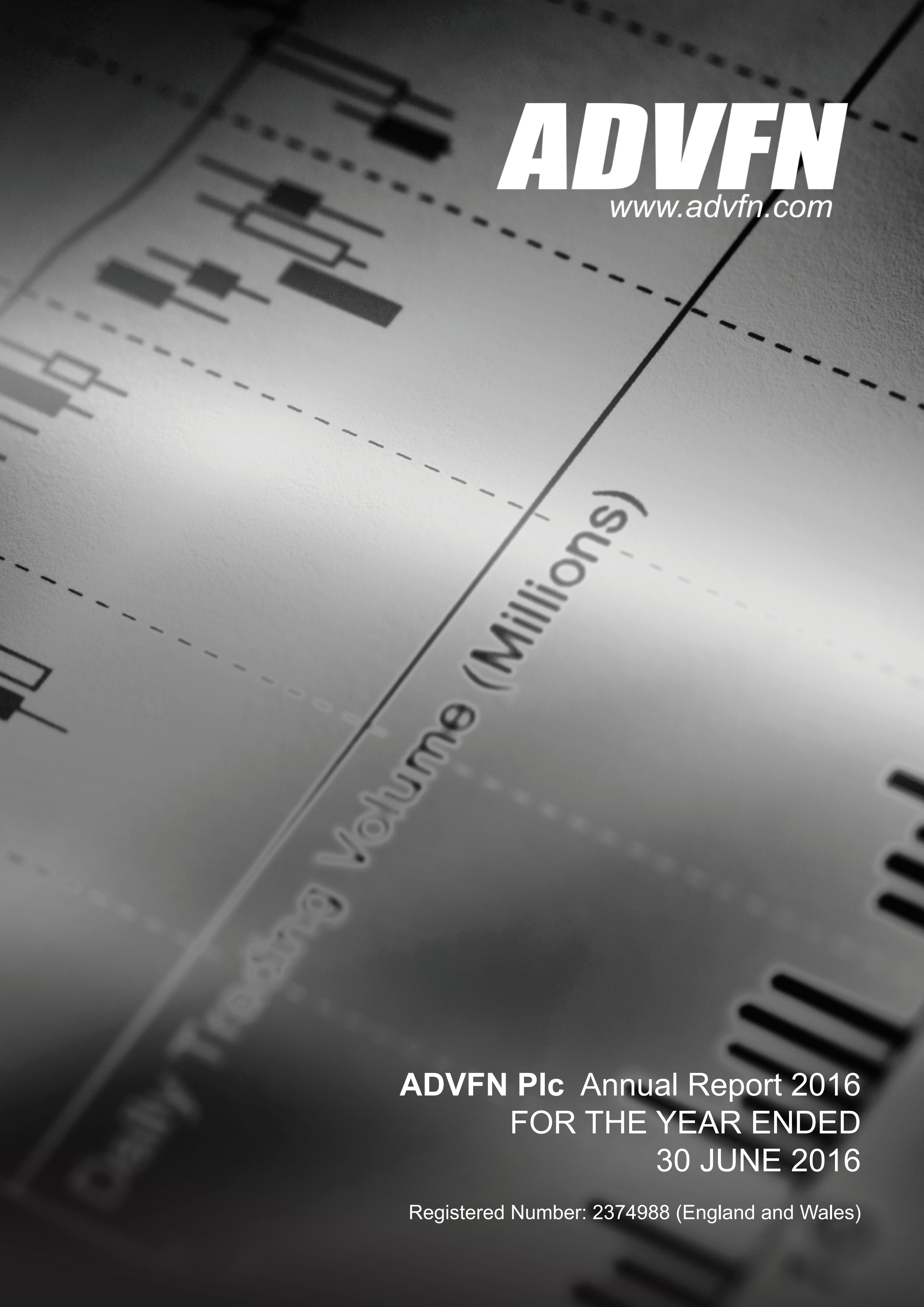

ADVFN

www.advfn.com

ADVFN Plc Annual Report 2016
FOR THE YEAR ENDED
30 JUNE 2016

Registered Number: 2374988 (England and Wales)

CONTENTS OF THE FINANCIAL STATEMENTS

DIRECTORS, OFFICERS AND ADVISERS

Directors

Michael Hodges (Chairman)
Clem Chambers (Chief Executive Officer)
Jonathan Mullins (Technical Director and Chief Financial Officer)
Matt Collom (Sales Director)
Brian Basham (Non-executive Director)

Secretary

Michael Hodges

Registered Office

Suite 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA

Independent Auditor

Grant Thornton UK LLP, The Explorer Building, Fleming Way, Manor Royal, Crawley, West Sussex, RH10 9GT

Nominated Adviser

Grant Thornton UK LLP, Grant Thornton House, Melton Street, Euston Square, London, NW1 2EP

Broker

Throgmorton Street Capital Limited, 26 Throgmorton Street, London EC2N 2AN

Registrars

Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA

Company number: 02374988

CHIEF EXECUTIVE'S STATEMENT

2016 was a transformational year for ADVFN with a change in the long term strategy of the company from international growth to consolidation of the existing business.

Having had our plans derailed last year by the attempt to take control of the ADVFN board, we have made the decision to enter a period of retrenchment.

Cash burn and losses are almost unavoidable with the sort of investment programs we have undertaken in the past. Currently the UK stock market has no stomach to support this kind of strategy so we have changed course to avoid needing to raise further funding and to instead produce profits and cash flow.

Curtailing investment drops quickly through to the bottom line but also feeds through to reductions in sales. The net result is equilibrium at a lower level of activity, which we hope will provide a solid basis for future growth. This is what we are working towards and, so far, we have made good progress.

The operating losses dropped from £1,905,000 to £650,000 an improvement of 65.8%. Sales are down 10.7% from £9,297,000 in 2015 to £8,303,000. However, costs of sales and expenses were down 20.1% per cent from £11,202,000 in 2015 to £8,953,000.

The after tax loss for the year was £478,000 down from £1,560,000 in the same period last year represents an improvement of 69.4%.

As announced on 24 March 2016, the loss after tax for the 6 months to 31 December 2015 was £442,000, so it can be seen that the company made a significantly reduced loss of £36,000 in the final six months in the financial year. This is an improvement of £406,000 on the previous half.

The market for our services is fast changing, with mobile becoming the dominant platform for communication and information. We have positioned ourselves for this development with our mobile app which has enabled us to buffer these changes as our traffic transitions to mobile.

However the mobile platforms are a weaker environment for monetisation which means, from a business perspective, we have to progress just to remain stationary.

This shift of usage from the desktop to mobile adds uncertainty but change is always an opportunity. We are well used to adapting to changing circumstances. In line with this we are adding new products to ADVFN which provide new advertising opportunities, new subscription products and new investor relations services.

We believe these offerings will help keep ADVFN relevant to its users as the online landscape continues to shift.

Clement Chambers
CEO
21 October 2016

STRATEGIC REPORT

Financial Overview

These consolidated and company accounts have been prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union.

There has been a continued environment of rising costs in data licenses and we continue to prune content where its costs outweigh its benefits.

We are comfortable with our new cost base and believe it has the capacity for business growth.

Business Review

ADVFN has restructured. We have cut costs, repriced product, closed international offices and created new offerings. The bulk of this process completed early this year. It would seem that our decision to do so was the correct one, with a general rise of fragility on many fronts. The AIM on which we are quoted has been through a poor period with many companies delisting. Important foreign markets like Brazil and the US suffered from a deep malaise for most of the year. Even the dreaded Brexit was a drag on our business up until the aftermath of the vote.

These situations remain unresolved but we have in the meantime put our business onto a different footing. We made a significantly reduced loss of £36,000 in the final six months in the financial year. This signals the end of a restructuring process that we undertook in this financial year and places us with a focus on our key US and UK territories. Business is stable and we are working on a series of initiatives to underpin that and with a little good fortune provide growth.

Operating Costs

We have significantly cut operating costs. We have slimmed down our offerings, international operations, marketing and cut headcount.

Closure of ADVFN Japan LLP and disposal of Investor Events Ltd

During the year the office in Japan was closed, however the on-line presence in Japan continues operating as normal with UK hosted websites.

On 19th May 2016 an agreement was reached to dispose of the business Investor Events Limited and was completed 30 September 2016. The proceeds of the disposal amounted to £40,000 and exceeded the book value of other related net assets and accordingly no impairment losses have been recognised.

Both of these strategic changes have been designed to bring the Group's focus back to the central, core offering. It also allows us the financial flexibility to react to the changing technology in our market place.

Research and Development

We are highly focused on new developments including improvements to our website and researching and developing other methods of accessing our offering. The web and mobile environment is going through a seismic shift on many levels and we are struggling to stay ahead of changes that threaten to make us obsolete. We have a road map for the shifting trends in platform, offering, exchange landscape and advertising infrastructure. We have managed to adapt over the last 16 years so we remain in good shape to cope with what is a very fast changing environment.

Environmental policy

The Group as a whole continues to look for ways to develop its environmental policy. It remains our objective to improve our performance in this area.

Future outlook for the business

ADVFN has had a successful period of consolidation as you will note from the transformation in our results. We have turned this necessity into an opportunity to refocus our business away from international growth onto consolidation and redevelopment of the business.

Early outcomes from new product initiatives are promising and our goal is to return to growth in the next twelve to eighteen months whilst controlling costs. The whole market place we are operating in is changing dramatically. However we are confident that we can adapt to these changes by using our market knowledge, years of experience and strong technical platform to keep abreast of these developments.

Summary of key performance indicators

The Directors monitor the Key Performance Indicators on an ongoing basis. The chart below shows the level of performance achieved in the financial year. The individual items are as follows:

Turnover – is of vital importance as it gives the sales department a goal and measures the financial success of the Group's service.

Head count - is a very significant part of the costs of the company and is fixed as an overhead. It provides a good indicator when taken against the revenue figure for the efficiency of the business. Talented people are a vital part of the business.

Registered users - give us an accurate indication of our audience pool and the potential available for marketing our service.

STRATEGIC REPORT (continued)

Summary of key performance indicators (continued)

	2016 Actual	**2016 Target**	2015 Actual	2015 Target
Turnover	£8.3M	£8.0M	£9.3M	£9 - £10M
Average head count	37	37	53	53
ADVFN registered users	3.5M	3.3M	3.2M	3.1M

Principal risks and uncertainties

Economic downturn

There are signs of global economic recovery and these have shown up as bursts of traffic on ADVFN.

However there can be no certainty in a return to economic normality in the near future but as previously stated the Company has bridged both the dotcom crash the credit crunch and now Brexit, so we feel that we have shown we are robust enough to withstand the financial conditions of economic emergencies.

High proportion of fixed overheads coupled with variable revenues

A large proportion of the company's overheads are fixed. There is the risk that any significant changes in revenue may lead to the inability to cover such costs. Management closely monitor fixed overheads against budget on a monthly basis and cost saving exercises are implemented on a constant review basis. We have had a strong period of cost optimisations that are updated on a regular basis.

Product obsolescence

The technology that we use is always in development and constantly changing. All our products are subject to technological change and advance and resultant obsolescence.

We have no choice but to keep innovating to keep up with growing technical challenges that are changing all the time.

The Directors are committed to the Research and Development strategy in place, and are confident that the company is able to react effectively to the developments within the market.

Fluctuations in currency exchange rates

A growing proportion of our turnover relates to overseas operations. As a company, we are therefore exposed to foreign currency fluctuations. The Company manages its foreign exchange exposure on a net basis, and if required uses forward foreign exchange contracts and other derivatives/financial instruments to reduce the exposure. Currently hedging is not employed and no forward contracts are in place. If currency volatility was extreme and hedging activity did not mitigate the exposure, then the results and the financial condition of the company might be adversely impacted by foreign currency fluctuations.

Following the volatility post Brexit, management will continue to monitor the impact of currency fluctuation. The exchange rate of the US Dollar has been a recent focus.

Consideration of the principal risks associated with financial instruments is contained in note 23.

People

I would like to thank everyone at ADVFN who tirelessly provide a global service for private investors that never sleeps.

ON BEHALF OF THE BOARD

Clement Chambers
CEO
21 October 2016

REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements for the year ended 30 June 2016.

PRINCIPAL ACTIVITIES

The principal activity of the group is the development and provision of financial information primarily via the internet, research services and the development and exploitation of ancillary internet sites.

DISPOSAL OF INVESTOR EVENTS

On 19 May 2016 an agreement was reached to dispose of the subsidiary Investor Events Limited. This disposal was completed on 30 September 2016. See note 10 for details.

CLOSURE OF JAPAN OFFICE

During the year the office in Japan has been wound down and the closure completed in May 2016. The on-line presence in Japan continues operating as normal with UK hosted websites.

RESULTS

The loss for the financial year amounted to £478,000 (2015: loss of £1,560,000). The Directors do not propose the payment of a dividend (2015: £nil).

DIRECTORS

The Directors set out below held office throughout the year except where stated:

M J Hodges
C H Chambers
J B Mullins
M Collom
B Basham

Clement Chambers and Matthew Collom retire by rotation and, being eligible, offer themselves for re-election. The Directors' interests in the shares of the company are shown in the Remuneration Report.

REPORT OF THE DIRECTORS (continued)

Biographic details

Michael Hodges*, aged 53, Chairman*
Co-founder of ADVFN plc, Michael Hodges has over 25 years experience in computer software development and publishing, while working with multi-user and Internet projects for many years. He Co-founded On-line plc, ADVFN plc and All IPO Plc. He is currently Chairman of On-line plc, ADVFN plc and a Director of All IPO Plc. At ADVFN, Michael has responsibility for exchange liaison, all legal and contractual issues and general business development.

Clement Chambers *aged 52, Chief Executive Officer*
Co-founder of ADVFN plc, All IPO Plc and On-line plc, Clem Chambers has been involved in the software industry for over 25 years as a pioneer of computer games, massively multiplayer games, multimedia and the internet. He is also Director of On-line plc and All IPO Plc. He has written investment columns for Wired Magazine, Forbes, The Business, The Scotsman and broadcasts on investment matters for SKY News, CNBC and the BBC. Chambers takes an active role in all aspects of ADVFN, from product and staff development to revenue generation and the day-to-day running of the site. He has been a Non Executive Director of Avarae Global Coins PLC since November 2010.

Jonathan Mullins*, aged 46, Technical Director and Chief Financial Officer*
Jonathan Mullins has been involved in the development of a wide variety of on-line and internet services for over 15 years. He is responsible for the entire technical department of ADVFN and has overseen the growth of the website since its early days, including the development of the proprietary streaming service. He continues to direct all technical implementations for the site.

Matthew Collom, *aged 39, Sales Director*
Matthew Collom joined ADVFN in 2001 and has 14 years' experience within the online advertising industry. He became the Sales Director of the company in May 2014.

Brian Basham, *aged 73, Non-executive Director*
Executive Chairman of Equity Development and ArchOver Limited, Brian Basham brings a wealth of industry knowledge and experience to the ADVFN board, having founded a number of successful businesses since 1976, including Broad Street Associates (subsequently sold to BDDP in 1986) and Primrose Care (sold to BUPA in 1998). Brian was the PR adviser to British Airways in its "dirty tricks" war of words with Virgin. Basham has had a long, varied and illustrious career in the Square Mile. Basham began life as a financial journalist, working for the Daily Mail, The Times and The Telegraph.

REPORT OF THE DIRECTORS (continued)

SUBSTANTIAL SHAREHOLDERS

At 20 October 2016 the Directors were aware of the following shareholdings in excess of 3% of the Company's issued share capital:

	Shareholding	%
On-Line Plc	4,605,940	18.05%
Peter O'Reilly	2,136,893	8.37%
Michael Tamil	1,722,232	6.75%

RESEARCH AND DEVELOPMENT

Research and development is carried on constantly to improve and expand the on-line experience available to subscribers to the various ADVFN services. We are highly focused on new developments including improvements to our website and researching and developing other methods of accessing our offering. Expenditure during the year amounted to £399,000 (2015: £472,000) all of which is development expenditure and has been capitalised.

GOING CONCERN

The financial statements have been prepared on the going concern basis which assumes the Group will continue in existence for the foreseeable future. In light of the losses incurred in both the current and the prior financial years the Directors continue to look for opportunities to reduce the ongoing cost base of the business without risking its development. The Directors have also prepared a detailed forecast of future trading and cash flows for the foreseeable future. At 30 June 2016 the Group's cash balances amounted to £843,000 and forecasts indicate that this balance will be improved during the next twelve to eighteen months. Accordingly the Directors have prepared these financial statements on the going concern basis.

FINANCIAL RISK MANAGEMENT

Information relating to the group's financial risk management is detailed in note 23 to the financial statements.

EVENTS AFTER THE BALANCE SHEET DATE

The sale of the subsidiary company Investor Events Limited, which is held as a disposal group at the reporting date, was completed on 30 September 2016. There are no other events of significance occurring after the balance sheet date to report.

STRATEGIC REPORT

Information in respect of the Business Review and Principal Risks and Uncertainties are not shown in the Report of the Directors because they are presented in the Strategic Report in accordance with s414c(ii) of the Companies Act 2006.

REPORT OF THE DIRECTORS (continued)

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations. The Company is not required to produce a remuneration report.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and elected to prepare the company financial statements in accordance with IFRSs. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs for Group and Company have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITOR

In accordance with section 489(4) of the Companies Act 2006, a resolution proposing the reappointment of Grant Thornton UK LLP will be put to the members at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

Michael Hodges
Chairman
21 October 2016

REMUNERATION REPORT

Directors' emoluments

	Salary & fees £'000	Benefits in kind £'000	Annual bonus £'000	2016 Total £'000	2016 Pension £'000	2015 Total £'000	2015 Pension £'000
Executive Directors							
M J Hodges	233	4	-	237	36	294	36
C H Chambers	284	1	-	285	30	348	36
J B Mullins	198	1	-	199	-	255	-
M Collom	164	-	-	164	-	217	-
Non-executive Directors							
B Basham	-	-	-	-	-	-	-
	879	6	-	885	66	1,114	72

Remuneration policy for executive Directors

The company's policy on executive Director's remuneration is to:

- attract and retain high quality executives by paying competitive remuneration packages relevant to each Director's role, experience and the external market. The packages include employment related benefits including contributions to private pension plans;
- incentivise Directors to maximise shareholder value through share options which are granted at an exercise price at the market price at date of grant are normally exercisable for a period of 7 years and lapse if an employee leaves.

Service contracts

The executive Directors have contracts with a thirty-six month notice period.

No Director had either during or at the end of the year a material interest in any contract which was significant in relation to the company's business.

Directors' interests in shares

The interests of the Directors and their families in the shares of the company at 1 July 2015 and 30 June 2016 were as follows:

	30 June 2016 No of Shares	1 July 2015 No of Shares	**30 June 2016 No of options**	1 July 2015 No of options
M J Hodges	18,000	18,000	651,473	651,473
C H Chambers	418,198	304,563	811,473	811,473
J B Mullins	18,578	18,578	400,000	400,000
M Collom	-	-	200,000	200,000

The remaining Director, Mr Basham, has no interests in the Company's shares.

Mr C H Chambers purchased 113,635 shares in the company during the year.

REMUNERATION REPORT (continued)

The details of the options held by each Director at 30 June 2016 are as follows:

Grant date	Exercise date	Lapse date	M J Hodges	C H Chambers	J B Mullins	M Collom	Total
10.06.02	10.06.11	10.06.18	40,000	160,000	20,000	-	220,000
18.02.03	10.06.11	10.06.18	40,000	40,000	40,000	-	120,000
27.01.04	31.12.13	31.12.22	40,000	60,000	40,000	-	140,000
27.01.05	31.12.13	31.12.22	40,000	60,000	40,000	-	140,000
06.09.06	31.12.13	31.12.22	60,000	60,000	60,000	-	180,000
21.10.09	31.12.13	31.12.22	31,473	31,473	-	-	62,946
12.12.14	12.12.15	12.12.24	400,000	400,000	200,000	200,000	1,200,000
			651,473	811,473	400,000	200,000	2,062,946

The remaining Director, Mr Basham, has no options on the Company's shares.

No share options were granted during the year.

Independent auditor's report to the members of ADVFN plc

We have audited the financial statements of ADVFN plc for the year ended 30 June 2016 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and parent company balance sheets, the consolidated and parent company statements of changes in equity, the consolidated and parent company cash flow statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements
In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2016 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Jonathan Maile
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Gatwick

Date:

Consolidated income statement

	Notes	30 June 2016 £'000	30 June 2015 £'000
Revenue		8,303	9,297
Cost of sales		(1,077)	(1,628)
Gross profit		7,226	7,669
Share based payment	21	(275)	(189)
Amortisation of intangible assets		(425)	(647)
Other administrative expenses		(7,176)	(8,738)
Total administrative expenses		(7,876)	(9,574)
Operating loss	4	(650)	(1,905)
Finance income and expense	7	126	114
Loss before tax		(524)	(1,791)
Taxation	8	46	231
Total loss for the period attributable to shareholders of the parent		(478)	(1,560)
Loss per share			
Total loss per share – basic and diluted	9	(1.89)p	(6.19)p

Consolidated statement of comprehensive income

	30 June 2016 £'000	30 June 2015 £'000
Loss for the period	(478)	(1,560)
Other comprehensive income:		
Items that will be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	233	185
Deferred tax on translation of foreign held assets	(47)	(21)
Total other comprehensive income	186	164
Total comprehensive income for the year attributable to shareholders of the parent	(292)	(1,396)

Company statement of comprehensive income

As permitted by Section 408 of the Companies Act 2006, the income statement and statement of comprehensive income of the parent company is not presented as part of these financial statements. The parent company's result after taxation for the financial year was a loss of £801,000 (2015: loss of £1,239,000).

