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ADVFN Plc Interim Report

1 July to 31 December 2014

Registered Number: 2374988 (England and Wales)

Chief Executive's Statement

I am pleased to announce a solid start to the new financial year with sales up 7.8 per cent. from £4.46 million to £4.8 million from the same period a year ago. Our cash position has also increased slightly compared to the same period last year.

While sales growth has been good, we have won these gains against a background of markets which have ebbed and flowed. This result has therefore come from developments from the broad spread of our offerings, where successes compensate for any downward drift elsewhere.

Our growing newsletter business and new products in the US have been a highlight and we feel these offer strong potential for growth going forward as we roll them out into new territories.

These factors represent a broadening of our revenue potential across our markets as we develop our offerings to reach these wider audiences.

We haven't suffered any disasters or witnessed any miracles in this half year but this period has represented a period of consistent progress as we continue to build on the ADVFN and Investorshub platform.

While doing so, we have re-organised our share capital and completed a US OTC QX market listing with an eye to exposing our huge US audience to the possibility of become shareholders in our company through US listed ADRs. We are hopeful that this will provide a good basis to add to shareholder value in 2015.

Share consolidation

At the Company's General Meeting held on 20 August 2014, the resolution to approve the share consolidation of existing issued Ordinary shares of £0.01 each in the capital of the Company to be consolidated into ordinary shares of £0.25 each ("Ordinary Shares"), was duly passed. The number of post consolidation Ordinary Shares is disclosed above, together with the restated loss per share amounts. In addition, the shares were to be subdivided into 1 ordinary share of par value 1 pence and 1 Deferred share of 24 pence par value; the Deferred shares were then cancelled. Finally, the par value was reduced from 1 pence to 0.2 pence. The number of post consolidation Ordinary Shares is disclosed together with the restated loss per share amounts (see note 3).

Financial performance

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

	Six Months ended 31 December 2014	Six Months ended 31 December 2013
	£'000	£'000
Turnover	4,807	4,458
Loss for the period	(552)	(226)
Operating Loss	(647)	(342)
Loss per share (see note 3)	(2.19)p	(0.90)p

Clem Chambers
CEO
25 March 2015

Consolidated income statement

		6 months to 31 Dec 2014 £'000 unaudited	6 months to 31 Dec 2013 £'000 unaudited restated	12 months to 30 June 2014 £'000 audited
	Notes			
Revenue		4,807	4,458	9,702
Cost of sales		(718)	(491)	(1,165)
Gross profit		4,089	3,967	8,537
Share based payment		(18)	(47)	(54)
Amortisation of intangible assets		(326)	(465)	(914)
Other administrative expenses		(4,392)	(3,797)	(8,232)
Total administrative expense		(4,736)	(4,309)	(9,200)
Operating loss		(647)	(342)	(663)
Finance income		57	53	108
Loss before tax		(590)	(289)	(555)
Taxation		38	63	101
Total loss after taxation		(552)	(226)	(454)
Loss for the period		(552)	(226)	(454)
Loss per share				
Basic and diluted (pence per share)	3	(2.19)	(0.90)	(1.80)

Consolidated statement of comprehensive income

		6 months to 31 Dec 2014 £'000 unaudited	6 months to 31 Dec 2013 £'000 unaudited	12 months to 30 June 2014 £'000 audited
Loss for the period		(552)	(226)	(454)
Other comprehensive income:				
Exchange differences on translation of foreign operations		196	(146)	(190)
Deferred tax on translation of foreign held assets		(24)	21	29
Total comprehensive income for the year		(380)	(351)	(615)

Consolidated balance sheet

	31 Dec 2014 £'000 unaudited	31 Dec 2013 £'000 unaudited	30 June 2014 £'000 audited
Assets			
Non-current assets			
Property, plant and equipment	89	119	71
Goodwill	793	747	724
Intangible assets	1,289	1,502	1,331
Trade and other receivables	202	540	295
Total non-current assets	2,373	2,908	2,421
Current assets			
Trade and other receivables	1,264	1,045	1,122
Current tax recoverable	72	33	60
Cash and cash equivalents	1,510	1,493	1,675
Total current assets	2,846	2,571	2,857
Total assets	5,219	5,479	5,278
Equity and liabilities			
Equity			
Issued capital	50	6,305	6,305
Share premium	-	8,101	8,102
Merger reserve	-	221	221
Share based payments reserve	18	610	617
Foreign exchange reserve	289	153	117
Retained earnings	2,126	(12,289)	(12,517)
Total equity	2,483	3,101	2,845
Non-current liabilities			
Deferred tax	128	185	134
Total non-current liabilities	128	185	134
Current liabilities			
Trade and other payables	2,606	2,187	2,268
Current tax	2	6	31
Total current liabilities	2,608	2,193	2,299
Total liabilities	2,736	2,378	2,433
Total equity and liabilities	5,219	5,479	5,278

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
At 1 July 2013	6,291	8,062	221	563	278	(12,063)	3,352
Issue of shares	14	39	-	-	-	-	53
Equity settled share options	-	-	-	47	-	-	47
Transactions with owners	14	39	-	47	-	-	100
Loss for the period after tax	-	-	-	-	-	(226)	(226)
Other comprehensive income							
Exchange differences on translation of foreign operations	-	-	-	-	(146)	-	(146)
Deferred tax on translation of foreign held assets	-	-	-	-	21	-	21
Total comprehensive income	-	-	-	-	(125)	(226)	(351)
At 31 December 2013	6,305	8,101	221	610	153	(12,289)	3,101
Issue of shares	-	1	-	-	-	-	1
Equity settled share options	-	-	-	7	-	-	7
Transactions with owners	-	1	-	7	-	-	8
Loss for the period after tax	-	-	-	-	-	(228)	(228)
Other comprehensive income							
Exchange differences on translation of foreign operations	-	-	-	-	(44)	-	(44)
Deferred tax on translation of foreign held assets	-	-	-	-	8	-	8
Total comprehensive income	-	-	-	-	(36)	(228)	(264)
At 30 June 2014	6,305	8,102	221	617	117	(12,517)	2,845
Equity settled share options	-	-	-	18	-	-	18
Transactions with owners	-	-	-	18	-	-	18
Loss for the period after tax	-	-	-	-	-	(552)	(552)
Other comprehensive income							
Exchange differences on translation of foreign operations	-	-	-	-	196	-	196
Deferred tax on translation of foreign held assets	-	-	-	-	(24)	-	(24)
Total comprehensive income	-	-	-	-	172	(552)	(380)
Share consolidation	(6,255)	(8,102)	(221)	(617)	-	15,195	-
At 31 December 2014	50	-	-	18	289	2,126	2,483

Consolidated cash flow statement

	6 months to 31 Dec 2014 £'000 unaudited	6 months to 31 Dec 2013 £'000 unaudited	12 months to 30 June 2014 £'000 audited
Cash flows from operating activities			
Loss for the period before tax	(590)	(289)	(555)
Finance costs	(57)	(53)	(108)
Depreciation of property, plant and equipment	30	30	47
Amortisation	326	465	914
Impairment of financial assets	-	-	250
Share based payments	18	47	54
Decrease/(increase) in trade and other receivables	8	(122)	(149)
Increase in trade and other payables	338	233	314
Net cash generated by operations	73	311	767
Income tax (paid)/received	(9)	12	(3)
Net cash generated by operating activities	64	323	764
Cash flows from investing activities			
Payments for property, plant and equipment	(48)	(179)	(57)
Purchase of intangibles	(284)	(156)	(495)
Net cash used by investing activities	(332)	(335)	(552)
Cash flows from financing activities			
Proceeds from issue of equity shares	-	53	-
Net cash generated by financing activities	-	53	-
Net (decrease)/increase in cash and cash equivalents	(268)	41	212
Exchange movements	103	(9)	2
Total (decrease)/increase in cash and cash equivalents	(165)	32	214
Cash and cash equivalents at the start of the period	1,675	1,461	1,461
Cash and cash equivalents at the end of the period	1,510	1,493	1,675

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 London Stock Exchange's AIM market under the ticker "AFN".

2. Basis of preparation

The unaudited consolidated interim financial information is for the six month period ended 31 December 2014. 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 2014, 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 2014 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 2014 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.

The financial statements have been prepared on the going concern basis which assumes the Group will continue in existence for the foreseeable future. At 31 December 2014 the Group's cash balances amounted to £1.5 million and the forecasts indicate that this balance will be broadly maintained and then increase in the remainder of the financial year. Accordingly the directors have prepared these financial statements on the going concern basis.

3. Loss per share

	6 months to 31 Dec 2014 £'000	6 months to 31 Dec 2013 £'000 Restated	12 months to 30 June 2014 £'000
Loss for the year attributable to equity shareholders	(552)	(226)	(454)
Loss per share - basic and diluted	(2.19)	(0.90)	(1.80)
Issued ordinary shares at start of the period	Shares 25,220,210	Shares 25,164,560	Shares 25,164,560
Ordinary shares issued in the period	-	55,650	55,650
Issued ordinary shares at end of the period	25,220,210	25,220,210	25,220,210
Weighted average number of shares in issue for the period	25,220,210	25,219,905	25,219,905
Dilutive effect of options	-	-	-
Weighted average shares for diluted earnings per share	25,220,210	25,219,905	25,219,905

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.

Restatement

The shares in issue for the 6 months to 31 December 2013 have been restated as a result of the share consolidation exercise at 1 new share for 25 old shares. This results in a change of the loss per share. The details of this exercise are given below.

3. Loss per share (continued)***Share consolidation***

At the company's General Meeting held on 20 August 2014, the resolution to approve the share consolidation of existing issued Ordinary shares of £0.01 each in the capital of the company to be consolidated into Ordinary shares of £0.25 each, was duly passed. The number of post consolidation Ordinary shares is disclosed above together with the restated loss per share amounts. In addition, the shares were to be subdivided into 1 Ordinary share of par value 1p and 1 Deferred share of 24p par value; the Deferred shares were then cancelled. Finally, the par value was reduced from 1p to 0.2p.

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. Electronic copies of this statement will be available on the Company's website at uk.advfn.com.