

**Unaudited interim consolidated financial  
statements for the period  
1 July to 31 December 2015**

**ADVFN PLC**

**Registered Number: 2374988 (England and Wales)**

**Chief Executive's Statement**

2015 was a tumultuous year for ADVFN. An unexpected attack to wrest control from your board in the first half of the year was extremely disruptive and very costly. We were pleased to see the matter conclude satisfactorily from the Company's perspective through the intervention of the FCA. Notwithstanding this, the business has subsequently held up well during a period of radical change and months of distraction.

2015 saw a sluggish bear market for the first time since 2008 and this combined with low volatility in the markets created a headwind. At the same time a broad section of exchanges exerted serious pricing pressures. This required radical price and content changes to our offering to avoid the adverse effects of this pressure. To add to this pressure, traffic has been moving quickly to our mobile platform, changing patterns of usage and revenue generation, which we have had to adapt to. As if this was not enough to keep us occupied, the internet advertising space has been revolutionized by the emergence of programmatic advertising platforms which we have had to embrace aggressively.

Consequentially our sales have been depressed by 11.1% on the same period last year.

We have taken these changes as an opportunity to reorganize the business and have brought down our operating overheads significantly. The early effects of this can be seen in a fall of administrative expenses for the half year by 10.5% from £4,736,000 to £4,240,000. This has helped lower the operating loss to £538,000 from £647,000 even while top line sales have fallen.

More cost cutting benefits have been felt in the new calendar year as contract and headcount reduction periods have passed with January and February showing good levels of operational performance. This has been helped by a pickup in advertising sales.

At an operational level we have seen improvement in the first few months of the calendar year of 2016. Our aim is to capitalise on last year's hard work to build upon the good start seen during January and February and continue to improve performance on a run-rate basis in the final half of this financial year.

**Financial performance**

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

	Six Months ended 31 December 2015	Six Months ended 31 December 2014
	£'000	£'000
Turnover	4,274	4,807
Loss for the period	(442)	(552)
Operating Loss	(538)	(647)
Loss per share (see note 3)	(1.75)p	(2.19)p

**Clem Chambers**  
CEO  
24 March 2016

**Consolidated income statement**

	6 months to 31 Dec 2015 £'000 unaudited	6 months to 31 Dec 2014 £'000 unaudited	12 months to 30 June 2015 £'000 audited
Notes			
Revenue	4,274	4,807	9,297
Cost of sales	(572)	(718)	(1,628)
Gross profit	3,702	4,089	7,669
Share option charge	(156)	(18)	(189)
Amortisation of intangible assets	(209)	(326)	(630)
Other administrative expenses	(3,875)	(4,392)	(8,755)
Total administrative expense	(4,240)	(4,736)	(9,574)
Operating loss	(538)	(647)	(1,905)
Finance income	68	57	114
Finance expense	(1)	-	-
Loss before tax	(471)	(590)	(1,791)
Taxation	29	38	231
<b>Loss for the period attributable to shareholders of the parent</b>	<b>(442)</b>	<b>(552)</b>	<b>(1,560)</b>
<b>Loss per share</b>			
Basic and diluted (pence per share)	3 (1.75)p	(2.19)p	(6.19)p

**Consolidated statement of comprehensive income**

	6 months to 31 Dec 2015 £'000 unaudited	6 months to 31 Dec 2014 £'000 unaudited	12 months to 30 June 2015 £'000 audited
Loss for the period	(442)	(552)	(1,560)
<b>Other comprehensive income:</b>			
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	46	196	185
Deferred tax on translation of foreign held assets	(17)	(24)	(21)
<b>Total other comprehensive</b>	<b>29</b>	<b>172</b>	<b>164</b>
<b>Total comprehensive income for the year attributable to shareholders of the parent</b>	<b>(413)</b>	<b>(380)</b>	<b>(1,396)</b>

## ADVFN PLC

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### Consolidated balance sheet