Consolidated balance sheet

	Notes	30 June 2016 £'000	30 June 2015 £'000
Assets			
Non-current assets			
Property, plant and equipment	11	68	99
Goodwill	12	918	784
Intangible assets	13	1,321	1,216
Trade and other receivables	16	155	103
Investments		-	6
		2,462	2,208
Current assets			
Trade and other receivables	16	1,025	1,095
Current tax recoverable		-	181
Cash and cash equivalents		843	986
		1,868	2,262
Assets in disposal group classified as held for sale	10	142	-
		2,010	2,262
Total assets		4,472	4,470
Equity and liabilities			
Equity			
Issued capital	20	51	50
Share premium		119	-
Share based payment reserve	21	344	189
Foreign exchange reserve		467	281
Retained earnings		640	1,118
		1,621	1,638
Non-current liabilities			
Deferred tax	15	100	97
		100	97
Current liabilities			
Trade and other payables	19	2,583	2,731
Current tax		10	4
		2,593	2,735
Liabilities directly associated with assets in disposal groups classified as held for sale	10	158	-
		2,751	2,735
Total liabilities		2,851	2,832
Total equity and liabilities		4,472	4,470

The financial statements on pages 14 to 49 were authorised for issue by the Board of Directors on 21 October 2016 and were signed on its behalf by:

Clem Chambers
CEO
Company number: 02374988

The accompanying accounting policies and notes form an integral part of these financial statements.

Company balance sheet	Note	At 30 June 2016 £'000	At 30 June 2015 £'000
Assets			
Non-current assets			
Property, plant and equipment	11	29	62
Intangible assets	13	586	675
Trade and other receivables	16	155	103
Investments	14	2,363	2,363
		3,133	3,203
Current assets			
Trade and other receivables	16	933	1,202
Current tax recoverable		-	123
Cash and cash equivalents		682	660
		1,615	1,985
Total assets		4,748	5,188
Equity and liabilities			
Equity			
Called up share capital	20	51	50
Share premium account		119	-
Share based payment reserve	21	344	189
Retained earnings		1,421	2,222
		1,935	2,461
Current liabilities			
Trade and other payables	19	2,803	2,727
Current tax		10	-
Total liabilities		2,813	2,727
Total equity and liabilities		4,748	5,188

The financial statements on pages 14 to 49 were authorised for issue by the Board of Directors on 21 October 2016 and were signed on its behalf:

Clem Chambers
CEO
Company number: 02374988

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated statement of changes in equity

	Share capital	Share premium	Merger reserve	Share based payment reserve	Foreign exchange reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2014	6,305	8,102	221	617	117	(12,517)	2,845
Equity settled share options	-	-	-	189	-	-	189
Total transactions with owners	-	-	-	189	-	-	189
Loss for the period after tax	-	-	-	-	-	(1,560)	(1,560)
Other comprehensive income							
Exchange differences on translation of foreign operations	-	-	-	-	185	-	185
Deferred tax on translation of foreign held assets	-	-	-		(21)	-	(21)
Total other comprehensive income	-	-	-	-	164	-	164
Total comprehensive income	-	-	-	-	164	(1,560)	(1,396)
Share consolidation	(6,255)	(8,102)	(221)	(617)	-	15,195	-
At 30 June 2015	50	-	-	189	281	1,118	1,638
Equity settled share options	-	-	-	155	-	-	155
Share issues	1	119	-	-	-	-	120
Total transactions with owners	1	119	-	155	-	-	275
Loss for the period after tax	-	-	-	-	-	(478)	(478)
Other comprehensive income							
Exchange differences on translation of foreign operations	-	-	-	-	233	-	233
Deferred tax on translation of foreign held assets	-	-	-	-	(47)	-	(47)
Total other comprehensive income	-	-	-	-	186	-	186
Total comprehensive income	-	-	-	-	186	(478)	(292)
At 30 June 2016	51	119	-	344	467	640	1,621

The accompanying accounting policies and notes form an integral part of these financial statements.

Company statement of changes in equity

	Share capital	Share premium	Merger reserve	Share based payment reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2014	6,305	8,102	221	612	(11,729)	3,511
Equity settled share options	-	-	-	189	-	189
Transactions with owners	-	-	-	189	-	189
Loss for the period after tax	-	-	-	-	(1,239)	(1,239)
Total comprehensive income for the year	-	-	-	-	(1,239)	(1,239)
Share consolidation	(6,255)	(8,102)	(221)	(612)	15,190	-
At 30 June 2015	50	-	-	189	2,222	2,461
Equity settled share options	-	-	-	155	-	155
Share issues	1	119	-	-	-	120
Transactions with owners	1	119	-	155	-	275
Loss for the period after tax	-	-	-	-	(801)	(801)
Total comprehensive income for the year	-	-	-	-	(801)	(801)
At 30 June 2016	51	119	-	344	1,421	1,935

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated cash flow statement

	Notes	12 months to 30 June 2016 £'000	12 months to 30 June 2015 £'000
Cash flows from operating activities			
Loss for the year		(478)	(1,560)
Taxation		(46)	(231)
Net finance income in the income statement	7	(126)	(114)
Depreciation of property, plant & equipment	11	83	61
Amortisation	13	425	647
Adjustment to fair value of embedded derivative		225	200
Share based payments - options	21	155	189
Issue of share capital		120	-
Increase in trade and other receivables		(80)	133
(Decrease)/increase in trade and other payables		(148)	463
Net cash generated /(used) by continuing operations		130	(212)
Income tax receivable		236	46
Net cash generated/(used) by operating activities		366	(166)
Cash flows from financing activities			
Interest paid		(1)	-
Net cash generated by financing activities		(1)	-
Cash flows from investing activities			
Payments for property plant and equipment	11	(52)	(89)
Purchase of intangibles	13	(399)	(472)
Sale/(purchase) of investments		6	(6)
Net cash used by investing activities		(445)	(567)
Net decrease in cash and cash equivalents		(80)	(733)
Exchange differences		(79)	44
Decrease in cash and cash equivalents continuing operations		(159)	(689)
Cash generated by disposal group		16	-
Net decrease in cash and cash equivalents		(143)	(689)
Cash and cash equivalents at the start of the period		986	1,675
Cash and cash equivalents at the end of the period		843	986

The accompanying accounting policies and notes form an integral part of these financial statements.

Company cash flow statement

	Notes	12 months to 30 June 2016 £'000	12 months to 30 June 2015 £'000
Cash flows from operating activities			
Loss for the period before tax		(791)	(1,360)
Net finance income in the income statement (unwinding receivable)	7	(126)	(114)
Depreciation of property, plant & equipment	11	36	51
Amortisation	13	401	426
Adjustment to fair value of embedded derivative		225	200
Share based payments - options	21	155	189
Issue of share capital		120	-
Decrease/(Increase) in trade and other receivables		119	(42)
Increase in trade and other payables		76	431
Net cash generated/(used) by operating activities		215	(219)
Income tax receivable		123	48
Net cash generated/(used) by operating activities		338	(171)
Cash flows from financing activities			
Interest paid		(1)	-
Net cash generated by financing activities		(1)	-
Cash flows from investing activities			
Payments for property plant and equipment	11	(3)	(59)
Purchase of intangibles	13	(312)	(380)
Net cash used by investing activities		(315)	(439)
Net increase/(decrease) in cash and cash equivalents		22	(610)
Cash and cash equivalents at the start of the period		660	1,270
Cash and cash equivalents at the end of the period		682	660

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the financial statements

1. General information

The principal activity of ADVFN PLC ("the Company") and its subsidiaries (together "the Group") is the development and provision of financial information, primarily via the internet, research services and the development and exploitation of ancillary internet sites.

The principal trading subsidiaries are All IPO Plc, InvestorsHub.com Inc, Investor Events Limited and Cupid Bay Limited.

The Company is a public limited company which is quoted on the Alternative Investment Market of the London Stock Exchange and is incorporated and domiciled in the UK. The address of the registered office is Suite 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA.

The registered number of the company is 02374988.

Exemption from audit
For the year ended 30 June 2016 ADVFN Plc has provided a guarantee in respect of all liabilities due by its subsidiary company Cupid Bay Limited (Company No. 04001650) thus entitling it to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

2. Summary of significant accounting policies

Basis of preparation

The consolidated and company financial statements are for the year ended 30 June 2016. They have been prepared in compliance with International Financial Reporting Standards (IFRSs) and IFRS Interpretations Committee (IFRIC) interpretations as adopted by the European Union as at 30 June 2016. The consolidated and company financial statements have been prepared under the historical cost convention with the exception of derivative financial instruments carried at fair value and are presented in Sterling rounded to the nearest thousand except where indicated otherwise.

The subsidiary company Cupid Bay Limited is exempt from an audit under s479A of the Companies Act 2006.

Going concern

The financial statements have been prepared on the going concern basis which assumes the Group will continue in existence for the foreseeable future. In light of the losses incurred in both the current and the prior financial years the Directors continue to look for opportunities to reduce the ongoing cost base of the business without risking its development. The Directors have also prepared a detailed forecast of future trading and cash flows for the foreseeable future. At 30 June 2016 the Group's cash balances amounted to £843,000 and forecasts indicate that this balance will be improved during the next financial year. Accordingly the Directors have prepared these financial statements on the going concern basis.

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Standards and amendments to existing standards adopted in these accounts
The following standards, amendments and interpretations became effective and were applied for the first time this year:

- IAS 19: Defined Benefit Plans: Employee Contributions – this clarifies the treatment of contributions from employees or third parties.
- IFRIC Interpretation 21 Levies – provides guidance on when to recognise a liability for a levy imposed by government.
- Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets – amends the disclosure requirements in IAS 36 Impairment of Assets with regard to the measurement of the recoverable amount of impaired assets.
- Annual improvements to IFRSs 2010 - 2012 cycle – the annual improvement cycle contains amendments which are usually clarifications. However, there are two changes which are more significant; the amendments to IFRS 8 ‘Operating Segments – Aggregation of operating segments’ requires an entity to disclose the judgements made in applying the criteria to aggregate operating segments and the amendments to IAS 24 ‘Related Party Disclosures – Key management personnel’ require the reporting entity to clarify whether a management entity providing key management personnel services to the reporting entity is a related party to the reporting entity.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company in the 30 June 2016 financial statements

- IFRS 15: Revenue from contracts with customers – the standard establishes the principles that an entity will apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.
- IFRS 16: Leases – this standard establishes the principles for the recognition, measurement, presentation and disclosure of leases with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.
- IFRS 9: Financial instruments – this standard replaces IAS 39 Financial Instruments: Recognition and measurement. The standard requires that all financial instruments are initially measured at fair value through profit or loss. Subsequently, financial assets can be measured at either amortised cost or at fair value (where movements in fair value can be made through either profit or loss or other comprehensive income). Financial liabilities are normally expected to be at fair value through other comprehensive income, equity is normally expected to be at fair value through profit or loss.

The Directors continue to monitor the impact of future changes to the reporting requirements but do not believe the proposed changes will significantly impact the financial statements.

Consolidation
The Group's financial statements consolidate those of the parent company and all of its subsidiaries drawn up to 30 June 2016. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated on the date control ceases.

Inter-company transactions, balances and unrealised gains and losses (where they do not provide evidence of impairment of the asset transferred) on transactions between Group companies are eliminated.

Business combinations
The Group uses the acquisition method of accounting for the acquisition of a subsidiary. The consideration transferred is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed in the period.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any non controlling interest.

Goodwill is recognised at the acquisition date measured as the excess of the aggregate of:

i. The fair value of the consideration transferred
ii. The fair value or, alternatively, the share of net assets of the non controlling interest in the acquiree
iii. In a combination achieved in stages, the fair value of the acquirer’s previously held equity interest in the acquiree over the net of the acquisition date fair value of the identifiable assets acquired and the liabilities assumed.

Where the goodwill calculation results in a negative amount (bargain purchase) this amount is taken to the income statement in the period in which it is derived.

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Foreign currency translation

a) Functional and presentational currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Company's functional currency and the Group's presentational currency is Sterling.

b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

c) Group companies
The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet.
- Income and expenses for each income statement are translated at the rate of exchange at the transaction date. Where this is not possible, the average rate for the period is used but only if there is no significant fluctuation in the rate and;
- On consolidation, exchange differences arising from the translation of the net investment in foreign entities are recognised in other comprehensive income and accumulated in a separate component of equity. Post transition exchange differences are recycled to profit or loss as a reclassification adjustment upon disposal of the foreign operation.

Income and expense recognition

Revenue is the fair value of the total amount receivable by the Group for supplies of services. VAT or similar local taxes and trade discounts are excluded.

The Group derives the majority of its revenue from the provision of financial information through websites. This generates subscription income, which is recognised over the life of the subscription, as well as advertising revenue which is recognised over the period in which advertising space is booked. Other revenues are derived from the provision of both broking and research services and which are recognised as the service is provided.

Interest income and expenditure are reported on an accruals basis. Operating expenses are recognised in the income statement upon utilisation of the service or at the date of their origin.

Employee benefits

The cost of pensions in respect of the Group's defined contribution scheme is charged to profit or loss in the period in which the related employee services were provided.

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Intangible assets
- Licences
Licences are recognised at cost less any subsequent impairment and amortisation charges, they are amortised over a five year period on a straight line basis.

- Goodwill
Goodwill is capitalised as an intangible asset and allocated to cash generating units (with separately identifiable cash flows) and is subject to impairment testing on an annual basis or more frequently if circumstances indicate that the asset may have been impaired.

- Internally generated intangible assets
An internally generated intangible asset (website and mobile application) arising from development (or the development phase) of an internal project is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. Internally generated intangibles not yet in use are subject to annual impairment testing.

Internally generated intangible assets are amortised over three years.

Research expenditure is recognised as an expense in the period in which it is incurred.

- Intangible assets acquired as part of a business combination
Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset. The cost of such intangible assets is their fair value at the acquisition date and comprises brand names, subscriber lists, certain website development costs and licenses. All intangible assets acquired through business combination are amortised over their useful lives estimated at between 5 and 10 years.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

- Intangible assets purchased
Intangible assets are purchased when the opportunity arises and capitalised at cost (fair value). Purchased intangible assets are amortised over their useful lives estimated at between 5 and 10 years. Subsequent to initial recognition, purchased intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Property, plant and equipment
Property, plant and equipment are recorded at cost net of accumulated depreciation and any provision for impairment. Depreciation is provided using the straight line method to write off the cost of the asset less any residual value over its useful economic life. The residual values of assets are reviewed annually and revised where necessary. Assets' useful economic lives are as follows:

Leasehold improvements	The shorter of the useful life of the asset or the term of the lease (1 to 3 years)
Computer equipment	33% per annum over 3 years
Office equipment	20% per annum over 5 years

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Impairment
For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. As a result some assets are tested individually for impairment and some are tested at cash-generating unit level.

Goodwill, other individual assets or cash-generating units that include goodwill and those intangible assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount of the asset or cash-generating unit. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. The cashflow evaluations are a result of the Director's estimation of future sales and expenses based on their past experience and the current market activity within the business. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Financial assets
Financial assets consist of loans and receivables. Financial assets are assigned to their different categories by management on initial recognition, depending on the characteristics of the asset.

Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that a trade receivable is impaired. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within administrative expenses. When a trade receivable is uncollectible it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

Financial liabilities
The Group's financial liabilities include trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in the income statement.

Trade payables are recognised initially at their fair value, net of transaction costs and subsequently measured at amortised costs less settlement payments.

Embedded derivative financial instrument
The Group carries a single embedded derivative instrument which is an option held by ADVFN Plc and which is netted against the value of the receivable amount due from the acquirer of Equity Holdings Limited and its subsidiary Equity Developments Limited. The risks and characteristics of the derivative and the host contract are regarded as being very similar. The purpose of the derivative is to take account of the likelihood under the disposal agreement of re-acquiring the subsidiaries as a result of the inability of the acquirer to meet the payments for the acquisition.

Embedded derivatives are initially recognised at fair value and subsequently re-measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately as the derivative is not recognised as a hedging instrument. The derivative has a negative value, however it will never be greater than the host contract and the net will therefore always be an asset. Where the life of the host contract is over 12 months the combined derivative and host value is presented as a non-current asset and where it is less than 12 months, as a current asset.

Leases
Where the risks and rewards of ownership of an asset are transferred to the group as lessee, the lease is treated as a finance lease. Other leases are treated as operating leases. Future instalments payable under finance leases net of finance charges are included in creditors with the corresponding asset values recorded in property, plant and equipment and depreciated over the shorter of their estimated useful lives or their lease terms. Lease payments are apportioned between the finance element, which is charged to the income statement as interest, and the capital element, which reduces the outstanding obligation for future instalments.

Payments under operating leases are charged to profit or loss on a straight line basis over the lease term.

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Income taxes
Current income tax assets and liabilities comprise those obligations to fiscal authorities in the countries in which the Group carries out its operations. They are calculated according to the tax rates and tax laws applicable to the fiscal period and the country to which they relate. All changes to current tax liabilities are recognised as a component of tax expense in the income statement unless the tax relates to an item taken directly to equity in which case the tax is also taken directly to equity. Tax relating to items recognised in other comprehensive income is recognised in other comprehensive income.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets such as those resulting from assessing deferred tax on the expense of share based payments, are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Provisions, contingent liabilities and contingent assets
Provisions are recognised when the present obligations arising from legal or constructive commitment resulting from past events, will probably lead to an outflow of economic resources from the Group which can be estimated reliably.

Provisions are measured at the present value of the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Share based employee compensation
The Group operates equity settled share based compensation plans for remuneration of its employees.

All employee services received in exchange for the grant of any share based compensation are measured at their fair values. These are indirectly determined by reference to the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (e.g. profitability or sales growth targets).

All share based compensation is ultimately recognised as an expense in the income statement with a corresponding credit to the share based payment reserve, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment to expense recognised in prior periods is made if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, up to the nominal value of the shares issued are reallocated to share capital with any excess being recorded as additional share premium.

Where modifications are made to the vesting or lapse dates of options the excess of the fair value of the revised options over the fair value of the original options at the modification date is expensed over the remaining vesting period.

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Equity
Issued capital
Ordinary shares are classified as equity. The nominal value of shares is included in issued capital.
Share premium
The share premium account represents the excess over nominal value of the fair value of consideration received for equity shares, net of the expenses of the share issue.
Share based payment reserve
The share based payment reserve represents equity settled share based employee remuneration until such share options are exercised.
Foreign exchange reserve
The foreign exchange reserve represents foreign exchange gains and losses arising on translation of investments in overseas subsidiaries into the consolidated financial statements.
Retained earnings
The retained earnings include all current and prior period results for the Group and the post acquisition results of the Group's subsidiaries as determined by the income statement.

Dividends
Final equity dividends to the shareholders of ADVFN plc are recognised in the period that they are approved by shareholders. Interim equity dividends are recognised in the period that they are paid.
Dividends receivable are recognised when the Company's right to receive payment is established.

Use of key accounting estimates and judgements
Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimates is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below:

Judgements in applying accounting policies
a) Capitalisation of development costs in accordance with IAS 38 requires analysis of the technical feasibility and commercial viability of the project in the future. This in turn requires a long term judgement to be made about the development of the industry in which the development will be marketed (Note 13). Where the directors consider that sufficient evidence exists surrounding the technical feasibility and commercial viability of the project, which indicate that the costs incurred will be recovered they are capitalised within intangible fixed assets. Where insufficient evidence exists, the costs are expensed to the income statement.
b) The directors have used their judgement to decide whether the Group should be treated as a going concern and continue in existence for the foreseeable future. Having considered the latest Group forecasts, which cover a period of two years from the balance sheet date, together with the cash resources available to them, the directors have judged that it is appropriate for the financial statements to be prepared on the going concern basis.

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Sources of estimation uncertainty

a) Determining whether goodwill and related intangible assets are impaired requires an estimation of the value in use of the cash generating unit to which the goodwill or intangible assets have been allocated. This value in use calculation requires an estimation of the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate a suitable present value.

b) The Group carries a receivable resulting from the disposal of Equity Holdings Limited and its subsidiary Equity Developments Limited. The structure of the disposal agreement is such that, should the acquirer default on payment of the cash or loan note, ADVFN Plc may accept the return of the majority of the shares in the disposed company *in lieu* of payment. The directors view this as an embedded derivative whose value is based upon the estimated share price of Equity Holdings Limited which, as the company is a private limited entity and limited financial information is available to the directors, is difficult to estimate. The negative value of the embedded derivative is netted against the discounted value of the receivable to arrive at the disclosed value of the receivable.

