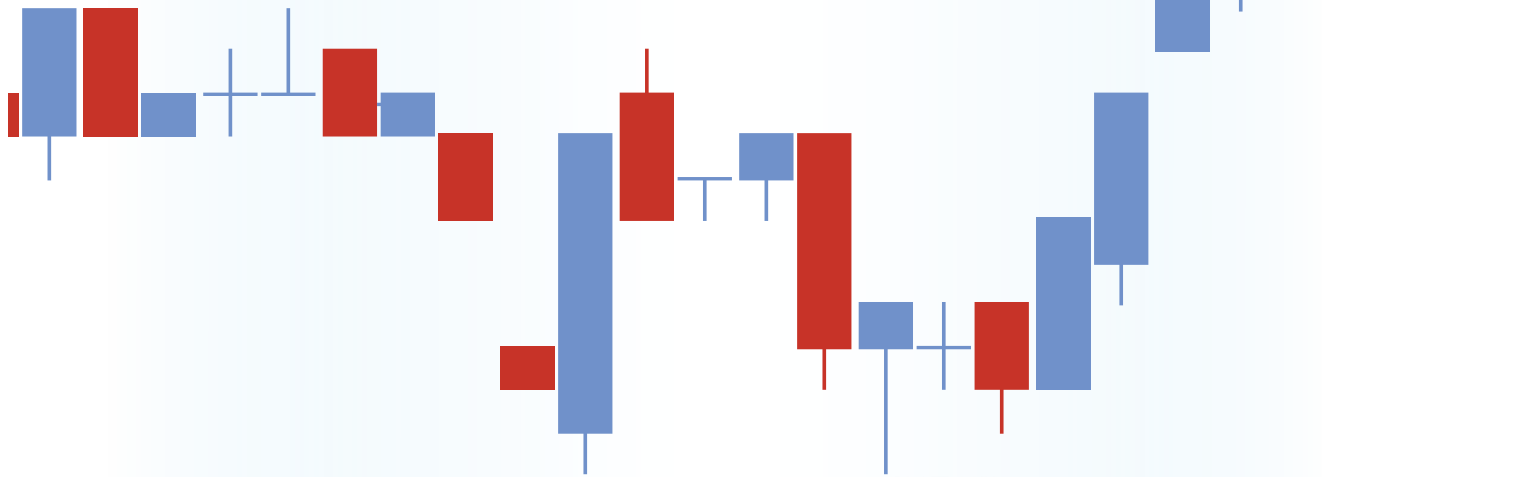


# **ADVFN**

[www.advfn.com](http://www.advfn.com)



## **ADVFN Plc Interim Report 1 July to 31 December 2013**

Registered Number: 2374988 (England and Wales)

**Chief Executive's Statement**

I am pleased to announce a strong start to the year with ADVFN's sales up 10% on the previous year's first half and a similar percentage on the preceding 6 months period.

This improving performance has fed through to our cash, which is materially ahead of this time last year, £1,493m versus £1,116m. Cash is a figure I know many of our shareholders track because of the impact the amortisation of intangible assets can potentially have in understanding the operating results of the business.

I am therefore pleased to be able report that our sales and cash balances are growing, even against a background of continued investment in the business and a weak dollar, which is unflattering to our pound denominated results.

Our operating loss and pre-tax losses have also fallen materially relative to the comparative period last year and we are optimistic that this trend will continue.

Performance in the New Year has been strong with a rise in online traffic of over 25% relative to the end of 2013. This is translating directly into increasing subscription levels. This growth is being felt in our key markets, the UK and US, with our American online traffic being the main driver.

This increase in online traffic growth has come with the New Year and bodes well for the rest of the period as increases in traffic begets subscription growth, which in turn precedes increases in advertising revenue growth.

Online traffic growth in January and February of 2014 has been the strongest since 2008.

We continue to expand our offering globally and while the UK and US are outshining some of the other markets we operate in, Mexico, Japan and the Philippines continue to make progress. As a global foot print our smaller sites add up to an attractive audience for our global advertising clients and as such make a material contribution to our overall sales.

We have expected this year to be another year of progress for ADVFN and the beginning of 2014 suggests that we were right to hope for a good year. The first two months of 2014 leave us feeling invigorated and very optimistic about the future.

**Financial performance**

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

	Six Months ended 31 December 2013	Six Months ended 31 December 2012
	£'000	£'000
Turnover ( Discontinued operations ) ( Continuing operations )	- 4,458	16 4,046
Loss for the period	(226)	(312)
Operating Loss	(342)	(416)
Loss per share	(0.04p)	(0.05p)

**Clem Chambers**  
CEO  
7 March 2014

**Consolidated income statement**

	Notes	6 months to 31 Dec 2013 £'000 unaudited	6 months to 31 Dec 2012 £'000 unaudited	12 months to 30 June 2013 £'000 audited
Revenue from discontinued operations		-	16	-
Revenue from continuing operations		4,458	4,046	8,077
<b>Total group revenue</b>		<b>4,458</b>	<b>4,062</b>	<b>8,077</b>
Cost of sales		(491)	(96)	(339)
<b>Gross profit</b>		<b>3,967</b>	<b>3,966</b>	<b>7,738</b>
Share based payment		(47)	(51)	(93)
Amortisation of intangible assets		(465)	(471)	(917)
Other administrative expenses		(3,797)	(3,860)	(7,599)
<b>Total administrative expense</b>		<b>(4,309)</b>	<b>(4,382)</b>	<b>(8,609)</b>
<b>Operating loss</b>		<b>(342)</b>	<b>(416)</b>	<b>(871)</b>
Finance income		53	46	95
Finance expense		-	-	-
<b>Loss before tax</b>		<b>(289)</b>	<b>(370)</b>	<b>(776)</b>
Taxation		63	58	242
<b>Total loss after taxation for continuing operations</b>		<b>(226)</b>	<b>(312)</b>	<b>(534)</b>
<b>Total (loss)/profit after taxation from discontinued operations</b>		<b>-</b>	<b>-</b>	<b>(5)</b>
<b>Loss for the period</b>		<b>(226)</b>	<b>(312)</b>	<b>(539)</b>
<b>Loss per share</b>				
Basic and diluted (pence per share)	3	(0.04)	(0.05)	(0.09)

**Consolidated statement of comprehensive income**

		6 months to 31 Dec 2013 £'000 unaudited	6 months to 31 Dec 2012 £'000 unaudited	12 months to 30 June 2013 £'000 audited
Loss for the period		(226)	(312)	(539)
<b>Other comprehensive income:</b>				
Exchange differences on translation of foreign operations		(146)	(85)	69
Deferred tax on translation of foreign held assets		21	14	(6)
<b>Total comprehensive income for the year</b>		<b>(351)</b>	<b>(383)</b>	<b>(476)</b>

## ADVFN PLC

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### Consolidated balance sheet

	31 Dec 2013 £'000 unaudited	31 Dec 2012 £'000 unaudited	30 June 2013 £'000 audited
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	119	68	61
Goodwill	747	763	806
Intangible assets	1,502	1,918	1,777
Trade and other receivables	540	735	485
Total non-current assets	2,908	3,484	3,129
<b>Current assets</b>			
Trade and other receivables	1,045	996	925
Current tax recoverable	33	133	46
Cash and cash equivalents	1,493	1,116	1,461
Total current assets	2,571	2,245	2,432
<b>Total assets</b>	<b>5,479</b>	<b>5,729</b>	<b>5,561</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	6,305	6,291	6,291
Share premium	8,101	8,062	8,062
Merger reserve	221	221	221
Share based payments reserve	610	525	563
Foreign exchange reserve	153	144	278
Retained earnings	(12,289)	(11,840)	(12,063)
Total equity	3,101	3,403	3,352
<b>Non-current liabilities</b>			
Deferred tax	185	413	249
Total non-current liabilities	185	413	249
<b>Current liabilities</b>			
Trade and other payables	2,187	1,912	1,954
Current tax	6	1	6
Total current liabilities	2,193	1,913	1,960
<b>Total liabilities</b>	<b>2,378</b>	<b>2,326</b>	<b>2,209</b>
<b>Total equity and liabilities</b>	<b>5,479</b>	<b>5,729</b>	<b>5,561</b>

**Consolidated statement of changes in equity**

	Share capital	Share premium	Merger reserve	Share based payment reserve	Foreign exchange	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 July 2012</b>	6,289	8,057	221	474	215	(11,528)	3,728
Issue of shares	-	-	-	-	-	-	-
Exercise of share options	2	5	-	-	-	-	7
Equity settled share options	-	-	-	51	-	-	51
<b>Transactions with owners</b>	2	5	-	51	-	-	58
Loss for the period after tax	-	-	-	-	-	(312)	(312)
<b>Other comprehensive income</b>							
Exchange differences on translation of foreign operations	-	-	-	-	(85)	-	(85)
Deferred tax on translation of foreign held assets	-	-	-	-	14	-	14
<b>Total comprehensive income</b>					(71)	(312)	(383)
<b>At 31 December 2012</b>	6,291	8,062	221	525	144	(11,840)	3,403
Issue of shares	-	-	-	-	-	-	-
Exercise of share options	-	-	-	(4)	-	4	-
Equity settled share options	-	-	-	42	-	-	42
<b>Transactions with owners</b>	-	-	-	38	-	4	42
Loss for the period after tax	-	-	-	-	-	(227)	(227)
<b>Other comprehensive income</b>							
Exchange differences on translation of foreign operations	-	-	-	-	154	-	154
Deferred tax on translation of foreign held assets	-	-	-	-	(20)	-	(20)
<b>Total comprehensive income</b>	-	-	-	-	134	(227)	(93)
<b>At 30 June 2013</b>	6,291	8,062	221	563	278	(12,063)	3,352
Issue of shares	14	39	-	-	-	-	53
Equity settled share options	-	-	-	47	-	-	47
<b>Transactions with owners</b>	14	39	-	47	-	-	100
Loss for the period after tax	-	-	-	-	-	(226)	(226)
<b>Other comprehensive income</b>							
Exchange differences on translation of foreign operations	-	-	-	-	(146)	-	(146)
Deferred tax on translation of foreign held assets	-	-	-	-	21	-	21
<b>Total comprehensive income</b>	-	-	-	-	(125)	(226)	(351)
<b>At 31 December 2013</b>	6,305	8,101	221	610	153	(12,289)	(3,101)

