

ADVFN

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ADVFN Plc

Unaudited Interim Results for the Six Months

1 July to 31 December 2021

Registered Number: 2374988 (England and Wales)

ADVFN PLC
(“ADVFN” or the “Group”)
Unaudited Interim Results for the Six Months Ended 31 December 2021

ADVFN today announces its unaudited interim results for the six months ended 31 December 2021 (the “Period”).

Chief Executive’s Statement

The Board is very pleased to report the results for the six months ended 31 December, when ADVFN consolidated the progress made last year.

Revenue was £4.2 million, the same level as the comparable period for the six months ended 31 December 2020, with a profit after tax for the Period of £202,000, which although lower by £62,000 than the previous year was £601,000 better than the comparable period in 2019.

We have been a little more aggressive in investing for the future in this half with the addition to our offerings of new features and data in this half, with a special focus on Crypto. We will continue to freshen our offerings which we see as helping to sustain and grow our future revenue.

Financial performance

The key financial performance for the period is summarised in the table below:

	Six Months ended 31 December 2021	Six Months ended 31 December 2020
	£'000	£'000
Revenue	4,228	4,233
Profit / (loss) for the period	202	264
Operating profit / (loss)	229	277
Profit per share – basic (see note 3)	0.77p	1.03 p

Post Period Events

Following the Period end the Board announced that it had concluded its strategic review of the Company's options and ended the "formal sale process" of the Company which it had commenced previously in accordance with Rules 2.4 and 2.6 of the Takeover Code. The Board concluded that the Company should take advantage of the available options to grow its business offering and geographic reach through business partnerships and possible joint venture arrangements or acquisitions.

While there can be no certainty as to whether these opportunities can be consummated, the Board believes that these potential development opportunities would enable the Group to build value for all shareholders.

Dividend Policy and Interim Dividend

As announced last year, while the Board will continue to deploy the Group's cash resources to the growth of, and investment in, the business, the Board concluded that as a result of the much-improved financial performance of the Group, the Company was in a position to adopt a dividend policy to generate returns for shareholders. The Board's adopted policy was to pay dividends twice a year in equal instalments on a semi-annual basis following the release of the interim and full year financial results. Accordingly, for the Period, the Board is therefore pleased to announce that the Company will pay an interim dividend of 0.75 pence per ordinary share, which is in line with last year's dividend of 1.5 pence for the year as a whole. The interim dividend will be payable as per the timetable below:

- Ex dividend dated: 24 March 2022
- Record date: 25 March 2022
- Payment date: 11 April 2022

Outlook

While we are focused on the successful future development of ADVFN, on 26 January 2022, the Board announced that it had received a letter from Mr Yair Tauman in which Mr Yair Tauman requested that the Company convene a general meeting under section 303 of the Companies Act, to consider to consider proposed changes to the Board including my removal as a director of the Company and the proposed appointment of Messrs Anthony Wollenberg, Amit Tauman and Lord David Gold as directors of the Company. The Company requested information from Mr Yair Tauman in respect of the individuals proposed by him as directors of the Company and will make a further announcement in due course.

This may well be my last CEO statement and as such I will take this opportunity to wish shareholders, customers and staff my best wishes for a good outcome for all.

Clem Chambers
CEO
21 February 2022

Consolidated income statement

	6 months to 31 Dec 2021 £'000 unaudited	6 months to 31 Dec 2020 £'000 unaudited	12 months to 30 June 2021 £'000 audited
	Notes		
Revenue	4,228	4,233	9,059
Cost of sales	(162)	(244)	(452)
Gross profit	4,066	3,989	8,607
Share based payment	-	(44)	(43)
Amortisation of intangible assets	(138)	(128)	(251)
Other administrative expenses	(3,699)	(3,540)	(6,849)
Total administrative expense	(3,837)	(3,712)	(7,143)
Government grant	-	-	162
Operating profit	229	277	1,626
Finance expense	(27)	(13)	(22)
Other income	-	-	4
Profit/(loss) before tax	202	264	1,608
Taxation	-	-	10
Profit/(loss) for the period attributable to shareholders of the parent	202	264	1,618
Earnings per share			
Basic	0.77p	1.03 p	6.28p
Diluted	0.74p	0.99 p	5.97p

Consolidated statement of comprehensive income

	6 months to 31 Dec 2021 £'000 unaudited	6 months to 31 Dec 2020 £'000 unaudited	12 months to 30 June 2021 £'000 audited
Profit/ for the period	202	264	1,618
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	50	(49)	(95)
Total other comprehensive income	50	(49)	(95)
Total comprehensive income for the year attributable to shareholders of the parent	252	215	1,523

Consolidated balance sheet

	31 Dec 2021 £'000 unaudited	31 Dec 2020 £'000 unaudited	30 June 2021 £'000 audited
Assets			
Non-current assets			
Property, plant and equipment	180	283	239
Goodwill	929	927	870
Intangible assets	1,584	1,460	1,562
Deferred tax asset	-	-	-
Trade and other receivables	25	-	110
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	2,718	2,670	2,781
Current assets			
Trade and other receivables	725	647	546
Cash and cash equivalents	2,032	931	1,939
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	2,757	1,578	2,485
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Total assets	5,475	4,248	5,266
Equity and liabilities			
Equity			
Issued capital	52	51	52
Share premium	223	167	223
Share based payments reserve	343	411	343
Foreign exchange reserve	260	256	210
Retained earnings	2,497	874	2,295
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	3,375	1,759	3,123
Non-current liabilities			
Borrowing – bank loans	47	83	54
Borrowing – lease liabilities	37	101	87
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	84	184	141
Current liabilities			
Trade and other payables	1,902	2,082	1,886
Borrowing – bank loans	13	88	13
Borrowing – lease liabilities	101	135	103
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	2,016	2,305	2,002
	<hr/>	<hr/>	<hr/>
Total liabilities	2,100	2,489	2,143
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Total equity and liabilities	5,475	4,248	5,266

Consolidated statement of changes in equity

	Share capital	Share premium	Share based payment reserve	Foreign exchange	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2020	51	167	367	305	610	1,500
Share based payments			44			44
Profit for the period after tax	-	-	-	-	264	264
Other comprehensive income						
Exchange differences on translation of foreign operations	-	-	-	(49)	-	(49)
Total comprehensive income	-	-	-	(49)	264	215
At 31 December 2020	51	167	411	256	874	1,759
Transactions with equity shareholders:						
Shares issued	1	56	-	-	-	57
Transfer on exercise	-	-	(67)	-	67	-
	1	56	(67)	-	67	57
Reprice share options	-	-	(1)	-	-	(1)
Profit for the period after tax	-	-	-	-	1,354	1,354
Other comprehensive income						
Exchange differences on translation of foreign operations	-	-	-	(46)	-	(46)
Total comprehensive income	-	-	-	(46)	1,354	1,308
At 30 June 2021	52	223	343	210	2,295	3,123
Share based payments	-	-	-	-	-	-
Profit for the period after tax	-	-	-	-	202	202
Other comprehensive income						
Exchange differences on translation of foreign operations	-	-	-	50	-	50
Total comprehensive income	-	-	-	50	202	252
At 31 December 2021	52	223	343	260	2,497	3,375

Consolidated cash flow statement

	6 months to 31 Dec 2021 £'000 unaudited	6 months to 31 Dec 2020 £'000 unaudited	12 months to 30 June 2021 £'000 audited
Cash flows from operating activities			
Profit for the year	202	264	1,618
Taxation expense	-	-	(10)
Net finance expense in the income statement	27	13	22
Depreciation of property, plant and equipment	110	95	167
Amortisation	138	128	251
Forgiveness of US loan	-	-	(174)
Loss on disposal of PPE	-	-	-
Share based payment	-	44	43
(Increase) in trade and other receivables	(94)	(73)	(72)
Increase / (Decrease) in trade and other payables	16	(254)	(392)
Net cash generated by continuing operations	399	217	1,453
Income tax recovered	-	-	-
Net cash generated/(used) by operating activities	399	217	1,453
Cash flows from financing activities			
Issue of share capital	-	-	57
Repayment of lease principle	(59)	(41)	(92)
Drawdown of loans	-	-	17
Lease interest paid	(6)	(9)	(19)
Other interest paid	(21)	(4)	(3)
Net cash (used)/generated by financing activities	(86)	(54)	(40)
Cash flows from investing activities			
Payments for property, plant and equipment	(51)	(13)	(39)
Purchase of intangibles	(160)	(160)	(385)
Net cash used by investing activities	(211)	(173)	(424)
Net (decrease)/increase in cash and cash equivalents	102	(10)	989
Exchange differences	(9)	26	35
Net increase/(decrease) in cash and cash equivalents	93	16	1024
Cash and cash equivalents at the start of the period	1,939	915	915
Cash and cash equivalents at the end of the period	2,032	931	1,939

1. Legal status and activities

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

The principal trading subsidiaries are All IPO Plc, InvestorsHub.com Inc, N A Data Inc, MJAC InvestorsHub International Conferences Ltd and Cupid Bay Limited.

The Company is a public limited company which is quoted on the AIM of the London Stock Exchange and is incorporated and domiciled in the UK. The address of the registered office is Suite 28, Essex Business Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA.

The registered number of the company is 02374988.

2. Basis of preparation

The unaudited consolidated interim financial information is for the six-month period ended 31 December 2021. 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 2021, which were prepared under applicable law and International Accounting Standards (IAS) in conformity with the requirements of the Companies Act 2006 as at 30 June 2021.

The accounting policies adopted in this report are consistent with those of the annual financial statements for the year to 30 June 2021 as described in those financial statements.

The financial statements are presented in Sterling (£) rounded to the nearest thousand except where specified.

The unaudited interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the financial statements of the Group for the year ended 30 June 2021.

The interim financial information has been prepared on the going concern basis which assumes the Group will continue in existence for the foreseeable future.

No material uncertainties that cast significant doubt about the ability of the Group to continue as a going concern have been identified by the directors. Accordingly, the directors believe it is appropriate for the interim financial statement to be prepared on the going concern basis.

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 2021 have been filed with the Registrar of Companies. The auditors, Saffery Champness LLP reported on these accounts and their report was unqualified and did not contain a statement under section 498(2) or Section 498(3) of the Companies Act 2006.

3. Profit per share

	6 months to 31 Dec 2021 £'000	6 months to 31 Dec 2020 £'000	12 months to 30 June 2021 £'000
Profit for the year attributable to equity shareholders	202	264	1,618
Earnings per share (pence)			
Basic	0.77p	1.03 p	6.28p
Diluted	0.74p	0.99 p	5.97p
	Shares	Shares	Shares
Weighted average number of shares in issue for the period	26,115,318	25,703,845	25,773,739
Dilutive effect of options	1,144,585	1,092,868	1,336,807
Weighted average shares for diluted earnings per share	27,259,903	26,796,713	27,110,546

Where a loss has been recorded for the year the diluted loss per share does not differ from the basic loss per share. Where a profit has been recorded but the average share price for the year remains under the exercise price the existence of options is not normally dilutive. However, whilst the average exercise price of all outstanding options is above the average share price there are a number of options which are not. Under these circumstances those options where the exercise price is below the average share price are treated as dilutive.

4. Dividends

A dividend was announced on 5 July 2021. Final equity dividends to the shareholders of ADVFN plc are recognised in the period that they are approved by shareholders. Interim equity dividends are recognised in the period that they are paid.

Dividends receivable are recognised when the Company's right to receive payment is established

5. Financial statements

Copies of these accounts are available from ADVFN Plc's registered office at Suite 28, Ongar Business Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA or from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

www.companieshouse.gov.uk

and from the ADVFN plc website:

www.ADVFNPLC.com