   The intrinsic value of the embedded derivative is nil where the value of the disposed company remains at or above the maturity value of the receivable i.e. £1.2 million. Any adjustment will therefore always be negative, as Equity Holdings would only be expected to default when its company is worth less than the amounts due. At the year end the directors have valued the embedded derivative at a negative (£975,000), which when netted against the discounted value of the host receivable gives a net carrying value of £58,000 (2015: £156,000). This represents the director's best estimate of the fair value of the host receivable and the embedded derivative after taking into account their estimate of the fair market value of Equity Holdings Limited and its subsidiary. Key inputs into this estimate include the limited financial information available and a discount for associated risk, primarily related to the lack of knowledge over the current trading status of the companies.

3. Segmental analysis

The directors identify operating segments based upon the information which is regularly reviewed by the chief operating decision maker. The Group considers that the chief operating decision makers are the executive members of the Board of Directors. The Group has identified two reportable operating segments, being that of the provision of financial information and that of other services. The provision of financial information is made via the Group's various website platforms.

The parent entities operations are entirely of the provision of financial information.

Two minor operating segments, for which IFRS 8's quantitative thresholds have not been met, are currently combined below under 'other'. The main sources of revenue for these operating segments is the provision of financial broking services and other internet services not related to financial information. The Disposal Group segment comprises Investor Events Limited which is held for sale with completion on 30 September 2016. Segment information can be analysed as follows for the reporting period under review:

2016	Provision of financial information	Other	Total	Disposal Group	Total
	£'000	£'000	£'000	£'000	£'000
Revenue from external customers	7,558	745	8,303	-	8,303
Depreciation and amortisation	(604)	117	(487)	-	(487)
Other operating expenses	(7,710)	(756)	(8,466)	-	(8,466)
Segment operating loss	(756)	106	(650)	-	(650)
Interest income	126	-	126	-	126
Interest expense	-	-	-	-	-
Segment assets	4,348	(18)	4,330	142	4,472
Segment liabilities	(2,620)	(73)	(2,693)	(158)	(2,851)
Purchases of non-current assets	316	86	402	-	402

Notes to the financial statements (continued)

Segmental analysis (continued)

2015	Provision of financial information	Other	Total	Disposal group	Total
	£'000	£'000	£'000	£'000	£'000
Revenue from external customers	8,695	228	9,297	-	9,297
Depreciation and amortisation	(612)	(78)	(690)	-	(690)
Other operating expenses	(9,876)	(262)	(10,512)	-	(10,512)
Segment operating loss	(1,793)	(112)	(1,905)	-	(1,905)
Interest income	114	-	114	-	114
Interest expense	-	-	-	-	-
Segment assets	4,595	(276)	4,319	151	4,470
Segment liabilities	(2,586)	(164)	(2,750)	(82)	(2,832)
Purchases of non-current assets	380	92	472	-	472

The Group's revenues, which wholly relate to the sale of services, from external customers and its non-current assets, are divided into the following geographical areas:

	Revenue	Non-current assets	Revenue	Non-current assets
	2016	2016	2015	2015
	£'000	£'000	£'000	£'000
UK (domicile)	3,807	1,209	3,587	1,070
USA	3,731	1,253	4,919	1,138
Other	765	-	791	-
	8,303	2,462	9,297	2,208

Revenues are allocated to the country in which the customer resides. During both 2016 and 2015 no single customer accounted for more than 10% of the Group's total revenues.

4. Operating loss

Operating loss has been arrived at after charging:	2016 £'000	2015 £'000
Foreign exchange loss	(104)	57
Depreciation and amortisation:		
Depreciation of property plant and equipment:		
Owned	83	61
Amortisation of intangible assets	425	647
Change in fair value of embedded derivative charged to profit and loss (the derivative is disclosed netted with the receivable within current and non-current receivables)	225	200
Employee costs (Note 6)	2,492	3,326
Lease payments on land and buildings held under operating leases	119	151
Audit and non-audit services:		
Fees payable to the company's auditor for the audit of the Company's annual accounts	26	25
Fees payable to the Company's auditor and its associates for other services:		
For the audit of the company's subsidiaries pursuant to legislation	18	17
Other services pursuant to legislation	8	4
All other services	28	31
For tax services	17	13

Notes to the financial statements (continued)

5. Remuneration of key senior management for group and company

Key senior management comprises only directors.	2016 £'000	2015 £'000
Short term employee benefits	860	1,114
Share based payments	180	189
Post employment benefits - defined contribution pension plans	66	72
	1,106	1,375

Highest paid director.	2016 £'000	2015 £'000
Short term employee benefits	285	348
Share based payments	77	62
Post employment benefits - defined contribution pension plans	30	36
	392	446

Details of the directors' emoluments, together with other related information, are set out in the Remuneration Report on page 10.

6. Employees

GROUP

	2016 £'000	2015 £'000
Employee costs (including directors):		
Wages and salaries	2,044	2,813
Social security costs	202	252
Pension costs	66	72
Share based payments	180	189
	2,492	3,326

The average number of employees during the year was made up as follows:

Development	10	12
Sales and Administration	27	41
	37	53

COMPANY

	2016 £'000	2015 £'000
Employee costs (including directors):		
Wages and salaries	1,793	2,299
Social security costs	183	233
Pension	66	72
Share based payments	180	189
	2,222	2,793

The average monthly number of employees during the year was as follows:

Development	7	8
Sales and Administration	20	33
	27	41

For details of directors' remuneration, see the Remuneration Report on page 10.

Notes to the financial statements (continued)

7. Finance income and expense

GROUP AND COMPANY

	2016 £'000	2015 £'000
Finance expense		
- Bank interest	(1)	-
Finance income		
- Unwinding of discount on receivable for disposal group	127	114
	126	114

8. Income tax expense

GROUP

	2016 £'000	2015 £'000
Current Tax:		
UK corporation tax on profits for the year	-	(172)
Adjustments in respect of prior periods	(2)	(1)
Total current taxation	(2)	(173)
Deferred tax	(44)	(58)
Taxation	(46)	(231)

The tax assessed for the year is different from the standard rate of corporation tax as applied in the respective trading domains where the Group operates. The differences are explained below:

	2016 £'000	2015 £'000
Loss before tax	(524)	(1,791)
Loss before tax multiplied by the respective standard rate of corporation tax applicable in the UK (20.00%) (2015: 20.75%)	(105)	(372)
Effects of:		
Non-deductible expenses	208	158
Enhanced Research & Development expenditure	(103)	(122)
Surrender of tax losses for R & D tax credit	-	62
Adjustments in respect of prior periods	(2)	(1)
Deferred tax – difference between opening and current year tax rates	107	4
Movements in unrecognised deferred tax	(151)	40
Tax credit for the year	(46)	(231)

The main UK corporation tax rate is to change from 20% to 19% with effect from 1 April 2017. The recognised and unrecognised deferred tax assets have been calculated at 20%, being the rate enacted at 30 June 2016.

Notes to the financial statements (continued)

9. Loss per share

	12 months to 30 June 2016 £'000	12 months to 30 June 2015 £'000
Loss for the year attributable to equity shareholders	(478)	(1,560)
Total loss per share – basic and diluted	(1.89)p	(6.19)p
	Shares	Shares
Weighted average number of shares in issue for the year	25,237,597	25,220,210
Dilutive effect of options	-	-
Weighted average shares for diluted earnings per share	25,237,597	25,220,210

Where a loss has been recorded for the year 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.

10. Disposal of Investor Events Limited

On 19th May 2016 an agreement was reached to dispose of the business Investor Events Limited. The disposal was effected in order to generate cash flow to benefit the other Group businesses. The disposal was completed 30 September 2016. The proceeds of the disposal amounted to £40,000 and exceeded the book value of other related net assets and accordingly no impairment losses have been recognised. The major classes of assets and liabilities comprising the operation are as below:

Net assets of the disposal group

	2016 £'000
Current assets	
Trade receivables	18
Other receivables	120
Cash and cash equivalents	4
Total assets classified as held for sale	142
Current liabilities	
Accrued expenses	(158)
Total liabilities associated with assets classified as held for sale	(158)
Net assets of disposal group	(16)

The result for the company was a profit of £11,000 (2015: £nil)

Notes to the financial statements (continued)

11. Property, plant and equipment

GROUP

	Leasehold property improvements £'000	Computer equipment £'000	Office equipment £'000	Total £'000
Cost				
At 1 July 2014	37	1,229	103	1,369
Reallocation of assets and depreciation	11	(15)	142	138
Disposal	-	(5)	-	(5)
Additions	-	89	-	89
At 30 June 2015	48	1,298	245	1,591
Additions	-	8	44	52
At 30 June 2016	48	1,306	289	1,643
Depreciation				
At 1 July 2014	37	1,158	103	1,298
Reallocation of assets and depreciation	11	30	97	138
Disposal	-	(5)	-	(5)
Charge for the year	-	52	9	61
At 30 June 2015	48	1,235	209	1,492
Charge for the year	-	42	41	83
At 30 June 2016	48	1,277	250	1,575
Net book value				
At 30 June 2016	-	29	39	68
At 30 June 2015	-	63	36	99

Notes to the financial statements (continued)

Property, plant and equipment (continued)

COMPANY

	Leasehold property improvements	Computer equipment	Office equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 July 2014	48	1,197	106	1,351
Additions	-	59	-	59
At 30 June 2015	48	1,256	106	1,410
Additions	-	3	-	3
At 30 June 2016	48	1,259	106	1,413
Depreciation				
At 1 July 2014	48	1,143	106	1,297
Charge for the year	-	51	-	51
At 30 June 2015	48	1,194	106	1,348
Charge for the year	-	36	-	36
At 30 June 2016	48	1,230	106	1,384
Net book value				
At 30 June 2016	-	29	-	29
At 30 June 2015	-	62	-	62

12. Goodwill

GROUP

	£'000
1 July 2015	784
Exchange differences	134
At 30 June 2016	918

The goodwill carried in the balance sheet is attributable to the following:

	2016	2015
	£'000	£'000
InvestorsHub.com Inc	918	784

Impairment testing – InvestorsHub.com Inc.
The Group tests goodwill annually for impairment. During the year, impairment tests were undertaken over the goodwill of InvestorsHub.com Inc. which is considered to be a single CGU. The recoverable amount was determined using a value in use calculation based upon management forecasts for the trading results for the two years ending 30 June 2018 extended to 30 June 2021 without growth in the extended period.

A discount rate of 10% has been calculated for this exercise. The key assumptions utilised within the forecast model relates to the level of future sales, which have been estimated based upon the directors expectations, current trading and recent actual trading performance. The closing exchange rate of $1.3436/£ has been used. The value in use calculations indicate that InvestorsHub.com Inc. has a recoverable amount which is £133,000 greater than the carrying amount of the assets allocated to them. The value of forecast revenues would have to fall by 30% to reduce the recoverable amount of the CGU to the carrying value of the assets allocated to them. The directors do not feel this is a reasonably possible scenario given the current and foreseeable market activity. The company is expanding and increasingly profitable.

