to 30 June 2010 as described in those financial statements.

The interim financial information has not been audited nor has it been reviewed under ISRE 2410 of the Auditing Practices Board. The financial information presented does not constitute statutory accounts as defined by section 434 of the Companies Act 2006. The Group's statutory accounts for the year to 30 June 2010 have been filed with the Registrar of Companies. The auditors, Grant Thornton UK LLP reported on these accounts and their report was unqualified and did not contain a statement under section 498(2) or Section 498(3) of the Companies Act 2006.

**3. Earnings / (loss) per share**

	6 months to 31 Dec 2010 £'000	6 months to 31 Dec 2009 £'000	12 months to 30 June 2010 £'000
(Loss) / profit for the year from continuing operations attributable to equity shareholders	(67)	(330)	30
Earnings / (loss) per share from continuing operations			
Basic earnings / (loss) per share (pence)	(0.01)	(0.05)	-
Diluted loss per share (pence)	(0.01)	(0.05)	-
	Shares	Shares	Shares
Issued ordinary shares at start of the period	623,764,505	615,568,901	615,568,903
Ordinary shares issued in the period	50,000	8,061,602	8,195,602
Issued ordinary shares at end of the period	623,814,505	623,630,503	623,764,505
Weighted average number of shares in issue for the period	623,784,614	621,570,408	622,267,954
Dilutive effect of options	-	-	7,100,433
Weighted average shares for diluted earnings per share	623,784,614	621,570,408	629,368,387

\*The diluted loss per share does not differ from the basic loss per share as the exercise of share options would have the effect of reducing the loss per share and is therefore not dilutive under the terms of IAS 33.

**4. Dividends**

The directors do not recommend the payment of a dividend.

**5. Financial statements**

Copies of this statement are being posted to shareholders shortly and will be available from the company's registered office at Suite 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA.