

ADVFN PLC

Annual Report

for the year ended 30 June 2007

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ADVFN PLC

ADVFN plc ('ADVFN' or 'the Company')

Preliminary Results for the Year Ended 30 June 2007

ADVFN, Europe's number one stocks and shares website, today announces its preliminary results for the year ended 30 June 2007.

Highlights:

- Turnover up 35% to £6.0M (2006: £4.5M)
- EBITDA profits of £262,000 (2006: loss £188,000)
- Operating losses reduced by 19% to £1.07M (2006: £1.32M)
- Net assets up over 27% to £6.8M (2006: £5.3M)
- InvestorsHub.com Inc and SI Holdings LLC turnover up 107% for the nine months since acquisition to June 2007 compared to the previous nine months
- ADVFN user numbers up over 38% to 970,000 (2006: 700,000)
- Total group user numbers up 65% to 3.3M (2006: 2M)
- InvestorsHub.com Inc and SI Holdings LLC successfully acquired and integrated into the group during the year

Clem Chambers, CEO of ADVFN, commented:

"The last year has been a year of record growth and international success. We are poised to dramatically expand market share outside of the UK and look forward to the future with optimism."

FOR FURTHER INFORMATION, PLEASE CONTACT:

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ADVFN PLC

Directors, Officers and Advisers

Directors

Michael Hodges (Chairman)
Clem Chambers (Managing Director)
David Crump (Finance Director)
Jonathan Mullins (Technical Director)
Raymond Negus (Sales Director)
Robert Emmet (Non-executive Director)

Secretary

David Crump

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

Mirabaud Securities Limited, 21 St James' Square, London, SW1Y 4JP

Registrars

Capita Registrars plc, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU

Company number: 2374988

ADVFN PLC

Chief Executive's Statement

The year to June 30th 2007 has been a strong period for the group. Our sales have continued to grow, up 35% from £4,463,000 last year to £6,022,000. This has come from growth in our subscription products, advertising income and Equity Development's paid for equity research. This strong sales performance extends right throughout the group, with Equity Development and our US operations, InvestorsHub.com (iHub) and Silicon Investor (SI), doing well.

We have stated in the past that we intend to grow both at home and abroad and in this period we have seen our international offerings take off. We have had particularly strong progress in Brazil and Italy, with encouraging developments in France and Germany. InvestorsHub.com and Silicon Investor have also had strong sales growth which we believe represents early evidence of significant revenue potential going forwards. Based on the latest figures from web information company ALEXA (www.alexa.com), over 75% of total ADVFN global traffic now comes from outside of the UK. We are working hard translating this into the kind of revenue yields we currently enjoy in the UK market. This broad usage growth represents major revenue potential as we develop our advertising and subscription products in localised markets.

Strong international growth is an important and exciting development for ADVFN that sees our strategy for creating a global financial information platform begin to pay off. It would have been far easier to concentrate on the UK market alone, but now as our local competition falls away and we enjoy accelerating traction in overseas markets, we feel confident we are in the early stages of delivering on the vision of a truly global business. While ADVFN continues to grow in the UK, with what is now an established business model, commercialisation is still at an early stage overseas. Yet even so, the initial contributions to sales growth are significant and growing. As we tap further into these new markets and continue to develop the iHub and SI properties, it is clear that the potential is there to multiply our revenues. This won't be achieved overnight but this across-the-board progress leads us to believe that this new phase is underway.

Our registered user numbers are now, at the report date, over one million and our subscriber numbers are in a period of fast growth. The rates of acquisition of both subscriptions and registrations are at record levels and have been unaffected, perhaps even enhanced, by this summer's market turbulence. In a volatile market investors need access to unbiased market information wherever they may be in the world; ADVFN remains one of the very few destinations that can fulfil this need.

The operational leverage of a tried and tested, robust platform gives us an opportunity to become both highly profitable and cash generative. The small variance between our net cash at the year end and the previous interim period is an indication of how our growth is being achieved without any significant drain on our finances.

Financial overview

ADVFN has continued its growth in turnover for the seventh consecutive year. Turnover for the year ended 30 June 2007 was £6.02 million - a rise of 35 % on last year (2006: £4.46 million). EBITDA for the year was £262,000 compared to £188,000 loss last year. Operating losses have been reduced by 19% to £1.07million (2006: £1.32million).

The directors are encouraged with the performance for the year and believe that ADVFN is in a strong position to continue to expand its market share as we roll out our localised content and continue to integrate iHub and Silicon Investor into the ADVFN infrastructure. Equity Development continues to grow and build an increasing portfolio of clients as it leverages its reputation as a market leader in sponsored research.

Financial performance

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

	Year to 30 June 2007	Year to 30 June 2006	Change	Change
	£'000	£'000	£'000	%
Turnover	6,022	4,463	1,559	35
Operating Loss	(1,073)	(1,318)	245	19

ADVFN PLC

EBITDA

We have many non-cash expenses and therefore feel that our EBITDA is a more accurate measure of our performance than our operating results, which can be seen from the table below:

EBITDA – Earnings before interest, tax, depreciation, amortisation and exceptional items	2007 £'000	2006 £'000
Loss on ordinary activities after taxation	(1,499)	(1,021)
Amortisation	195	337
Depreciation	971	678
Taxation	(278)	(58)
Share of associates operating losses	738	567
Exceptional item – gain on part disposal of subsidiary	-	(761)
Share options expense	169	115
Net interest	(34)	(45)
EBITDA	262	(188)

Strategy

Our continued strategy is to build on our market position which is number one in the UK and Europe while at the same time expanding our model into other world markets. In the main, this is being achieved from London or via joint ventures with local partners. In the USA, the ADVFN, SI and iHub brands have now leaped ahead of the UK in terms of site traffic. Our USA traffic is now over 30% of our total traffic, which now places the UK into second place at around 23%. This is a trend we expect to see continuing as we move forward. Likewise, we expect income from overseas markets to become an increasing percentage of our turnover, which should eventually reflect the market size and economy of the various territories we become established in. This should, over time, transform ADVFN into a much larger enterprise.

Turnover

As detailed above, our sales have achieved growth over the year of 35%. We expect this growth to continue and accelerate as we open new markets and begin to benefit from our USA operations. As also shown in the table above, our operating loss has been reduced by £245,000 or 19% compared to 2006. Despite the reduction in our operating loss, our net loss for the year actually rose by 47% to £1,499,000. This is due to two things: Firstly the share of operating losses of our associates rose by 30% to £738,000, relating to our investment in All IPO Plc and the technical impact on our accounts of our shareholding in ADVFN Japan. Secondly last year we had an exceptional gain of £761,000 relating to a gain on part disposal of associates which more than wiped out the share of associate's losses, whereas this year there was no such gain to help reduce this charge.

Operating costs

Compared to the 35% growth in turnover, our operating costs known as administrative expenses have grown by nearly 26% to £6,582,000. Within this there are items of £169,000 for share option valuation expense, £174,000 for amortisation of goodwill, plus the £312,000 overhead of our US acquisitions during the period. Due to the introduction of FRS 20 we have had to bear an expense of £169,000 in connection with share options issued being expensed, with £115,000 included for 2006 within the restated figures. In addition, we have had to bear £174,000 of amortisation costs relating to goodwill on consolidation compared to £77,000 in 2006. Market data-feed costs have increased as have bandwidth, networking and hosting charges which have increased our costs. Due to organic growth and acquisition, staffing levels and wages have also risen giving us an increase in total overheads of 25%, which is in line with our expectations. Our marketing and customer acquisition costs have remained reasonably static throughout the year and we expect this level to be maintained for the next 12 months.

Research and development

The company continues to invest in the quality and design of its products. We believe sustained investment in our research and development is fundamental to the continuing growth of the business.

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Environmental policy

Management continued to look for ways to develop the group's environmental policy during the year. It is our objective to consistently improve our performance in this area.

Summary of key performance indicators

The directors have monitored the progress of the overall company strategy and the individual strategic elements by reference to certain financial and non-financial key performance indicators, as outlined below:

	2007 Actual	2007 Target	2006 Actual	2006 Target
Growth in sales (%)	35%	30%	35%	30%
Staff turnover (%)	18%	20%	25%	20%
Average head count	54	55	47	45
Advfn registered users	970K	850K	700K	650K
Group registered users	3.3M	2.5M	2M	1.75M

Future developments for the business

We believe our continued investment in our service and product ranges and brands like Equity Development, ADVFN, Silicon Investor and InvestorsHub in the financial sector and CupidBay and Fototing in the leisure space plus the addition of new products across our services, will enable us to improve on our already strong market position. Our emphasis on quality, design and employing people with the relevant expertise underlines this development. As a result we remain confident that we will continue to maintain our current level of performance in the foreseeable future.

Principal risks and uncertainties

The management of the business and the nature of the Company's strategy are subject to a number of risks. The directors are of the opinion that a thorough risk management process is adopted which involves the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks. We have set out below the principal risks facing the business.

Economic downturn

The success of the world's stock markets could affect the business and many things around the world can affect a stock market from war to human error. This can also have a knock on effect on consumer spending power. However, in the past when we have seen a market downturn it has not changed our customer appetite for information about what is happening in the market be it good or bad. In response to this risk, senior management aim to keep abreast of economic conditions around the world. Not only should senior management be aware of it, likewise so should our customers and members. In cases of severe economic downturn, marketing and pricing strategies are modified to reflect the new market conditions.

High proportion of fixed overheads and variable revenues

A large proportion of the company's overheads are reasonably 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 would be implemented should there be an anticipated decline in revenues.

Product obsolescence

Due to the nature of the market in which the company operates, products are subject to technological advances and resultant obsolescence. 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.

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Fluctuations in currency exchange rates

Approximately 20% 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 would use forward foreign exchange contracts and other derivatives/financial instruments to reduce the exposure. If the hedging activity does not mitigate the exposure, then the results and the financial condition of the company might be adversely impacted by foreign currency fluctuations.

People

Our team of experienced people is critical to the ongoing success of the business. I would like to take this opportunity to once again thank both the board and the staff for their continued hard work.

Prospects

There are many opportunities opening up for us as we roll out the ADVFN platform worldwide. With rapid progress in the US, Brazil and Italy, we feel that the ADVFN model is ready to address a much bigger market. The company is therefore well positioned over the next two years to become strongly cash generative and profitable.

Clem Chambers

Chief Executive

30th October 2007

ADVFN PLC

Report of the Directors

The Directors submit their report and financial statements for the year ended 30 June 2007.

Principal activities and business review

The principal activity of the group is the development and provision of financial information primarily via the internet and the development and exploitation of ancillary internet sites. A review of the business as required by the Companies Act 1985 has been provided within the Chief Executive's Statement.

Results

The loss for the financial year amounted to £1,499,000 (2006: £1,021,000). The directors are unable to propose the payment of a dividend.

Directors

The directors holding office throughout the year are set out below.

M J Hodges
D J Crump
C H Chambers
J B Mullins
R J Negus
R A Emmet

J B Mullins and R J Negus retire by rotation and being eligible, offer themselves for re-election. The directors' interests in the shares of the company are shown in a table in the Remuneration Report.

Biographic details

Michael Hodges, aged 45, Chairman

Michael Hodges has over 20 years experience in computer software development and publishing, while working with multi-user and Internet projects for the last thirteen years. He founded On-line plc, ADVFN plc and Allipo plc. He is currently Chairman of On-line plc, ADVFN plc and a director of Allipo plc.

Clement Chambers, aged 44, Managing Director

Co-founder of On-line, Clement Chambers has been involved in the software industry for over 20 years, primarily as a publisher of computer games entertainment software. He is a director of On-line plc and a director of Allipo plc.

David Crump, aged 52, Finance Director

David Crump trained as a Chartered Accountant with Touche Ross qualifying in 1978. Since then he has gained a broad range of experience in entertainment, media and IT businesses. He is also a Director of On-line plc.

Jonathan Mullins, aged 40, Technical Director

Jonathan Mullins has been involved in the development of a wide variety of on-line and internet services for over 10 years. He has been responsible for the entire technical department of ADVFN and has overseen the growth of the web site since its early days, including the development of the proprietary streaming service.

Ray Negus, aged 54, Sales Director

Ray Negus has over 30 years experience of sales and advertising including 10 years with the Birmingham Post and Mail and 10 years with NEWSCOM PLC where he held the position of Group Sales and Marketing Manager prior to joining ADVFN in January 2000.

Robert Emmet, aged 49, Non-executive Director

Robert Emmet, is a Chartered Accountant who qualified with Ernst and Young before joining Hoare Govett. He worked in corporate finance for a number of years before joining Auspex, a Silicon valley company manufacturing high availability file servers. Over the last 9 years he has worked in recruitment, and is currently with Edward Hunter Associates Limited, an executive search consultancy.

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Report of the Directors

Substantial shareholdings

At 31st October 2007 the following had notified the company of a disclosable interest of 3% or more of the nominal value of the company's shares:

	Shareholding	%
On-line plc	114,300,000	19.28%
Peter O'Reilly	53,322,333	8.99%
FMR Corp (Fidelity)	29,900,780	5.04%
Guy Thomas	18,200,000	3.07%

Creditors' payment policy and practice

The company's policy is to settle the terms of payment with suppliers when agreeing the terms of the transaction, ensuring suppliers are made aware of the terms of payment and to abide by such terms of payment. The number of creditor days as at 30 June 2007 was 59 days (2006: 41 days).

International Financial Reporting Standards ("IFRS")

Reporting under IFRS is mandatory for the Group for the year ending 30 June 2008 onwards. The directors will manage the Group's transition from UK GAAP to IFRS to ensure a successful implementation within the required timeframe.

Share issues

Shares issued in the year are detailed in note 17 to the financial statements.

Financial risk management

Information relating to the company's financial risk management are detailed in note 16 to the financial statements.

Post balance sheet events

These are set out in note 29 to the financial statements.

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Report of the Directors

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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 estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 company will continue in business.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are 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

Grant Thornton UK LLP offer themselves for reappointment as auditor in accordance with section 385 of the Companies Act 1985.

By Order of the Board

D J Crump
Company Secretary
30th October 2007

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Remuneration Report

Directors' detailed emoluments

Details of individual directors' emoluments for the year are as follows:

	Salary	Bonus	Benefits	2007 Total	2007 Pension	2006 Total	2006 Pension
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<i>Executive</i>							
M J Hodges	67	30	2	99	12	90	12
D J Crump	78	-	2	80	12	81	12
C H Chambers	109	30	1	140	12	131	12
J B Mullins	90	-	1	91	-	95	-
R J Negus	139	-	-	139	-	125	-
<i>Non-executive</i>							
R A Emmet	13	-	-	13	-	13	-
	<u>496</u>	<u>60</u>	<u>6</u>	<u>562</u>	<u>36</u>	<u>535</u>	<u>36</u>

Remuneration policy for executive directors

The company's policy on executive director 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.

Directors' interests

The interests of the Directors holding office at the year end in the ordinary 1p shares of the company, at 1 July 2006 and 30 June 2007 were as shown below:

	2007 Number	2006 Number
M J Hodges	-	-
D J Crump	1,230,000	1,110,000
C H Chambers	6,253,846	6,253,846
J B Mullins	464,444	464,444
R J Negus	333,333	333,333
R A Emmet	50,000	225,000

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Remuneration Report

Directors' share options

The interests of the directors in the options of the company at 30 June 2006 and 2007 were:

	At 1 July 2006 Number	At 30 June 2007 Number	Exercise price	Exercisable in the 7 years up to
M J Hodges	1,000,000	-	2.5p	10 March 2007
	1,000,000	1,000,000	2.5p	13 June 2008
	1,000,000	1,000,000	1.75p	10 June 2009
	1,000,000	1,000,000	1.25p	18 February 2010
	1,000,000	1,000,000	4.75p	27 January 2011
	1,000,000	1,000,000	4.6p	27 January 2012
	-	1,500,000	3.3p	6 September 2013
	<u>6,000,000</u>	<u>6,500,000</u>		
D J Crump	1,000,000	-	2.5p	10 March 2007
	1,000,000	1,000,000	2.5p	13 June 2008
	333,333	333,333	1.75p	10 June 2009
	666,667	666,667	1.25p	18 February 2010
	1,000,000	1,000,000	4.75p	27 January 2011
	1,000,000	1,000,000	4.6p	27 January 2012
	-	1,500,000	3.3p	6 September 2013
	<u>5,000,000</u>	<u>5,500,000</u>		
C H Chambers	1,000,000	-	2.5p	10 March 2007
	1,000,000	1,000,000	2.5p	13 June 2008
	4,000,000	4,000,000	1.75p	10 June 2009
	1,000,000	1,000,000	1.25p	18 February 2010
	1,500,000	1,500,000	4.75p	27 January 2011
	1,500,000	1,500,000	4.6p	27 January 2012
	-	1,500,000	3.3p	6 September 2013
	<u>10,000,000</u>	<u>10,500,000</u>		
J B Mullins	4,000,000	-	2.5p	10 March 2007
	1,500,000	1,500,000	2.5p	13 June 2008
	500,000	500,000	1.75p	10 June 2009
	1,000,000	1,000,000	1.25p	18 February 2010
	1,000,000	1,000,000	4.75p	27 January 2011
	1,000,000	1,000,000	4.6p	27 January 2012
	-	1,500,000	3.3p	6 September 2013
	<u>9,000,000</u>	<u>6,500,000</u>		
R J Negus	100,000	100,000	5.0p	10 July 2008
	666,667	666,667	1.75p	10 June 2009
	1,000,000	1,000,000	1.25p	18 February 2010
	1,000,000	1,000,000	4.75p	27 January 2011
	2,233,333	2,233,333	4.6p	27 January 2012
	-	1,500,000	3.3p	6 September 2013
	<u>5,000,000</u>	<u>6,500,000</u>		
R A Emmet	500,000	500,000	2.5p	13 June 2008
	1,000,000	1,000,000	4.6p	27 January 2012
	1,000,000	1,000,000	4.75p	27 January 2011
	-	1,500,000	3.3p	6 September 2013
	<u>2,500,000</u>	<u>4,000,000</u>		
	<u>37,500,000</u>	<u>39,500,000</u>		

The market price of the ordinary shares at 30 June 2007 was 2.95p and the range during the year was from 2.4p to 3.6p.

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REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ADVFN PLC

We have audited the group and parent company financial statements (the "financial statements") of ADVFN plc for the year ended 30 June 2007 which comprise the principal accounting policies, the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and notes 1 to 29. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements. The information given in the Report of the Directors includes that specific information presented within the Chief Executive's Statement that is cross referred from the Business Review section of the Report of the Directors.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Directors and the Chief Executive's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 30 June 2007 and of the group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
Gatwick
30th October 2007

ADVFN PLC

Consolidated Profit and Loss Account for the year ended 30 June 2007

	Notes	Continuing 2007 £'000	Continuing Acquisitions 2007 £'000	Total 2007 £'000	2006 As restated £'000
Turnover	1	5,633	389	6,022	4,463
Cost of sales		(442)	(71)	(513)	(537)
Gross profit		5,191	318	5,509	3,926
Administrative expenses					
Share option valuation expense	18	(169)	-	(169)	(115)
Amortisation of goodwill	9	(174)	-	(174)	(77)
Other administrative expenses		(5,926)	(313)	(6,239)	(5,052)
Total administrative expenses		(6,269)	(313)	(6,582)	(5,244)
Operating (loss)/profit	2	(1,078)	5	(1,073)	(1,318)
Exceptional item:					
Gain on part disposal of associates	4	-	-	-	761
Share of operating losses of associates		(738)	-	(738)	(567)
Net interest	5	34	-	34	45
(Loss)/profit on ordinary activities before taxation		(1,782)	5	(1,777)	(1,079)
Tax on loss on ordinary activities	6	278	-	278	58
(Loss)/profit on ordinary activities after taxation	20	(1,504)	5	(1,499)	(1,021)
Loss per ordinary share	7				
Basic				(0.27p)	(0.22p)
Fully diluted				(0.27p)	(0.22p)

All operations are continuing.

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

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Balance Sheets at 30 June 2007

		Group	Company	Group	Company
		2007	2007	2006	2006
	Notes	£'000	£'000	As restated	As restated
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	9	2,280	-	874	21
Tangible assets	10	1,703	1,510	1,681	1,407
Investments	11	1,595	2,692	2,402	1,055
		<u>5,578</u>	<u>4,202</u>	<u>4,957</u>	<u>2,483</u>
Current assets					
Debtors	12	1,415	1,681	938	1,200
Investments	13	78	29	48	29
Cash at bank and in hand		1,358	1,161	938	862
		<u>2,851</u>	<u>2,871</u>	<u>1,924</u>	<u>2,091</u>
Creditors: amounts falling due within one year	14	<u>(1,626)</u>	<u>(1,274)</u>	<u>(1,512)</u>	<u>(1,305)</u>
Net current assets		<u>1,225</u>	<u>1,597</u>	<u>412</u>	<u>786</u>
Total assets less current liabilities		6,803	5,799	5,369	3,269
Creditors: amounts falling due after more than one year	15	<u>(20)</u>	<u>(20)</u>	<u>(28)</u>	<u>(28)</u>
		<u>6,783</u>	<u>5,779</u>	<u>5,341</u>	<u>3,241</u>
Capital and reserves					
Called up share capital	17	5,870	5,870	4,798	4,798
Share premium account	19	7,600	7,600	5,634	5,634
Option valuation reserve	19	335	343	174	174
Merger reserve	19	221	221	221	221
Shares to be issued	19	332	332	498	498
Profit and loss account	20	<u>(7,575)</u>	<u>(8,587)</u>	<u>(5,984)</u>	<u>(8,084)</u>
Shareholders' funds	21	<u>6,783</u>	<u>5,779</u>	<u>5,341</u>	<u>3,241</u>

The financial statements were approved by the Board of Directors on 30th October 2007

Director

Director

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

ADVFN PLC

Consolidated Cash Flow Statement for the year ended 30 June 2007

	Notes	2007 £'000	2006 £'000
Net cash inflow from operating activities	22	<u>109</u>	<u>65</u>
Returns on investment and servicing of finance			
Interest received		49	50
Interest paid		<u>(15)</u>	<u>(5)</u>
		<u>34</u>	<u>45</u>
Capital expenditure			
Payments to acquire tangible fixed assets		(937)	(1,067)
Payments to acquire investments		<u>-</u>	<u>(15)</u>
		<u>(937)</u>	<u>(1,082)</u>
Acquisitions	23		
Purchase of subsidiary undertaking		(1,637)	(246)
Cash acquired with subsidiary undertaking		<u>13</u>	<u>-</u>
		<u>(1,624)</u>	<u>(246)</u>
Net cash outflow before financing		(2,418)	(1,218)
Financing			
Issue of ordinary share capital		3,053	344
Share issue costs		(181)	(3)
Capital element of finance leases and hire purchase contracts repaid		<u>(34)</u>	<u>(24)</u>
Net cash inflow from financing		<u>2,838</u>	<u>317</u>
Increase / (decrease) in cash	24,25	<u><u>420</u></u>	<u><u>(901)</u></u>

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

Statement of Total Recognised Gains and Losses for the year ended 30 June 2007

	2007 £'000	2006 £'000
(Loss) for the financial year	(1,499)	(1,021)
Currency differences on foreign currency net investments	<u>(92)</u>	<u>-</u>
Total losses recognised since last financial statements	<u><u>(1,591)</u></u>	<u><u>(1,021)</u></u>

ADVFN PLC

Accounting Policies for the year ended 30 June 2007

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and under the historical cost convention. The principal accounting policies are set out below. During the year the group has adopted the requirements of FRS 20, the impact of which is set out below:

Group financial statements

The group financial statements consolidate those of the company and its subsidiary undertakings drawn up to 30 June. All intra-group transactions are eliminated on consolidation. Acquisitions of subsidiaries are dealt with by the acquisition method of accounting.

Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its expected useful economic life, being the period over which the company expects the value of the business to exceed the underlying net assets.

The directors have assessed the useful economic life of InvestorsHub.com Inc. and SI Holdings LLC to be ten years. During the year the Group have reassessed the useful economic life of the goodwill acquired in relation to Equity Holdings Limited. Due to the strong customer base of the business, the directors consider that the useful economic life of that goodwill is ten years rather than five years as estimated last year. The effect of this change in accounting estimate has been to reduce the amortisation charged to the profit and loss account for the year by £132,000.

Associated undertakings

The group financial statements incorporate the associates under the equity method of accounting. The Group's share of profits less losses of associates is included within in the Group's profit and loss account and the Group's share of their net assets is included in the Group balance sheet. The company balance sheet shows the investment in the associates at cost less amounts written off.

Turnover

Turnover is the total amount receivable in the ordinary course of business from outside customers for goods supplied as a principal and for services provided, excluding VAT. Subscription and advertising income is recognised over the period that the service is provided.

Intangible fixed assets

Intangible fixed assets are included at cost net of amortisation. Licences are being amortised over their expected useful economic life of five years.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. No depreciation is charged during the period of construction. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful economic lives. The rates generally applicable are:

Leasehold improvements	over the period of the lease
Computer equipment	33%
Office equipment	20%
Website development costs	see below

ADVFN PLC

Accounting Policies for the year ended 30 June 2007

Website development costs

Website development costs represent the design and content cost associated with the development of financial software. They are capitalised only to the extent that they lead to the creation of an enduring asset delivering benefits at least equal to the amount capitalised. They are recorded in the balance sheet in the year in which they are incurred, in accordance with FRS 15 'Tangible fixed assets' and UITF 29 'Website development costs'. Such costs are amortised over their useful economic life of two, three or five years as appropriate.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are not discounted.

Investments

Fixed asset investments are included at cost less amounts written off. Current asset investments are included at market value where they are traded on an active market. Unrealised gains and losses on current asset investments are recognised in the statement of total recognised gains and losses. Profit or loss on disposal of current asset investments is the difference between sale proceeds and carrying value.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful economic lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease. All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

Defined contribution pension costs

Pension costs are charged in the year in which they are incurred.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are taken to reserves. All other exchange differences are dealt with through the profit and loss account.

The assets and liabilities of overseas subsidiary undertakings and the profit and loss accounts of such undertakings are translated at the closing exchange rate. Gains and losses arising on these translations are taken to reserves.

ADVFN PLC

Accounting Policies for the year ended 30 June 2007

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Share based payments

The Company has adopted FRS20 with effect from 1 July 2006. FRS20 requires the recognition of a charge to the profit and loss account for all applicable share based payments, including share options. The Company has equity-settled share based payments but no cash-settled share based payments. All share based payments awards granted after 7 November 2002 which had not vested prior to 1 July 2006 are recognised in the financial statements at their fair value at the date of grant.

As vesting periods and non-market based vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. All equity-settled share based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to the option valuation reserve.

The adoption of FRS20 requires a prior period adjustment to be made for awards granted before 1 July 2006. This has created an opening balance within the option valuation reserve at 1 July 2006 of £174,000 and reduced the profit and loss account reserve by an equal amount. In addition, the re-stated loss after tax for the year ended 30 June 2006 has increased by £115,000.

ADVFN PLC

Notes to the Financial Statements for the year ended 30 June 2007

1. Segmental information

The turnover and loss before taxation are attributable to the principal activities of the group as defined on page 8. An analysis of turnover by geographical destination and country of origin, profit before tax by origin and net assets by country of origin is given below. No split of the activities of the leisure internet sites is provided as the results are not material to the Group.

	2007 Continuing £'000	2007 Acquired £'000	2007 Total £'000	2006 Total £'000
<i>Turnover by destination</i>				
UK	4,857	-	4,857	3,974
The Americas	487	389	876	356
Rest of World	289	-	289	133
	<u>5,633</u>	<u>389</u>	<u>6,022</u>	<u>4,463</u>
<i>Turnover by origin</i>				
UK	5,633	-	5,633	4,463
The Americas	-	389	389	-
	<u>5,633</u>	<u>389</u>	<u>6,022</u>	<u>4,463</u>
<i>(Loss)/profit before taxation by origin</i>				
UK - Group	(1,044)	-	(1,044)	(1,331)
UK - Associates	(424)	-	(424)	(339)
The Americas	-	5	5	-
Rest of World - Associates	(314)	-	(314)	591
	<u>(1,782)</u>	<u>5</u>	<u>(1,777)</u>	<u>(1,079)</u>
<i>Net assets/(liabilities)</i>				
UK	6,470	4,730		
The Americas	105	-		
Rest of World	208	611		
	<u>6,783</u>	<u>5,341</u>		

ADVFN PLC

Notes to the Financial Statements for the year ended 30 June 2007

2. Operating (loss)/profit

Operating loss is arrived at after charging the following items:

	2007 £'000	2006 £'000
Amortisation of intangible fixed assets	195	337
Depreciation:		
Tangible owned fixed assets	928	669
Tangible fixed assets held under finance leases and hire purchase contracts	43	9
Fees payable to the company's auditor for the audit of the company's financial statements	26	21
Fees payable to the company's auditor for other services:		
- The audit of the company's subsidiaries pursuant to legislation	15	12
- Other services pursuant to legislation	24	3
- Taxation services	8	8
Lease payments - land and buildings	245	153

Fees paid to Grant Thornton UK LLP and its associates for non-audit services to the company itself are not disclosed in the individual accounts of ADVFN plc because the company's consolidated accounts are required to disclose such fees on a consolidated basis.

3. Staff numbers and costs

The average monthly number of persons (including directors) employed by the group during the year was:

	2007 Number	2006 Number
By activity		
Development	39	38
Sales and administration	15	9
	54	47

	2007 £'000	2006 £'000
Staff costs		
Wages and salaries	2,293	1,844
Social security costs	243	201
Pension costs	45	37
	2,581	2,082

Remuneration in respect of the directors was as follows:

	2007 £'000	2006 £'000
Aggregate emoluments	562	535
Contributions to defined contribution pension scheme	36	36

During the year the company made contributions to 3 (2006: 3) of the directors' private pension schemes. In 2006 one director made gains on exercise of share options of £46,000.

ADVFN PLC

Notes to the Financial Statements for the year ended 30 June 2007

3. Staff numbers and costs (continued)

Emoluments of the highest paid director:	2007 £'000	2006 £'000
Aggregate emoluments	<u>140</u>	<u>131</u>
Contributions to defined contribution pension scheme	<u>12</u>	<u>12</u>

4. Exceptional items

	2007 £'000	2006 £'000
Gain made on disposal of associates	<u>-</u>	<u>761</u>

The reduction in the group's effective interest during the prior year was due to its associates, ALL IPO and ADVFN Japan, issuing shares in the year and therefore diluting the company's holding resulting in a gain to the group. There was no taxation charge or credit applicable to the exceptional item shown above.

5. Net interest

	2007 £'000	2006 £'000
Interest receivable	43	50
Share of associate's interest receivable	6	-
Interest payable	<u>(15)</u>	<u>(5)</u>
	<u>34</u>	<u>45</u>

6. Tax credit on loss on ordinary activities

	2007 £'000	2006 £'000
Under accrual of tax credit in prior year	255	-
Share of associate's tax credit	<u>23</u>	<u>58</u>
	<u>278</u>	<u>58</u>

ADVFN PLC

Notes to the Financial Statements for the year ended 30 June 2007

6. Tax credit on loss on ordinary activities (continued)

The company has unused trading losses not included in the deferred tax account of approximately £5,692,000 (2006: £4,729,000) to carry forward against profits of the same trade which will be recovered once the company makes a profit. The credit can be reconciled as follows:

	2007 £'000	2006 As restated £'000
Loss on ordinary activities before tax	<u>(1,777)</u>	<u>(1,079)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(533)	(323)
Effect of:		
Expenses not deductible for tax purposes	265	409
Capital allowances in excess of depreciation	30	10
Movement in general provisions	(4)	4
Profit on sale of subsidiary not taxable	-	(228)
Increase in tax losses not recognised	242	128
Share of associates' tax	(23)	(58)
Research and development tax credits receivable	<u>(255)</u>	<u>-</u>
Current tax credit for year	<u><u>(278)</u></u>	<u><u>(58)</u></u>

7. (Loss)/earnings per ordinary share

The calculation of the basic earnings or loss per share is based on the earnings attributable to ordinary shareholders divided by the weighted average numbers of shares in issue during the year.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

Reconciliations of earnings and weighted average number of shares used in the calculation are set out below.

	2007 Loss £'000	2007 Number of shares '000	2007 Loss per share p	2006 As restated Profit £'000	2006 Number of Shares '000	2006 Earnings per share p
Loss for the year	<u>(1,499)</u>			<u>(1,021)</u>		
Weighted average number of shares		565,331			469,165	
Basic loss per share			<u>(0.27p)</u>			<u>(0.22p)</u>

The options are anti-dilutive for both years due to the losses incurred.

ADVFN PLC

Notes to the Financial Statements for the year ended 30 June 2007

8. Loss for the year

The company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The parent company's loss for the year was £503,000 (2006: £876,000 - restated)

9. Intangible fixed assets

Group	Licences £'000	Goodwill on consolidation £'000	Total £'000
Cost			
At 1 July 2006	1,300	930	2,230
Additions	-	1,601	1,601
At 30 June 2007	<u>1,300</u>	<u>2,531</u>	<u>3,831</u>
Amortisation			
At 1 July 2006	1,279	77	1,356
Charge for the year	21	174	195
At 30 June 2007	<u>1,300</u>	<u>251</u>	<u>1,551</u>
Net book amounts			
At 30 June 2007	<u>-</u>	<u>2,280</u>	<u>2,280</u>
At 30 June 2006	<u>21</u>	<u>853</u>	<u>874</u>
Company			Licences £'000
Cost			
At 1 July 2006			1,300
Additions			-
At 30 June 2007			<u>1,300</u>
Amortisation			
At 1 July 2006			1,279
Additions			-
Charge for the year			21
At 30 June 2007			<u>1,300</u>
Net book amounts			
At 30 June 2007			<u>-</u>
At 30 June 2006			<u>21</u>

ADVEN PLC

Notes to the Financial Statements for the year ended 30 June 2007

10. Tangible fixed assets

Group	Leasehold improvements £'000	Computer equipment £'000	Office equipment £'000	Website development costs £'000	Total £'000
Cost					
At 1 July 2006	68	743	118	2,198	3,127
Acquisitions	-	4	4	-	8
Additions	-	149	9	827	985
At 30 June 2007	<u>68</u>	<u>896</u>	<u>131</u>	<u>3,025</u>	<u>4,120</u>
Depreciation					
At 1 July 2006	30	535	92	789	1,446
Charge for the year	<u>10</u>	<u>150</u>	<u>20</u>	<u>791</u>	<u>971</u>
At 30 June 2007	<u>40</u>	<u>685</u>	<u>112</u>	<u>1,580</u>	<u>2,417</u>
Net book amounts					
At 30 June 2007	<u>28</u>	<u>211</u>	<u>19</u>	<u>1,445</u>	<u>1,703</u>
At 30 June 2006	<u>38</u>	<u>208</u>	<u>26</u>	<u>1,409</u>	<u>1,681</u>

Company	Leasehold improvements £'000	Computer equipment £'000	Office equipment £'000	Website development costs £'000	Total £'000
Cost					
At 1 July 2006	48	741	103	1,838	2,730
Additions	-	106	3	828	937
At 30 June 2007	<u>48</u>	<u>847</u>	<u>106</u>	<u>2,666</u>	<u>3,667</u>
Depreciation					
At 1 July 2006	28	535	91	669	1,323
Charge for the year	<u>4</u>	<u>144</u>	<u>15</u>	<u>671</u>	<u>834</u>
At 30 June 2007	<u>32</u>	<u>679</u>	<u>106</u>	<u>1,340</u>	<u>2,157</u>
Net book amounts					
At 30 June 2007	<u>16</u>	<u>168</u>	<u>-</u>	<u>1,326</u>	<u>1,510</u>
At 30 June 2006	<u>20</u>	<u>206</u>	<u>12</u>	<u>1,169</u>	<u>1,407</u>

Included above are assets under hire purchase contracts and finance leases with a net book value at 30 June 2007 of £75,000 (2006: £71,000).

ADVFN PLC

Notes to the Financial Statements for the year ended 30 June 2007

11. Fixed asset investments

Group	Associated undertakings £'000		
Cost			
At 1 July 2006			2,402
Share of associate's losses			(738)
Foreign exchange losses			(69)
At 30 June 2007			<u>1,595</u>
Net book amounts			
At 30 June 2007			<u>1,595</u>
At 30 June 2006			<u>2,402</u>

Company	Subsidiary undertakings £'000	Associated undertakings £'000	Total £'000
Cost			
At 1 July 2006	1,035	20	1,055
Additions	<u>1,637</u>	<u>-</u>	<u>1,637</u>
At 30 June 2007	<u>2,672</u>	<u>20</u>	<u>2,692</u>
Provision			
At 1 July 2006	-	-	-
Provision in year	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2007	<u>-</u>	<u>-</u>	<u>-</u>
Net book amounts			
At 30 June 2007	<u>2,672</u>	<u>20</u>	<u>2,692</u>
At 30 June 2006	<u>1,035</u>	<u>20</u>	<u>1,055</u>

Acquisitions

On 25 September 2006 the Group acquired the entire share capital of InvestorsHub.com Inc., a business incorporated within the United States of America which encompassed 100% of the interests of SI Holdings LLC at the date of acquisition. Further details of this transaction are given in note 23 to the financial statements.

Associated undertaking

The company owns 40.4% (2006:40.4%) of ALL IPO plc (ALL IPO) which is incorporated in England and Wales and its principal activity is the development and exploitation of on line IPO services. The aggregate share capital and reserves of ALL IPO at 30 June 2007 was £3,434,000 (2006: £4,433,000) and the loss for the year then ended was £978,000 (2006: £1,049,000). ALL IPO had turnover of £54,000 (2006: £1,000), and a tax credit of £57,000 for the year (2006 : nil).

Additionally the company held 29.1% (2006: 29.1%) of the ordinary shares of ADVFN Japan, K.K. a company incorporated in Japan. Its principal activity is the operation of financial information websites in Japan and Korea. ADVFN Japan had no turnover in either year.

ADVFN PLC

Notes to the Financial Statements for the year ended 30 June 2007

11. Fixed asset investments (continued)

The group's aggregate share in its associates, comprises:

	ALL IPO £'000	ADVFN Japan £'000	Total 2007 £'000	Total 2006 £'000
Fixed assets	1,331	12	1,343	1,568
Current assets	186	209	395	961
Liabilities due within one year	(130)	(13)	(143)	(127)
	<u>1,387</u>	<u>208</u>	<u>1,595</u>	<u>2,402</u>
			2007 £'000	2006 £'000
Interests in associates at net book amount include				
Listed investment			<u>1,387</u>	<u>1,791</u>
Listed investment at market value			<u>1,013</u>	<u>2,644</u>

Company principal subsidiaries

Name of Subsidiary	Country incorporation	Class of share capital held	Proportion by parent undertaking and group	Activity
Equity Holdings Limited	England and Wales	10p ordinary	100%	Holding company
Equity Development Limited*	England and Wales	10p ordinary	100%	Research services
Cupid Bay Limited	England and Wales	1p ordinary	100%	Internet dating website
Fotothing Limited	England and Wales	1p ordinary	100%	Dormant
InvestorsHub.com Inc.	USA	0.1c common	100%	Financial website

*subsidiary of Equity Holdings Limited

The acquisition of Equity Holdings during 2006 was financed by a combination of cash and share consideration. The terms of the purchase agreement state that deferred consideration in the form of further share issues, based on turnover milestones, may also be payable by ADVFN. Based on forecast results, the company believes that payment of the deferred consideration is highly probable and therefore has provided fully for the future share issues in the balance sheet. Further details of share issues relating to this deferred consideration is set out in notes 17 and 29.

ADVFN PLC

Notes to the Financial Statements for the year ended 30 June 2007

12. Debtors

	Group 2007 £'000	Company 2007 £'000	Group 2006 £'000	Company 2006 £'000
Due from associate	-	-	83	83
Trade debtors	587	401	343	250
Prepayments and accrued income	343	302	291	247
Due from group undertakings	-	527	-	428
Corporation tax recoverable	267	267	11	11
Other debtors	218	184	210	181
	<u>1,415</u>	<u>1,681</u>	<u>938</u>	<u>1,200</u>

Included within other debtors is an amount of £184,000 which is due after more than one year. The amounts due from Group undertakings are due after more than one year.

13. Current asset investments

	Group 2007 £'000	Company 2007 £'000	Group 2006 £'000	Company 2006 £'000
Listed investments	<u>78</u>	<u>29</u>	<u>48</u>	<u>29</u>
Listed investments at market value	<u>72</u>	<u>23</u>	<u>43</u>	<u>23</u>

14. Creditors: amounts falling due within one year

	Group 2007 £'000	Company 2007 £'000	Group 2006 £'000	Company 2006 £'000
Trade creditors	837	789	723	707
Other taxation and social security costs	313	271	374	351
Accruals and deferred income	403	146	365	196
Other creditors	9	3	9	9
Hire purchase and finance leases	64	64	41	41
Amounts owed to related companies	-	1	-	1
	<u>1,626</u>	<u>1,274</u>	<u>1,512</u>	<u>1,305</u>

15. Creditors: amounts falling due after one year

	Group and company 2007 £'000	Group and company 2006 £'000
Hire purchase and finance leases		
- 1 to 2 years	20	12
- 2 to 5 years	-	16
	<u>20</u>	<u>28</u>

ADVFN PLC

Notes to the Financial Statements for the year ended 30 June 2006

16. Financial risk management

The group uses financial instruments, comprising cash balances, trade debtors, trade creditors and hire purchase and finance lease contracts, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations.

There were no group borrowings at 30 June 2007 or 30 June 2006. The fair value of the financial assets and liabilities is not significantly different from the amount included in the financial statements.

Short term debtors and creditors have been excluded from all disclosures other than currency risk disclosures.

The group operates in overseas markets and is subject to currency exposures on transactions undertaken during the year. The group manages its foreign exchange exposure on a net basis, and if required uses forward exchange contracts and other derivatives/financial instruments to reduce the exposure. The group did not hedge any transactions during the years ended 30 June 2007 or 30 June 2006. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are taken to reserves. All other exchange differences are dealt with through the profit and loss account.

At 30 June 2007 the group had cash balances, short term debtors and creditors totalling £198,000 (2006: £40,000) held in US Dollars, Japanese yen or Euros. The group had no undrawn committed overdraft facilities.

Liquidity risk

Liquidity risk is the risk that the group will have insufficient funds to meet its liabilities as they fall due. The directors monitor cash flow on a daily basis and at monthly board meetings in the context of their expectations for the business to ensure sufficient liquidity is available to meet foreseeable needs. The group funds operating losses through periodic share issues to raise cash.

Interest rate risk

The directors do not consider that the business is exposed to material interest rate risk. The group finances its operations through cash reserves. The cash reserves held by the group during the year have negated the need to use interest bearing borrowings.

Credit risk

The group has significant cash balances. The balances are invested with UK clearing banks so as to obtain the best market rate of return but not exposing the group to risk of a loss of capital. The group operates strict credit control procedures to minimise the credit risk associated with its short term debtors.

ADVFN PLC

Notes to the Financial Statements for the year ended 30 June 2007

17. Called up share capital

	2007 Number	2006 Number	2007 £'000	2006 £'000
Authorised				
Ordinary shares of 1p each	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid				
Ordinary shares of 1p each	<u>586,979,305</u>	<u>479,805,463</u>	<u>5,870</u>	<u>4,798</u>

Allotments in the year

The company made allotments of 107,173,842 ordinary 1p shares by way of issue of shares during the year as follows:

Date of issue		Number of shares	Average price pence	Consideration £	Aggregate nominal value £
11 August 2006	*	83,333	1.25	1,042	833
8 September 2006	**	32,833,333	3.00	985,000	328,333
11 September 2006	**	68,847,466	3.00	2,065,424	688,475
13 October 2006	***	5,259,708	3.15	165,681	52,597
21 November 2006	*	150,002	1.25	1,875	1,500
		<u>107,173,842</u>		<u>3,219,022</u>	<u>1,071,738</u>

* Shares issued to satisfy options exercised

** Shares issued for cash to fund acquisition of a subsidiary

*** Shares issued as part of deferred consideration for shares in a subsidiary acquired in prior years

The difference between the consideration of £3,219,022 and the nominal value of £1,071,738 has been credited to the share premium account.

ADVEN PLC

Notes to the Financial Statements for the year ended 30 June 2007

18. Share based payments

Equity-settled share based payments

The company has a share option scheme for employees (including directors). Options are exercisable at a price set at the date of grant. Options can only be exercised as to 33% on the first anniversary of granting, as to a further 33% on the second anniversary and over all of the ordinary shares subject to option on the third anniversary. The options are settled in equity once exercised.

If the options remain unexercised after a period of 7 years from the date of grant, the options expire. Options are forfeited if the employee leaves the company before the options vest.

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

	No	2007 WAEP p	No	2006 WAEP p
Outstanding at the beginning of the year	42,078,335	3.07	45,478,336	2.97
Granted during the year	11,001,000	3.24	325,000	3.10
Exercised during the year	(233,335)	1.25	(2,300,001)	1.49
Forfeited during the year	(450,000)	4.70	(1,425,000)	2.68
Expired during the year	(7,005,000)	2.50	-	-
Outstanding at the end of the year	<u>45,391,000</u>	<u>3.19</u>	<u>42,078,335</u>	<u>3.07</u>
Exercisable at the year end	<u>31,508,333</u>	<u>3.05</u>	<u>33,548,335</u>	<u>2.67</u>

The share options outstanding at the end of the year have a weighted average remaining contractual life of 4 years (2006 - 4 years) and have the following exercise prices:

Expiry date	Exercise price p	2007 No	2006 No
10 March 2007	2.50	-	7,000,000
20 March 2007	5.00	-	5,000
1 July 2007	5.00	56,490	56,490
13 June 2008	2.50	5,000,000	5,000,000
10 July 2008	4.75	140,000	140,000
10 June 2009	1.75	7,283,334	7,283,334
18 February 2010	1.25	5,565,178	5,798,513
27 January 2011	4.75	7,700,000	8,000,000
7 July 2011	3.38	295,000	295,000
27 January 2012	4.60	8,349,998	8,499,998
6 September 2013	3.30	10,150,000	-
10 April 2014	2.55	851,000	-
		<u>45,391,000</u>	<u>42,078,335</u>

ADVFN PLC

Notes to the Financial Statements for the year ended 30 June 2007

18. Share based payments (continued)

233,335 options were exercised during the year. The weighted average share price at the date of exercise was 2.9p.

The fair values were calculated using the Black-Schöles Pricing Model. The inputs into the model were as follows:

2007:

During the year the following options were granted:

Date of issue	Number granted	Weighted average share price	Weighted average exercise price	Expected volatility	Expected life	Risk free rate	Expected dividend yield	Weighted average fair value at grant date
	No.	p	p	%	Years	%	%	p
6 September 2006	10,150,000	3.30	3.30	39.75	7	5	0	16.70
10 April 2007	851,000	2.55	2.55	39.00	7	5	0	12.80

2006:

The options granted during the prior year were forfeited prior to the year ended 30 June 2006 and are therefore outside the scope of FRS20.

Expected volatility was determined by calculating the historical volatility of the company's share price over the 36 months prior to the grant date. The expected life used in the model has been adjusted, based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The company recognised total expense of £169,000 (2006: £115,000) related to equity-settled share based payment transactions during the year.

ADVFN PLC

Notes to the Financial Statements for the year ended 30 June 2007

19. Other reserves

	Group and company Share premium account £'000	Group and company Merger reserve £'000	Group and company Shares to be issued £'000	Group Option Valuation Reserve £'000	Company Option Valuation Reserve £'000
At 1 July 2006 – as previously stated	5,634	221	498	-	-
Prior year adjustment recognising equity settled share based payments (FRS20)	-	-	-	174	174
At 1 July 2006 – as restated	5,634	221	498	174	174
Recognition of equity settled share based payments in the year (FRS 20)	-	-	-	169	169
Share of associates FRS 20 adjustment	-	-	-	(8)	-
Shares issued to acquire subsidiary	-	-	(166)	-	-
Premium on allotment during the year	2,147	-	-	-	-
Issue costs	(181)	-	-	-	-
At 30 June 2007	<u>7,600</u>	<u>221</u>	<u>332</u>	<u>335</u>	<u>343</u>

20. Profit and loss reserves

	Group	Company
	Profit and loss account £'000	Profit and loss account £'000
At 1 July 2006 – as previously stated	(5,810)	(7,910)
Prior year adjustment recognising equity settled share based payments (FRS20)	(174)	(174)
At 1 July 2006 – as restated	(5,984)	(8,084)
Loss transferred to reserves	(1,499)	(503)
Foreign exchange differences	(92)	-
At 30 June 2007	<u>(7,575)</u>	<u>(8,587)</u>

ADVFN PLC

Notes to the Financial Statements for the year ended 30 June 2007

21. Reconciliation of movements in shareholders' funds

	2007	2006
	£'000	As restated £'000
Loss for the financial year	(1,499)	(1,021)
Recognition of equity settled share based payments in the year (FRS20)	161	115
Foreign exchange differences	(92)	-
Net receipts from issues of shares	3,038	632
Shares to be issued	(166)	498
Net increase in shareholders' funds	1,442	224
Shareholders' funds at 1 July 2006	5,341	5,117
Shareholders' funds at 30 June 2007	6,783	5,341

22. Reconciliation of operating loss to net cash (outflow) / inflow from operating activities

	2007	2006
	£'000	As restated £'000
Operating loss	(1,073)	(1,318)
Recognition of equity settled share based payments in the year (FRS20)	169	115
Amortisation	195	337
Depreciation	971	678
Increase in debtors	(197)	(135)
Increase in creditors	82	388
Investments acquired for services rendered	(30)	-
Foreign exchange differences	(8)	-
Net cash inflow from operating activities	109	65

ADVFN PLC

Notes to the Financial Statements for the year ended 30 June 2007

23. Acquisitions

On 25th September 2006 the company acquired the entire share capital of InvestorsHub.com Inc, which also encompassed the business of SI Holdings LLC for a consideration of US\$3,000,000 (£1,637,000) satisfied entirely by cash.

Goodwill arising on this transaction has been capitalised. The purchase of the InvestorsHub.com Inc. and SI Holdings LLC has been accounted for by the acquisition method of accounting.

The assets and liabilities of InvestorsHub.com Inc. and SI Holdings LLC acquired were as follows:

	InvestorsHub.com Inc and SI Holdings LLC Book and fair value £'000
Fixed assets	
Tangible	8
Current assets	
Debtors	24
Bank and cash	13
Total current assets	<u>37</u>
Creditors	
Trade creditors	<u>9</u>
Net assets	36
Purchased goodwill capitalised	<u>1,601</u>
Consideration	<u><u>1,637</u></u>
Satisfied by	
Cash	<u><u>1,637</u></u>

ADVFN PLC

Notes to the Financial Statements for the year ended 30 June 2007

23. Acquisitions (continued)

The results of InvestorsHub.com Inc. and SI Holdings LLC for the period prior to acquisition and the previous financial year are summarised below:

	Period from 1 January 2006 to 25 September 2006 £'000	Year ended 31 December 2005 £'000
Turnover	188	249
Operating (loss)/profit and (loss)/profit before taxation	(7)	47
Taxation	(5)	(6)
(Loss)/profit for the period	(12)	41

InvestorsHub.com Inc. and SI Holdings LLC made the following contributions to, and utilisation of, Group cash flow during the year:

	Period 26 September 2006 to 30 June 2007 £'000
Net cash inflow from operating activities	57
Capital expenditure and financial investment	(54)
Increase in cash	<u>3</u>

Analysis of net outflow of cash in respect of the purchase of the subsidiary undertaking:

	£'000
Cash at bank and in hand acquired	13
Cash consideration	<u>(1,637)</u>
	<u><u>(1,624)</u></u>

ADVFN PLC

Notes to the Financial Statements for the year ended 30 June 2007

24. Reconciliation of net cash flow to movement in net funds

	2007 £'000	2006 £'000
Increase / (decrease) in cash for the year	407	(901)
Cash acquired on acquisitions	13	15
Inception of new finance leases and hire purchase agreements	(49)	(75)
Cash outflow from capital repayments of hire purchase agreements	34	24
Movement in net funds in the year	405	(937)
Net funds at 1 July 2006	869	1,806
Net funds at 30 June 2007	1,274	869

25. Analysis of movements in net funds

	At 1 July 2006 £'000	Cash flow £'000	Acquisitions £'000	Non cash items £'000	At 30 June 2007 £'000
Cash in hand and at bank	938	407	13	-	1,358
Finance leases and hire purchase agreements	(69)	34	-	(49)	(84)
	869	441	13	(49)	1,274

26. Commitments under operating leases

Amounts payable under lease agreements within the next year are as follows:

	Group 2007 £'000	Company 2007 £'000	Group 2006 £'000	Company 2006 £'000
<i>Land and buildings</i>				
Leases expiring				
- within one year	6	6	14	14
- within two to five years	221	148	74	-
- after five years	-	-	148	148
	227	154	236	162

27. Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at 30 June 2007 or 30 June 2006.

ADVFN PLC

Notes to the Financial Statements for the year ended 30 June 2007

28. Related party transactions

At 30 June 2007 the company owed £nil to On-line plc (2006: £nil). The company paid management charges of £41,400 (2006: £36,300) to On-line plc for the year. On-line plc is related by virtue of having common directors, M J Hodges, C H Chambers, D J Crump and J B Mullins and as On-line holds approximately 19.5% of the shares in the company.

During the year Edward Hunter Associates Limited, a company in which R A Emmet was a director, received fees of £9,500 (2006: £23,500) for recruiting staff for the company.

At 30 June 2007 the company was owed £nil from ALL IPO (2006: £nil). The company received rent of £24,000 (2006: £21,000) from ALL IPO for the year. ALL IPO is related by virtue of having common directors, M J Hodges and C H Chambers, and additionally because the Company holds 40.4% of the shares.

At 30 June 2007 the company was owed £23,000 by ADVFN Japan KK (2006: £83,000)

29. Post balance sheet events

On 8 October 2007 the company issued 5,713,131 new ordinary shares of 1p for a consideration of 2.9p per share. The new ordinary shares have been allotted to the former shareholders of Equity Holdings Limited in satisfaction of deferred consideration for the acquisition of Equity Holdings Limited during 2006. The deferral payment is based on a turnover milestone being achieved for the year ended 30 June 2007.

ADVFN PLC

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Company will be held in the Conference Room, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA on Wednesday 16th January 2008 at 10.30 a.m. for the following purposes:

Ordinary Business

- 1 To receive and adopt the Report of the Directors and the audited accounts of the Company for the year ended 30 June 2007.
- 2 To re-elect Mr. J Mullins 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 R Negus 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 be and are hereby generally and unconditionally authorised pursuant to and in accordance with Section 80 of the Companies Act 1985 to exercise for a period from the date of the passing of this Resolution until the conclusion of the next Annual General Meeting of the Company all the powers of the Company to allot relevant securities (within the meaning of that section) up to a maximum aggregate nominal value of £2,963,462 and to make offers or agreements which would or might require relevant securities to be allotted after the expiry of the said period and the Directors may allot relevant securities in pursuance of such offers or agreements as if the authority had not expired, such authority to be in substitution for any existing authority conferred on the Directors pursuant to Section 80 of the Act.
- 6 To consider, and if thought fit, to pass the following as a special resolution:-
That the Directors be and are hereby authorised to make offers and agreements to allot equity securities (within the meaning of Section 94(2) of the Companies Act 1985) pursuant to the authority contained in paragraph 5 above as if Section 89(1) of the Companies Act 1985 did not apply to any such allotments and that the Company may at any time prior to the expiry of such authority make an offer or agreement which would or might require equity securities to be allotted after the expiry of such authority and the Directors may allot equity securities in pursuance of such an offer or agreement as if the authority had not expired provided that such authority shall expire at the conclusion of the next Annual General Meeting of the Company and be limited to:
 - (i) 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:-
 - (a) to deal with equity securities representing fractional entitlements; and
 - (b) 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
 - (ii) other allotments (otherwise than pursuant to sub-paragraph (i) above) of equity securities for cash up to an aggregate nominal amount equal to £2,963,462.

By order of the Board
David J Crump
Company Secretary
30th October 2007

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

Notes:

1. A member entitled to attend and vote at the meeting convened by this notice is entitled to appoint a proxy to exercise all or any rights to attend, speak and vote at the meeting. The proxy need not also be a member of the company. More than one proxy may be appointed to exercise the rights attaching to different shares held by the member, but a member may not appoint more than one proxy to exercise rights attached to any one share.
2. A proxy form is enclosed. To be effective the form of proxy (and any power of attorney or other authority under which it is signed, or a notarially certified copy of such power or authority) must be duly completed and returned so as to reach the office of the Company's registrars, Capita Registrars (Proxies), P.O. Box 25, Beckenham, Kent BR3 4BR no later than 10.00 a.m. on 14th January 2008 or 48 hours before the time appointed for the holding of any adjournment of the meeting. In the case of a corporation, the proxy form must be executed under its common seal, or signed on its behalf by an attorney or officer of the corporation. Depositing a form of proxy shall not preclude a member from attending and voting in person at the meeting or any adjournment thereof instead of the proxy.
3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 the Company specifies that only those shareholders registered in the register of members of the Company as at 48 hours before the time appointed for the holding of the meeting or any adjournment of the meeting shall be entitled to attend and vote at the meeting. Changes to entries on the relevant securities register after 48 hours before the time appointed for the holding of the meeting or any adjournment of the meeting shall be disregarded in determining the rights of any person to attend and vote at the meeting.

ADVFN PLC

FORM OF PROXY

To:
The Directors
ADVFN PLC (the Company)
c/o Capita Registrars (Proxies)
P. O. Box 25
Beckenham
Kent
BR3 4BR

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 Wednesday 16th January 2008 at 10.30 am. 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
Ordinary Resolutions:		
1. To adopt the Report and Accounts for the year ended 30 June 2007		
2. To re-elect Mr. J Mullins as a director of the Company		
3. To re-elect Mr. R Negus as a director of the Company		
4. To re-appoint Grant Thornton UK LLP as the Company's auditors		
5. To authorise the directors to allot relevant securities pursuant to Section 80 of the Companies Act 1985		
Special Resolution:		
6. To authorise the directors to allot equity securities for cash under Section 95 of the Companies Act 1985		

Date..... Signature.....

Notes :

- 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.
- 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.
- You may appoint more than one proxy to represent you at the meeting provided that each proxy is appointed to exercise the rights attaching to different shares held by you. If you wish to do so, please contact the Company Secretary at Suite 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex CM5 0GA to discuss the necessary requirements.
- 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.
- 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.
- 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 stating your intention to revoke your proxy appointment to the Company Secretary at Suite 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex CM5 0GA. 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.
- 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 SERVICE
Licence No. MB 122



Capita Registrars (Proxies)
PO Box 25
Beckenham
Kent
BR3 4BR

THIRD FOLD

FIRST FOLD