Notes to the financial statements (continued)

13. Other intangible assets

GROUP

	Licences	Brands & subscriber lists	Website development costs	Mobile application	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 July 2014	1,462	2,196	7,776	10	11,444
Exchange differences	-	60	-	-	60
Amounts written off	(1,300)	-	(5,029)	-	(6,329)
Additions	-	-	472	-	472
At 30 June 2015	162	2,256	3,219	10	5,647
Exchange differences	-	131	-	-	131
Additions	-	-	399	-	399
At 30 June 2016	162	2,387	3,618	10	6,177
Amortisation					
At 1 July 2014	1,459	1,777	6,874	3	10,113
Amounts written off	(1,300)	-	(5,029)	-	(6,329)
Charge for the year	3	162	479	3	647
At 30 June 2015	162	1,939	2,324	6	4,431
Charge for the year	-	152	271	2	425
At 30 June 2016	162	2,091	2,595	8	4,856
Net book value					
At 30 June 2016	-	296	1,023	2	1,321
At 30 June 2015	-	317	895	4	1,216

All additions are internally generated

Impairment testing

The assets of all the companies within the Group were tested and the recoverable amount for each CGU was determined using a value in use calculation based upon management forecasts for the trading results for the two years ending 30 June 2018 extended to 30 June 2021 without growth in the extended period. A discount rate of 10% has been used and the key assumptions utilised within the forecast model relates to the level of future sales, which have been estimated based upon the directors expectations, current trading and recent actual trading performance.

All IPO Plc (£488,000 included in web site development costs)

The value in use calculation indicates that the CGU has a recoverable amount which is £44,000 greater than the carrying amount of the assets allocated to it. The value of forecast revenues would have to fall by 12% to reduce the recoverable amount of the CGU to the carrying value of the assets allocated to them. The directors do not feel this is a reasonably possible scenario given the current and foreseeable market activity. The prospects for All IPO Plc are improving and the forecasts used to calculate the value in use are very prudent. The company is a fully accredited brokerage and its assets include trading platform software developed by the company.

I Hub Inc (Brands and subscriber lists of £296,000 above)

The intangible fixed assets relating to I Hub Inc have been tested within their CGU together with associated goodwill. See note 12.

ADVFN Plc (£535,000 included in web site development costs)

The directors are satisfied that no indication of impairment exists in respect of these assets.

Notes to the financial statements (continued)

Other intangible assets (continued)

COMPANY

	Licenses	Mobile application	Website development	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 July 2014	100	10	6,517	6,627
Amounts written off	-	-	(4,671)	(4,671)
Additions	-	-	380	380
At 30 June 2015	100	10	2,226	2,336
Amounts written off	-	-		
Additions	-	-	312	312
At 30 June 2016	100	10	2,538	2,648
Amortisation				
At 1 July 2014	30	4	5,872	5,906
Amounts written off	-	-	(4,671)	(4,671)
Charge for the year	10	2	414	426
At 30 June 2015	40	6	1,615	1,661
Amounts written off		-		
Charge for the year	10	2	389	401
At 30 June 2016	50	8	2004	2,062
Net book value				
At 30 June 2016	50	2	534	586
At 30 June 2015	60	4	611	675

14. Subsidiary companies consolidated in these accounts

COMPANY

	Subsidiaries £'000
At 1 July 2014	2,261
Additions	102
30 June 2015	2,363
Additions	-
30 June 2016	2,363

Additions resulted from a share issue by All IPO Plc in exchange for intercompany debt receivable by ADVFN Plc.

	Country of incorporation	% interest in ordinary shares June 2016	% interest in ordinary shares June 2015	Principal activity
Cupid Bay Limited	England & Wales	100.00	100.00	Internet dating web site
Fotothing Limited	England & Wales	100.00	100.00	Dormant
InvestorsHub.com Inc.	USA	100.00	100.00	Financial information web site
NA Data	USA	100.00	100.00	Financial information web site
ADVFN Brazil Limited	England & Wales	100.00	100.00	Dormant
E O Management Limited	England & Wales	100.00	100.00	Dormant
Throgmorton Street Capital Limited	England & Wales	100.00	100.00	Dormant
Advessel Limited	England & Wales	100.00	100.00	Dormant
All IPO Plc	England & Wales	100.00	100.00	IPO information web site
Investor Events Limited (see note 10)	England & Wales	100.00	100.00	Financial events organising
Writer Pub Limited	England & Wales	100.00	100.00	Dormant

The subsidiary company Cupid Bay Limited is exempt from an audit under s479A of the Companies Act 2006.

During the year the subsidiary ADVFN Japan LLP was closed.

Notes to the financial statements (continued)

15. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Group and the movements thereon during the current and prior periods:

	Intangible assets	Website development costs	US temporary differences	UK tax losses	Total
	£'000	£'000	£'000	£'000	£'000
At 1 July 2014	(71)	(180)	(60)	180	(131)
Credit/(charge) to profit or loss	55	1	-	(1)	55
Charge to other comprehensive income	(21)	-	-	-	(21)
At 30 June 2015	(37)	(179)	(60)	179	(97)
Credit/(charge) to profit or loss	58	(26)	(14)	26	44
Charge to other comprehensive income	(47)	-	-	-	(47)
At 30 June 2016	(26)	(205)	(74)	205	(100)

The charge to other comprehensive income refers to the deferred tax effect of foreign exchange differences on the assets of I Hub Inc which are retranslated at each balance sheet date. Deferred tax in subsidiary companies amounted to £nil in All IPO Plc and £100,000 in I Hub Inc.

Certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances, after offset, for the purposes of financial reporting:

	2016	2015
	£'000	£'000
Deferred tax liabilities	(305)	(276)
Deferred tax assets	205	179
	(100)	(97)

At the balance sheet date the Group had unused tax losses of £5,936,000 (2015: £5,923,000) available for offset against future profits. A deferred tax asset has been recognised in respect of £1,023,000 (2015: £895,000) of such losses, as these losses would offset any taxable profits arising as a result of the unwinding of the deferred tax liability in respect of website development costs. No deferred tax asset has been recognised in respect of the remaining £5,041,000 (2015: £5,028,000) due to the unpredictability of future profit streams. Substantially all of the losses may be carried forward indefinitely.

16. Trade and other receivables

GROUP

	2016	2015
	£'000	£'000
Non-current assets		
Other receivables	155	103
Current assets		
Trade receivables	749	598
Prepayments and accrued income	274	347
Other receivables	2	150
	1,025	1,095

The Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored.

Notes to the financial statements (continued)

Trade and other receivables (continued)

COMPANY

	2016 £'000	2015 £'000
Non-current assets		
Other receivables	155	103

	2016 £'000	2015 £'000
Current assets		
Trade receivables	406	304
Other receivables	-	150
Prepayments and accrued income	229	275
Amounts owed by Group undertakings	298	473
	933	1,202

17. Credit quality of financial assets

GROUP

As of 30 June 2015, trade receivables of £153,000 (2015: £79,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these overdue trade receivables is as follows:

	2016 £'000	2015 £'000
Trade receivables overdue by:		
Not more than 3 months	49	21
More than 3 months but not more than 6 months	58	35
More than 6 months but not more than 1 year	46	23
	153	79

	2016 £'000	2015 £'000
Impaired receivables allowance account		
At 1 July	22	29
Released during the year	(1)	(17)
Utilised during the year	(18)	(8)
Created during the year	22	18
At 30 June	25	22

The carrying amount of the Group's trade receivables is denominated in the following currencies:

	2016 £'000	2015 £'000
Sterling	313	256
Euro	53	19
US dollar	379	297
Japanese yen	4	5
	749	577

Notes to the financial statements (continued)

Credit quality of financial assets (continued)

COMPANY

As of 30 June 2016, trade receivables of £20,000 (2015: £26,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these overdue trade receivables is as follows:

	2016	2015
	£'000	£'000
Trade receivables overdue by:		
Not more than 3 months	6	9
More than 3 months but not more than 6 months	10	12
More than 6 months but not more than 1 year	4	5
	20	26

Impaired receivables allowance account		
At 1 July	22	29
Released during the year	(1)	(17)
Utilised during the year	(18)	(8)
Created during the year	22	18
At 30 June	25	22

The carrying amount of the Company's trade receivables is denominated in the following currencies:

	2016	2015
	£'000	£'000
Sterling	295	253
Euro	52	19
US dollar	55	32
Japanese yen	4	-
	406	304

18. Financial instruments

GROUP

Categories of financial instrument	2016	2015
	£'000	£'000
Non-current		
Trade and other receivables - loans and receivables	155	103
Current		
Trade and other receivables - loans and receivables	751	748
Trade and other receivables – non-financial assets	274	347
	1,025	1,095
Cash and cash equivalents- loans and receivables	843	986
Total loans and receivables	1,749	1,836
Trade and other payables – other financial liabilities at amortised cost	1,668	1,958
Trade and other payables – non financial liabilities	915	773
	2,583	2,731
Derivative financial instruments – carried at fair value through profit or loss	(975)	(750)

Notes to the financial statements (continued)

Financial instruments (continued)

COMPANY

Categories of financial instrument	2016 £'000	2015 £'000
Non-current		
Trade and other receivables - loans and receivables	155	103
Current		
Trade and other receivables - loans and receivables	704	927
Trade and other receivables – non-financial assets	229	275
	933	1,202
Cash and cash equivalents- loans and receivables	682	660
Total loans and receivables	1,541	1,690
Trade and other payables – other financial liabilities at amortised cost	1,903	1,980
Trade and other payables – non financial liabilities	900	747
	2,803	2,727
Derivative financial instruments – carried at fair value through profit or loss	(975)	(750)

19. Trade and other payables

GROUP

	2016 £'000	2015 £'000
Trade payables	1,379	1,802
Social security and other taxes	188	130
Accrued expenses and deferred income	842	787
Other payables	19	12
Amounts owed to related parties	155	-
	2,583	2,731

COMPANY

	2016 £'000	2015 £'000
Trade payables	1,300	1,691
Other tax and social security	173	108
Accruals and deferred income	832	760
Other payables	34	10
Amounts owed to related parties	155	-
Amounts owed to Group undertakings	309	158
	2,803	2,727

Notes to the financial statements (continued)

20. Share capital

GROUP AND COMPANY

	Shares	£'000
Issued, called up and fully paid Ordinary shares of £0.01 each		
At 1 July 2014	630,505,244	6,305
Share consolidation	(605,285,034)	(6,255)
Issued, called up and fully paid Ordinary shares of £0.002 each		
At 30 June 2015	25,220,210	50
Share issue 31 December 2015	190,000	1
Share issue 5 May 2016	113,635	-
Issued, called up and fully paid Ordinary shares of £0.002 each		
At 30 June 2016	25,523,845	51

Share issues

The shares issued on 31 December 2015 were as payment to a creditor for the provision of advisory services at 50p per share amounting to £95,000. Shares issued on 5 May 2016 were purchased by Mr C H Chambers (CEO) and were issued at market price of 22p per share totalling £25,000.

Share price

The market value of the shares at 30 June 2016 was 19.50p (2015; 95.50p). The range during the year was 127.50p to 19.50p (2015; 71.25p to 130.00p).

Notes to the financial statements (continued)

21. Share based payments

GROUP AND COMPANY

The Group uses share options as remuneration for services of employees. The fair value is expensed over the remaining vesting period.

The fair value of options granted after 7 November 2002 has been arrived at using the Black-Scholes model. The assumptions inherent in the use of this model are as follows:

- The option life is assumed to be at the end of the allowed period
- There are no vesting conditions which apply to the share options other than continued service up to 3 years.
- No variables change during the life of the option (e.g. dividend yield must be zero).
- Volatility has been calculated over the 3 years prior to the grant date by reference to the daily share price.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	2016 WAEP	
	Number	Price (£)
Outstanding at the beginning of the year	2,062,946	0.7810
Granted during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the year end	2,062,946	0.7810
Exercisable at the year end	862,946	0.7620

	2015 WAEP	
	Number	Price (£)
Outstanding at the beginning of the year	1,069,259	0.8075
Granted during the year	1,200,000	0.7950
Exercised during the year	-	-
Expired during the year	(206,313)	1.019
Outstanding at the year end	2,062,946	0.7810
Exercisable at the year end	862,946	0.7620

Notes to the financial statements (continued)

Share based payments (continued)

The options outstanding at the year-end are set out below:

Expiry date	Exercise Price (£)	2016 Share options	2016 Remaining life	2015 Share options	2015 Remaining life
10 year expiry					
31 December 2022	1.1875	140,000	7	140,000	8
31 December 2022	1.1500	140,000	7	140,000	8
31 December 2022	0.8250	180,000	7	180,000	8
31 December 2022	0.7640	62,946	7	62,946	8
12 December 2024	0.7950	1,200,000	9	1,200,000	10
7 year expiry					
10 June 2018	0.4375	220,000	2	220,000	3
10 June 2018	0.3125	120,000	2	120,000	3
		2,062,946	5	2,062,946	6

No options were exercised during the year.

The total expense recognised during the year by the Group, for all schemes, was £275,000 (2015: £189,000). In addition to the value of share options granted of £155,000 a payment was made to Mirabaud Limited for advisory services in shares valued at £95,000 and shares issued to Mr C Chambers were valued at £25,000.

Notes to the financial statements (continued)

22. Operating lease commitments

GROUP AND COMPANY

The following payments are due to be made on operating lease commitments which are all leases on office accommodation:

Land & buildings	2016 £'000	2015 £'000
Within one year	119	153
Two to five years	198	246
	317	399

23. Financial risk management

The Group and Company's activities expose it to a variety of financial risks: market risk (primarily foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. All companies within the group apply the same risk management programme, overall this focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the Board and their policies are outlined below.

a) Market risk

Foreign exchange risk
The Group is exposed to translation and transaction foreign exchange risk as it operates within the USA and other countries around the world and therefore transactions are denominated in Sterling, Euro, US Dollars and other currencies. The Group policy is to try and match the timing of the settlement of sales and purchase invoices so as to eliminate, as far as possible, currency exposure.

The Group does not hedge any transactions and foreign exchange differences on retranslation of foreign currency monetary assets and liabilities are taken to the income statement.

GROUP

The carrying value of the Group's foreign currency denominated assets and liabilities are set out below:

	2016		2015	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
US Dollars	1,791	90	1,654	56
Euros	53	-	19	-
Yen	4	-	32	39
	1,848	90	1,705	95

COMPANY

The carrying value of the Company's foreign currency denominated assets and liabilities are set out below:

	2016		2015	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
US Dollars	54	454	172	536
Euros	53	80	231	111
Yen	4	33	-	20
Other	-	16	-	21
	111	583	403	688

Notes to the financial statements (continued)

Financial risk management (continued)

The majority of the group's financial assets are held in Sterling but movements in the exchange rate of the US Dollar and the Euro against Sterling have an impact on both the result for the year and equity. The Group considers its most significant exposure is to movements in the US Dollar.

Sensitivity to reasonably possible movements in the US Dollar exchange rate can be measured on the basis that all other variables remain constant. The effect on profit and equity of strengthening or weakening of the US Dollar in relation to sterling by 10% would result in a movement of:
Group - ±£30,000 (2015: ±£17,000).
Company - ±£6,000 (2015: ±£6,000).

Interest rate risk
As the Group carries no borrowings the directors consider that there is no significant interest rate risk.

Embedded derivative
The Group and Company carries a receivable resulting from the disposal of Equity Holdings Limited and its subsidiary Equity Developments Ltd. The structure of the disposal agreement is such that, should the acquirer default on payment of the cash or loan note, ADVFN Plc may accept the return of the majority of the shares in the disposed company *in lieu* of payment. The directors view this as an embedded derivative. The embedded derivative is carried at fair value with movements in the valuation being shown in the 'Administrative expenses' line of the income statement. The receivable is presented net of the derivative liability.

GROUP AND COMPANY

Fair Value Hierarchy
All financial instruments measured at fair value must be classified into of the levels below:
- Level 1: Quoted prices, in active markets
- Level 2: Fair Value Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs that are not based on observable market data.

The fair value hierarchy of financial instruments held at fair value is shown below:

	2016	2015
	£'000	£'000
Financial liabilities		
Derivative financial liabilities (fair value through profit or loss)	Level 3	Level 3
At 1 July	(750)	(550)
Movement in the year	(225)	(200)
At 30 June	(975)	(750)

The directors consider that, should they choose to take the shares of the company in returned shares, it is unlikely that it will be worth the full value of the outstanding receivable. As a result the fair value of the option has been further reduced from negative £750,000 to negative £975,000. There is significant practical difficulty in obtaining a fair valuation for the shares in Equity Holdings and Equity Developments as their share price is not quoted. Valuation is provided by the directors based on their knowledge of the company and market conditions. The exposure amounts to the value of the undiscounted receivable which is £1.2 million. Valuation of the embedded derivative is driven by the maturity date of the host contract and in turn its own discounted value.

b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise this risk the Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the value of the outstanding amount:
Group - £2,015,000 (2015: £1,837,000).
Company - £1,243,000 (2015: £1,340,000).

Provision of services by members of the Group results in trade receivables which the management consider to be of low risk, other receivables are likewise considered to be low risk. The management do not consider that there is any concentration of risk within either trade or other receivables. For additional information on receivables see note 17.

Credit risk on cash and cash equivalents is considered to be small as the counterparties are all substantial banks with high credit ratings. The maximum exposure is the amount of the deposit.

Notes to the financial statements (continued)

Financial risk management (continued)

c) Liquidity risk
The Group currently holds cash balances in Sterling, US Dollars and Euros to provide funding for normal trading activity. The Group also has access to additional equity funding and, for short term flexibility, overdraft facilities would be arranged with the Group's bankers. Trade and other payables are monitored as part of normal management routine. Liabilities are disclosed as follows:

GROUP

2016	Within 1 year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
Trade payables	1,379	-	-	-
Accruals	115	-	-	-
Other payables	19	-	-	-
Amounts owed to related parties	155	-	-	-

2015	Within 1 year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
Trade payables	1,802	-	-	-
Accruals	144	-	-	-
Other payables	-	-	-	-

COMPANY

2016	Within 1 year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
Trade payables	1,300	-	-	-
Accruals	105	-	-	-
Other	34	-	-	-
Amounts owed to related parties	155	-	-	-
Amounts owed to Group undertakings	309	-	-	-

2015	Within 1 year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
Trade payables	1,691	-	-	-
Accruals	121	-	-	-
Other	10	-	-	-
Amounts owed to Group undertakings	158	-	-	-

The directors consider that the carrying amount of trade and other receivables in both the group and company is approximately equal to their fair value.

Notes to the financial statements (continued)

Financial risk management (continued)

d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in a volatile and tight credit economy.

The Group will also seek to minimise the cost of capital and attempt to optimise the capital structure, which currently means maintaining equity funding and keeping debt levels to insignificant amounts of lease funding. Share capital and premium together amount to £170,000 (see page 15).

Whilst the group does not currently pay dividends it is part of the capital strategy to provide returns for shareholders and benefits for other members in the future. However, the Group is planning growth and it will continue to be important to maintain the Groups credit rating and ability to borrow should acquisition targets become available.

Capital for further development of the Group's activities will, where possible, be achieved by share issues and not by carrying significant debt.

24. Capital commitments

GROUP AND COMPANY

At 30 June 2016 neither the Group nor the Company had any capital commitments (2015: £nil).

25. Related party transactions

GROUP

On-line Plc is related by virtue of having common directors, M J Hodges, C H Chambers and J B Mullins and as On-line holds approximately 18.05% of the shares in the company. Advertising recharges were paid to On-Line Plc amounting to £85,000 (2015: £94,000). Certain services were supplied by All IPO Plc to On-Line Plc free of charge. The value of these services amounted to £23,000 for the year (2015: £23,000). On-Line Plc was owed £155,000 by ADVFN Plc at the balance sheet date. Mr Robert Emmet, a director of All IPO Plc, received payments totalling £17,000 (2015: £36,000) for consultancy services provided during the year.

Brian Basham is also the owner of Equity Developments Limited and Equity Holdings Limited; for additional details please refer to note 26.

The remuneration paid to directors is disclosed on page 10 of the Directors' Report; there were no other related party transactions.

COMPANY

On-line plc is related by virtue of having common directors, M J Hodges, C H Chambers and J B Mullins and as On-line holds approximately 18.05% of the shares in the company. Advertising recharges were paid to On-Line plc amounting to £85,000 (2015: £94,000). On-Line Plc was owed £155,000 by ADVFN Plc at the balance sheet date.

Brian Basham is also the owner of Equity Developments Limited and Equity Holdings Limited; for additional details please refer to note 27.

The remuneration paid to directors is disclosed on page 10 of the Directors' Report; there were no other related party transactions.

Notes to the financial statements (continued)

26. Disposal of Equity Holdings Ltd and Equity Developments Ltd

GROUP AND COMPANY

On 4th July 2012 an agreement was reached between ADVFN Plc and Bashco Ltd whereby Bashco Ltd acquired Equity Holdings Limited together with its subsidiary Equity Developments Ltd.

Bashco Ltd is owned by Brian Basham who was the Chairman of Equity Developments Ltd whilst a subsidiary of ADVFN Plc. and is now a non-executive director of ADVFN plc the parent company.

Consideration is payable in cash amounting to GBP 200,000 due in equal instalments on the 2nd, 3rd, 4th and 5th anniversaries of the completion of the agreement, which was 4th July 2012.

In addition, a convertible loan note was issued to ADVFN plc by Equity Developments on the completion date of 4th July 2012 in the amount of £1 million maturing on 31 July 2017.

No consideration had been received at the time of the signing of these financial statements.

The conditions covering the rights of conversion of the loan note to equity are as follows;

If the cash consideration is paid in full within 30 days of the respective due dates but the purchaser fails to make the cash payment of £1 million on the maturity date (31 July 2017) then the loan notes will convert automatically on the maturity date to shares comprising 49% of the issued share capital of Equity Developments. Equity Holdings will retain the majority shareholding of 51%.

If the cash consideration is not paid in full within 30 days of the respective due dates then the holder of the loan notes has the right to demand full repayment of £1 million in cash immediately on the default. If that amount is not paid then the loan notes will convert automatically on the maturity date to shares comprising 99.5% of the issued share capital of Equity Developments. Equity Holdings will retain the remaining shareholding of 0.05%.

During the year the directors decided that there was continuing uncertainty over the receipt of the payments from Bashco Limited, the acquirer of Equity Holdings Limited and its subsidiary Equity Developments Limited. The directors have received no payments so far and have therefore decided that it is appropriate further to write down the value of the option. For further details please refer to the Market Risk section of note 23 above.

27. Events after the balance sheet date

The sale of the subsidiary company Investor Events Limited was completed on 30 September 2016 (see note 10). The amount of the consideration exceeded the carrying value of the net assets and therefore no impairment was required.

There are no other events of significance occurring after the balance sheet date to report.

28. Accounts

Copies of these accounts are available from the Company's registered office at Suite 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA or from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

www.companieshouse.gov.uk

and from the ADVFN plc website:

www.ADVFN.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of ADVFN plc will be held in the Conference Room, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA on the 15th December 2016 at 10.00 a.m. for the following purposes:

Ordinary Business

1 To receive and adopt the financial statements and reports of the directors and auditors for the financial period ended 30 June 2016.

2 To re-elect Mr C Chambers as a director of the Company, who will retire by rotation in accordance with the Company's Articles of Association and offers himself for re-election.

3 To re-elect Mr M Collom as a director of the Company, who will retire by rotation in accordance with the Company's Articles of Association and offers himself for re-election.

4 To re-appoint Grant Thornton UK LLP as auditors of the Company to hold office until the next Annual General Meeting and to authorise the directors to fix their remuneration.

Special Business

5 To consider, and if thought fit, to pass the following as an ordinary resolution:-
That the directors of the Company (the "**Directors**") be and are hereby authorised generally and unconditionally pursuant to and for the purposes of Section 551 of the Companies Act 2006 (the "**Act**") to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £ 2,963,462 provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2017 save that the Company may make an offer or agreement before the expiry of this authority which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights pursuant thereto as if the authority conferred hereby had not expired, such authority to be in substitution for any existing authorities conferred on the Directors pursuant to Section 80 of the Companies Act 1985.

6 To consider, and if thought fit, to pass the following as special resolution:-
That, conditional on the passing of resolution 5 above, the Directors be and are hereby generally empowered pursuant to Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) pursuant to the authority conferred by resolution 5 above as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be in substitution for any previous powers conferred on the Directors pursuant to Section 95 of the Companies Act 1985 and shall be limited to:
(a) allotments of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to holders of ordinary shares made in proportion (or as nearly as may be) to their existing holdings of ordinary shares in the Company subject to the Directors having a right to make such exclusions or other arrangements in connection with such offering as they may deem necessary or expedient:-
(i) to deal with equity securities representing fractional entitlements; and
(ii) to deal with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory; and
(b) other allotments (otherwise than pursuant to sub-paragraph (a) above) of equity securities for cash up to an aggregate nominal amount equal to £ 2,963,462 and such authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2017 save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant thereto as if the power conferred hereby had not expired.

Registered Office:
Suite 27,
Essex Technology Centre
The Gables, Fyfield Road
Ongar
Essex
CM5 0GA

By order of the Board
J Mullins
CFO

21st November 2016

ADVFN PLC
NOTES:

1. A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of him. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. The proxy need not be a member of the Company. Please refer to the notes to the Form of Proxy for further information on appointing a proxy, including how to appoint multiple proxies (as the case may be).

2. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them. If you wish to appoint a proxy other than the Chairman of the meeting, cross out the words "the Chairman of the meeting" on the Form of Proxy and write the full name and address of your proxy on the dotted line. The change should be initialled.

3. In the absence of instructions, the person appointed proxy may vote or abstain from voting as he/she thinks fit on the specified resolutions and, unless otherwise instructed, may also vote or abstain from voting on any other matter (including amendments to resolutions) which may properly come before the meeting.

4. In the case of joint holders, the signature of any one of them will suffice but the names of all joint holders should be stated. The vote of the senior who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the votes of the other holders. For this purpose, seniority is determined by the order in which the names stand in the register of members in respect of the joint holding.

5. To be effective, the enclosed Form of Proxy must be duly completed and deposited together with any power of attorney or other authority (if any) under which it is executed (or a duly certified copy of such power or authority) and lodged at the offices of the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA no later than 10.00 a.m. on 13th December 2016. Please note that the pre-paid address printed on the reverse of the Form of Proxy is only for use if you are posting from within the United Kingdom.

6. Completion and return of the Form of Proxy will not preclude a shareholder from attending and voting in person at the meeting.

7. The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members entered on the register of members of the Company at 6 p.m. UK time on 13th December 2016 shall be entitled to attend and vote at the meeting or, if the meeting is adjourned, 6 p.m. on the day two days prior to the adjourned meeting. Changes to entries on the register of members after such time shall be disregarded in determining the right of any person to attend or vote at the meeting.

ADVFN PLC

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING ("AGM") OF ADVFN PLC (THE "COMPANY")
At the AGM, resolutions will be proposed as explained below.

Resolution 1 – Receiving the accounts
An ordinary resolution will be proposed that the report of the directors and the accounts for the year ended 30 June 2016 together with the report of the auditors on those accounts be received and adopted.

Resolution 2 – Re-election of Mr C Chambers as a director of the Company
An ordinary resolution will be proposed to re-elect Mr. C Chambers, who is retiring and, being eligible, offers himself for re-election as a director of the Company.

Resolution 3 – Re-election of Mr M Collom as a director of the Company
An ordinary resolution will be proposed to re-elect Mr M Collom, who is retiring and, being eligible, offers himself for re-election as a director of the Company.

Resolution 4 – Re-appointment of auditors
An ordinary resolution will be proposed that Grant Thornton UK LLP be re-appointed as auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and that their remuneration be fixed by the directors of the Company (the "**Directors**") from time to time.

Special Business

Resolution 5 – Authority to allot relevant securities
An ordinary resolution will be proposed giving the Directors authority pursuant to section 551 of the Companies Act 2006 (the "**2006 Act**") to exercise all powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares up to a maximum aggregate nominal amount of £ 2,963,462 to such persons at such times and upon such terms and conditions as the Directors may determine (subject always to the articles of association of the Company). Such authority will, unless renewed, varied or revoked, expire at the conclusion of the Annual General Meeting of the Company to be held in 2017.

Resolution 6 – Authority to disapply pre-emption rights
Subject to the passing of resolution 5, a special resolution will be proposed to empower the Directors to allot equity securities pursuant to the authority conferred by resolution 5 as if the pre-emption rights set out in section 561(1) of the 2006 Act did not apply, in respect of the following matters:
(a) the allotment of equity securities in connection with an offer of such securities by way of a rights issue or other issues pro rata to existing entitlements to holders of relevant equity securities in proportion (as nearly as may be) to the respective amounts of equity securities held by them but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with equity securities which represent fractional entitlements or legal or practical difficulties under the laws of any territory or the requirements of any regulatory body, stock exchange or other authority in any jurisdiction; and (b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to a maximum aggregate nominal amount of £ 2,963,462. Such authority will, unless renewed, varied or revoked, expire at the conclusion of the Annual General Meeting of the Company to be held in 2017.

ADVFN PLC

FORM OF PROXY
To:
The Directors
ADVFN PLC (the Company)
c/o Neville Registrars Limited
Neville House
18 Laurel Lane
Halesowen
B63 3DA

Dear Sirs

I/We…………………………………………………………………………………………………
of.…………………………………………………………………………………………………
being a member of the Company hereby appoint…………………………………………………..
of.………………………………………………………………………………………………
or failing him, the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 15th December 2016 at 10.00 a.m. and at any adjournment thereof.
I/we direct that my/our proxy vote as indicated below in respect of the resolutions, which are referred to in the notice convening the meeting (see note 1 below).

Resolutions For Against	**For**	**Against**	**Withheld**
Ordinary Resolutions:			
1. To adopt the Report and Accounts for the year ended 30 June 2016	☐	☐	☐
2. To re-elect Mr C Chambers as a director of the Company	☐	☐	☐
3 To re-elect Mr M Collom as a director of the Company	☐	☐	☐
4. To re-appoint Grant Thornton UK LLP as the Company's auditors	☐	☐	☐
Special Business			
5. To authorise the directors to allot shares or grant rights pursuant to section 551 of the Companies Act 2006 (the "**2006 Act**")	☐	☐	☐
6. To authorise the Directors to allot equity securities pursuant to the authority conferred by resolution 5 as if the pre-emption rights set out in section 561(1) of the 2006.	☐	☐	☐

Date………………………… Signature……………………………………………

Notes :

1. Please indicate with an "X" in the appropriate space how you wish your votes to be cast. If no indication is given your proxy will vote or abstain from voting at his discretion.

2. A member entitled to attend and vote is entitled to appoint a proxy to exercise all or any rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority, must arrive at the address shown above not less than 48 hours before the time appointed for the meeting or any adjournment of the meeting.

3. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given.

4. This form of proxy, if completed by a corporation, should be executed under the common seal of that corporation or be signed by an officer or attorney duly authorised to do so, whose capacity should be stated.

5. A member wishing to appoint as his proxy a person other than the Chairman of the Meeting, should insert in block capitals the full name of the person of his choice where indicated, and delete the words "the Chairman of the Meeting". All alterations should be initialled.

6. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated. Otherwise, in order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly revoking your proxy appointment to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA. In the case of a corporation, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

7. If you submit more than one valid proxy appointment but the instructions in such appointments are not compatible with each other, the appointment received last before the latest time for the receipt of proxies will take precedence.

SECOND FOLD

Business Reply Plus
Licence Number
RSTY-SAKX-RZSL

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Neville Registrars Limited
Neville House
18 Laurel Lane
HALESOWEN
B63 3DA

FIRST FOLD

THIRD FOLD