



ADVFN

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Daily Trading Volume (Millions)

ADVFN Plc
Interim Report Unaudited Interim
Consolidated Financial Statements for the Period
1 July to 31 December 2016

Registered Number: 2374988 (England and Wales)

Chief Executive's Statement

2016 was a year of change at ADVFN. We have, after many years of striving for growth, realigned ourselves to work towards profit. These interim results for the six month period to 31 December 2016 sees us hit this target and realise a profit after tax, albeit this was due largely to foreign exchange gains.

Turning away from growth in order to cut costs has resulted in our sales falling to £3,826,000 from £4,274,000. However, the P&L during this period has gone from a £442,000 loss after tax to an £18,000 profit after tax, a considerable reversal. Whilst this profit may be a meagre one it is, never the less, a milestone.

This result has been produced as a consequence of a number of proactive changes in our business: our headcount reduced, the closure of non-core markets, restrained marketing and the decommissioning of localised web content.

The second half of the 2016 calendar year improved due to the surprise turn-up results of Brexit and President Trump. The outlook, while stronger, is still mixed with much fragility in our marketplace.

We are on an even keel and we expect to remain on the current course. In the short term, this will be heavily dependent on the appetite for trading and investing in our key markets. This outcome in our view is, to some extent, hedged because our main markets are in the UK, US and Brazil and as such are disparate.

We believe that by this time next year we will be in a good position to re-examine a strategy for growth. This will depend on our success in the next 12 months, which in the era of Brexit and President Trump is difficult to predict.

This new politico-economic era could pan out well for ADVFN as, in the past, chaos and uncertainty has worked in our favour. In the meantime, we will continue to work further to improve our performance.

Financial performance

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

	Six Months ended 31 December 2016	Six Months ended 31 December 2015
	£'000	£'000
Turnover	3,826	4,274
Profit/(loss) for the period	18	(442)
Operating Loss	(66)	(538)
Profit/(Loss) per share (see note 3)	0.07 p	(1.75)p

Clem Chambers
CEO
24 March 2017

Consolidated income statement

	6 months to 31 Dec 2016 £'000 unaudited	6 months to 31 Dec 2015 £'000 unaudited	12 months to 30 June 2016 £'000 audited
Notes			
Revenue	3,826	4,274	8,303
Cost of sales	(130)	(572)	(1,077)
Gross profit	3,696	3,702	7,226
Share option charge	-	(156)	(275)
Amortisation of intangible assets	(161)	(209)	(425)
Other administrative expenses	(3,601)	(3,875)	(7,176)
Total administrative expense	(3,762)	(4,240)	(7,876)
Operating loss	(66)	(538)	(650)
Finance income	84	68	126
Finance expense	-	(1)	-
Loss before tax	18	(471)	(524)
Taxation	-	29	46
Profit/(loss) for the period attributable to shareholders of the parent	18	(442)	(478)
Profit/(loss) per share			
Basic and diluted (pence per share)	3 0.07 p	(1.75) p	(1.89) p

Consolidated statement of comprehensive income

	6 months to 31 Dec 2016 £'000 unaudited	6 months to 31 Dec 2015 £'000 unaudited	12 months to 30 June 2016 £'000 audited
Profit/(loss) for the period	18	(442)	(478)
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	167	46	233
Deferred tax on translation of foreign held assets	(29)	(17)	(47)
Total other comprehensive	138	29	186
Total comprehensive income for the year attributable to shareholders of the parent	156	(413)	(292)

ADVFN PLC

Consolidated balance sheet

	31 Dec 2016 £'000 unaudited	31 Dec 2015 £'000 unaudited	30 June 2016 £'000 audited
Assets			
Non-current assets			
Property, plant and equipment	65	90	68
Goodwill	999	833	918
Intangible assets	1,438	1,247	1,321
Trade and other receivables	126	196	155
	<hr/>	<hr/>	<hr/>
	2,628	2,366	2,462
Current assets			
Trade and other receivables	1,091	1,036	1,025
Current tax recoverable	-	-	-
Cash and cash equivalents	840	784	843
	<hr/>	<hr/>	<hr/>
	1,931	1,820	1,868
Assets in disposal group classified as held for sale	-	-	142
	<hr/>	<hr/>	<hr/>
	1,931	1,820	2,010
Total assets	<hr/>	<hr/>	<hr/>
	4,559	4,186	4,472
Equity and liabilities			
Equity			
Issued capital	51	51	51
Share premium	145	95	119
Share based payments reserve	344	344	344
Foreign exchange reserve	605	310	467
Retained earnings	658	676	640
	<hr/>	<hr/>	<hr/>
	1,803	1,476	1,621
Non-current liabilities			
Deferred tax	122	91	100
	<hr/>	<hr/>	<hr/>
	122	91	100
Current liabilities			
Trade and other payables	2,610	2,619	2,583
Current tax	24	-	10
	<hr/>	<hr/>	<hr/>
	2,634	2,619	2,593
Liabilities directly associated with assets in disposal groups classified as held for sale	-	-	158
	<hr/>	<hr/>	<hr/>
	2,634	2,619	2,751
Total liabilities	<hr/>	<hr/>	<hr/>
	2,756	2,710	2,851
Total equity and liabilities	<hr/>	<hr/>	<hr/>
	4,559	4,186	4,472

Consolidated statement of changes in equity

	Share capital	Share premium	Share based payment reserve	Foreign exchange	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2015	50	-	189	281	1,118	1,638
Equity settled share options	-	-	155	-	-	155
Share issues	1	95	-	-	-	96
Transactions with owners	1	95	155	-	-	251
Loss for the period after tax	-	-	-	-	(442)	(442)
Other comprehensive income						
Exchange differences on translation of foreign operations	-	-	-	46	-	46
Deferred tax on translation of foreign held assets	-	-	-	(17)	-	(17)
Total comprehensive income	-	-	-	29	(442)	(413)
At 31 December 2015	51	95	344	310	676	1,476
Equity settled share options	-	-	-	-	-	-
Share issues	-	24	-	-	-	24
Transactions with owners	-	24	-	-	-	24
Loss for the period after tax	-	-	-	-	(36)	(36)
Other comprehensive income						
Exchange differences on translation of foreign operations	-	-	-	187	-	187
Deferred tax on translation of foreign held assets	-	-	-	(30)	-	(30)
Total comprehensive income	-	-	-	157	(36)	121
At 30 June 2016	51	119	344	467	640	1,621
Equity settled share options	-	-	-	-	-	-
Share issues	-	26	-	-	-	26
Transactions with owners	-	26	-	-	-	26
Profit for the period after tax	-	-	-	-	18	18
Other comprehensive income						
Exchange differences on translation of foreign operations	-	-	-	167	-	167
Deferred tax on translation of foreign held assets	-	-	-	(29)	-	(29)
Total comprehensive income	-	-	-	138	18	156
At 31 December 2016	51	145	344	605	658	1,803

Consolidated cash flow statement

	6 months to 31 Dec 2016 £'000 unaudited	6 months to 31 Dec 2015 £'000 unaudited	12 months to 30 June 2016 £'000 audited
Cash flows from operating activities			
Loss for the period before tax	18	(471)	(524)
Net finance income in the income statement	(84)	(67)	(126)
Depreciation of property, plant and equipment	32	28	83
Amortisation	161	209	425
Profit on disposal of Investor Events	(56)	-	-
Adjustment to fair value of embedded derivative	112	125	225
Share based payments	-	96	155
Share based payments - options	-	156	-
Issue of share capital	26	-	120
Increase in trade and other receivables	(66)	(91)	(80)
Increase/(decrease) in trade and other payables	27	(112)	(148)
Net cash generated /(used) by continuing operations	170	(127)	130
Income tax (paid)/received	36	200	236
Net cash generated/(used) by operating activities	206	73	366
Cash flows from financing activities			
Interest paid	-	(1)	(1)
Cash flows from investing activities			
Interest received	1	-	-
Payments for property, plant and equipment	(29)	(19)	(52)
Purchase of intangibles	(198)	(193)	(399)
Sale of Investor Events	40	-	-
Sale/(purchase) of investments	-	6	6
Net cash used by investing activities	(186)	(206)	(445)
Net increase/(decrease) in cash and cash equivalents	20	(134)	(80)
Exchange differences	(23)	(68)	(79)
Decrease in cash and cash equivalents continuing operations	(3)	(202)	(159)
Cash generated by disposal group	-	-	16
Net decrease in cash and cash equivalents	(3)	(202)	(143)
Cash and cash equivalents at the start of the period	843	986	986
Cash and cash equivalents at the end of the period	840	784	843

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 2016. 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 2016, 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 2016 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 2016 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. Loss per share

	6 months to 31 Dec 2016 £'000	6 months to 31 Dec 2015 £'000	12 months to 30 June 2016 £'000
Profit/(loss) for the year attributable to equity shareholders	18	(442)	(478)
Profit/(loss) per share - basic and diluted	0.07 p	(1.75)p	(1.89)p
	Shares	Shares	Shares
Issued ordinary shares at start of the period	25,523,845	25,220,210	25,220,210
Ordinary shares issued in the period	100,000	190,000	303,635
Issued ordinary shares at end of the period	25,623,845	25,410,210	25,523,845
Weighted average number of shares in issue for the period	25,901,019	25,335,862	25,237,597
Dilutive effect of options	-	-	-
Weighted average shares for diluted earnings per share	25,901,019	25,335,862	25,237,597

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.