	31 Dec 2015 £'000 unaudited	31 Dec 2014 £'000 unaudited	30 June 2015 £'000 audited
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	90	89	99
Goodwill	833	793	784
Intangible assets	1,247	1,289	1,216
Trade and other receivables	196	202	103
Investments	-	-	6
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	2,366	2,373	2,208
<b>Current assets</b>			
Trade and other receivables	1,036	1,264	1,095
Current tax recoverable	-	72	181
Cash and cash equivalents	784	1,510	986
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	1,820	2,846	2,262
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<b>Total assets</b>	<b>4,186</b>	<b>5,219</b>	<b>4,470</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	51	50	50
Share premium	95	-	-
Share based payments reserve	344	18	189
Foreign exchange reserve	310	289	281
Retained earnings	676	2,126	1,118
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Total equity	1,476	2,483	1,638
<b>Non-current liabilities</b>			
Deferred tax	91	128	97
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Total non-current liabilities	91	128	97
<b>Current liabilities</b>			
Trade and other payables	2,619	2,606	2,731
Current tax	-	2	4
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Total current liabilities	2,619	2,608	2,735
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<b>Total liabilities</b>	<b>2,710</b>	<b>2,736</b>	<b>2,832</b>
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<b>Total equity and liabilities</b>	<b>4,186</b>	<b>5,219</b>	<b>4,470</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 2014</b>	6,305	8,102	221	617	117	(12,517)	2,845
Equity settled share options	-	-	-	18	-	-	18
<b>Transactions with owners</b>	-	-	-	18	-	-	18
Loss for the period after tax	-	-	-	-	-	(552)	(552)
<b>Other comprehensive income</b>							
Exchange differences on translation of foreign operations	-	-	-	-	196	-	196
Deferred tax on translation of foreign held assets	-	-	-	-	(24)	-	(24)
<b>Total comprehensive income</b>	-	-	-	-	172	(552)	(380)
Share consolidation	(6,255)	(8,102)	(221)	(617)	-	15,195	-
<b>At 31 December 2014</b>	50	-	-	18	289	2,126	2,483
Equity settled share options	-	-	-	171	-	-	171
<b>Transactions with owners</b>	-	-	-	171	-	-	171
Loss for the period after tax	-	-	-	-	-	(1,008)	(1,008)
<b>Other comprehensive income</b>							
Exchange differences on translation of foreign operations	-	-	-	-	(11)	-	(11)
Deferred tax on translation of foreign held assets	-	-	-	-	3	-	3
<b>Total comprehensive income</b>	-	-	-	-	(8)	-	(8)
<b>At 30 June 2015</b>	50	-	-	189	281	1,118	1,638
Equity settled share options	-	-	-	155	-	-	155
Share issues	1	95	-	-	-	-	96
<b>Transactions with owners</b>	1	95	-	155	-	-	251
Loss for the period after tax	-	-	-	-	-	(442)	(442)
<b>Other comprehensive income</b>							
Exchange differences on translation of foreign operations	-	-	-	-	46	-	46
Deferred tax on translation of foreign held assets	-	-	-	-	(17)	-	(17)
<b>Total comprehensive income</b>	-	-	-	-	29	(442)	(413)
<b>At 31 December 2015</b>	51	95	-	344	310	676	1,476

**Consolidated cash flow statement**

	6 months to 31 Dec 2015 £'000 unaudited	6 months to 31 Dec 2014 £'000 unaudited	12 months to 30 June 2015 £'000 audited
<b>Cash flows from operating activities</b>			
Loss for the period before tax	(471)	(590)	(1,791)
Finance income (net)	(67)	(57)	(114)
Depreciation of property, plant and equipment	28	30	61
Amortisation	209	326	647
Impairment of financial assets	125	-	200
Share based payments	96	-	-
Share option charge	156	18	189
Decrease/(increase) in trade and other receivables	(91)	8	133
Increase in trade and other payables	(112)	338	463
Net cash generated by operations	(127)	73	(212)
Interest paid	(1)	-	-
Income tax (paid)/received	200	(9)	46
Net cash generated by operating activities	72	64	(166)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	(19)	(48)	(89)
Purchase of intangibles	(193)	(284)	(472)
Disposal/(purchase) of investments	6	-	(6)
Net cash used by investing activities	(206)	(332)	(567)
Net (decrease)/increase in cash and cash equivalents	(134)	(268)	(733)
Exchange movements	(68)	103	44
Total (decrease)/increase in cash and cash equivalents	(202)	(165)	(689)
Cash and cash equivalents at the start of the period	986	1,675	1,675
Cash and cash equivalents at the end of the period	784	1,510	986

**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 AIM 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 2015. 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 2015, 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 2015 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 2015 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 2015 £'000	6 months to 31 Dec 2014 £'000	12 months to 30 June 2015 £'000
Loss for the year attributable to equity shareholders	(442)	(552)	(1,560)
Loss per share - basic and diluted	(1.75)p	(2.19)p	(6.19)p
	Shares	Shares	Shares
Issued ordinary shares at start of the period	25,220,210	25,220,210	25,220,210
Ordinary shares issued in the period	190,000	-	-
Issued ordinary shares at end of the period	25,410,210	25,220,210	25,220,210
Weighted average number of shares in issue for the period	25,335,862	25,220,210	25,220,210
Dilutive effect of options	-	-	-
Weighted average shares for diluted earnings per share	25,335,862	25,220,210	25,220,210

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.

During December 2015 the company issued 190,000 shares of nominal value £0.002 at £0.50 per share. This resulted in a share premium of £94,620.

**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.