**Consolidated cash flow statement**

6 months                      6 months                      12 months

## ADVFN PLC

	to 31 Dec 2013 £'000 unaudited	to 31 Dec 2012 £'000 unaudited	to 30 June 2013 £'000 Audited
<b>Cash flows from operating activities</b>			
Loss for the period before tax	(289)	(370)	(776)
Finance costs	(53)	(46)	(95)
Depreciation of property, plant and equipment	30	38	62
Amortisation	465	471	917
Impairment of financial assets	-	-	300
Share based payments	47	51	93
(Increase)/decrease in trade and other receivables	(122)	79	149
Increase/(decrease) in trade and other payables	233	(241)	(199)
Net cash generated/(used) by continuing operations	311	(18)	451
Net cash used by discontinued operations	-	-	(5)
	311	(18)	446
Income tax received/(paid)	12	(35)	77
Net cash generated/(used) by operating activities	323	(53)	523
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	(179)	(23)	(40)
Purchase of intangibles	(156)	(198)	(499)
Net cash used by investing activities	(335)	(221)	(539)
<b>Cash flows from financing activities</b>			
Proceeds from issue of equity shares	53	7	7
Net cash generated by financing activities	53	7	7
Net increase/(decrease) in cash and cash equivalents	41	(267)	(9)
Exchange movements	(9)	(57)	30
Total increase/(decrease) in cash and cash equivalents	32	(324)	21
Cash and cash equivalents at the start of the period	1,461	1,440	1,440
Cash and cash equivalents at the end of the period	1,493	1,116	1,461

**1. Legal status and activities**

ADVFN Plc (“the Company”) is principally involved in the development and provision of financial information primarily via the internet and the development and exploitation of ancillary internet sites.

The company is a public limited liability company incorporated and domiciled in England and Wales. The address of its registered office is Suite 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA.

The Company is quoted on the Alternative Investment Market (“AIM”) of the London Stock Exchange.

**2. Basis of preparation**

The unaudited consolidated interim financial information is for the six month period ended 31 December 2013. The financial information does not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2013, which were prepared under IFRS as adopted by the European Union (EU).

The accounting policies adopted in this report are consistent with those of the annual financial statements for the year to 30 June 2013 as described in those financial statements.

The interim financial information has not been audited nor has it been reviewed under ISRE 2410 of the Auditing Practices Board. The financial information presented does not constitute statutory accounts as defined by section 434 of the Companies Act 2006. The Group’s statutory accounts for the year to 30 June 2013 have been filed with the Registrar of Companies. The auditors, Grant Thornton UK LLP reported on these accounts and their report was unqualified and did not contain a statement under section 498(2) or Section 498(3) of the Companies Act 2006.

The financial statements have been prepared on the going concern basis which assumes the Group will continue in existence for the foreseeable future. At 31 December 2013 the Group’s cash balances amounted to £1.5 million and the forecasts indicate that this balance will be broadly maintained and then increase in the remainder of the financial year. Accordingly the directors have prepared these financial statements on the going concern basis.

**3. Loss per share**

	6 months to 31 Dec 2013 £’000	6 months to 31 Dec 2012 £’000	12 months to 30 June 2013 £’000
Loss for the year attributable to equity shareholders	<u>(226)</u>	<u>(312)</u>	<u>(539)</u>
Loss per share -basic and diluted	<u>(0.04)</u>	<u>(0.05)</u>	<u>(0.09)</u>
	Shares	Shares	Shares
Issued ordinary shares at start of the period	629,114,004	628,864,004	628,864,004
Ordinary shares issued in the period	<u>1,391,060</u>	<u>250,000</u>	<u>250,000</u>
Issued ordinary shares at end of the period	<u>630,505,064</u>	<u>629,114,004</u>	<u>629,114,004</u>
Weighted average number of shares in issue for the period	630,489,944	629,043,352	629,078,388
Dilutive effect of options	<u>-</u>	<u>-</u>	<u>-</u>
Weighted average shares for diluted earnings per share	<u>630,489,944</u>	<u>629,043,352</u>	<u>629,078,388</u>

The diluted loss per share does not differ from the basic loss per share as the exercise of share options would have the effect of reducing the loss per share and is therefore not dilutive under the terms of IAS 33.

**4. Dividends**

The directors do not recommend the payment of a dividend.

**5. Financial statements**

Copies of this statement are being posted to shareholders shortly and will be available from the company’s registered office at Suite 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA.