



## **ADVFN Plc**

**Unaudited Interim Results for the Six Months**

**1 July to 31 December 2020**

Registered Number: 2374988 (England and Wales)

**ADVFN PLC**  
**(“ADVFN” or the “Group”)**

**Unaudited Interim Results for the Six Months Ended 31 December 2020**

**Chief Executive’s Statement**

These are very uncertain times, but as I have often alluded to, times of uncertainty are good for ADVFN. People become more engaged with their investments when the future looks difficult and the rolling confinements and the new work-from-home environments (“WFH”) have provided impetus to our audience’s desire to trade and invest. Market volatility has also helped. Counter-intuitively it is not necessarily a bullish period that has helped drive ADVFN revenue, because it turns out that solid profits for investors only fuels complacency and complacency is not good for our sales.

Advertising and subscriptions have been growing and so revenue, which sees us producing a solid bottom-line profit. At the end of 2019 and the beginning of 2020, a sudden and unexpected drop in advertising sales, coupled with a lack of subscription growth, caused us to re-evaluate our processes and reorganise the business from top to bottom. With great good fortune, we decided to become a fully ‘WFH’ enterprise with a new, much reduced cost base and re-engineered business processes around the turn of that year. This dramatic change was almost complete when the pandemic started, which by good fortune we were then pre-prepared for.

This intersection of events has meant we have made good progress across 2020 with the end of the first half showing a profit of £264,000. At this stage there seems no end in sight to the disruption of the pandemic and even with an end of the pandemic itself, be it hopefully soon, the global economic aftermath will, we believe, be with us for years to come. We will therefore remain an important destination for those wishing to actively navigate the trying times ahead and we feel a period of investor complacency is not a prospect for the foreseeable future. As such we believe that we will continue to grow for the foreseeable future.

While we expect growth at a similar pace in the coming half, our strategy is to be very conservative and we will expend our energies growing our platform’s capacity rather than looking to broaden our audience. We are very optimistic about our near and medium-term prospects, but it seems foolish to contemplate anything but a conservative risk profile to at least the year end.

While we cannot take credit for fate suddenly providing us with a strong hand, we can lay claim to having reshaped ADVFN during the pandemic’s disruption into a profitable business that looks set for a strong performance in 2021.

**Financial performance**

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

	Six Months ended 31 December 2020	Six Months ended 31 December 2019
	£'000	£'000
Revenue	4,233	3,748
Profit / (loss) for the period	264	(399)
Operating profit / (loss)	277	(397)
Loss per share – basic (see note 3)	1.03 p	(1.56 p)

**Clem Chambers**  
CEO  
18 February 2021

## Consolidated income statement

	6 months to 31 Dec 2020 £'000 unaudited	6 months to 31 Dec 2019 £'000 unaudited	12 months to 30 June 2020 £'000 audited	
Notes				
Revenue	4,233	3,748	7,069	
Cost of sales	(244)	(159)	(324)	
Gross profit	3,989	3,589	6,745	
Share based payment	(44)	-	-	
Amortisation of intangible assets	(128)	(156)	(296)	
Other administrative expenses	(3,540)	(3,830)	(6,769)	
Total administrative expense	(3,712)	(3,986)	(7,065)	
Operating profit/ (loss)	277	(397)	(320)	
Finance expense	(13)	(5)	(29)	
Loan interest expense – Government underwritten loans	(2)	-	-	
Government grant – loan interest	2	-	-	
Profit/(loss) before tax	264	(402)	(349)	
Taxation	-	3	124	
<b>Profit/(loss) for the period attributable to shareholders of the parent</b>	<b>264</b>	<b>(399)</b>	<b>(225)</b>	
<b>Earnings per share</b>				
Basic	3	1.03 p	(1.56 p)	(0.88 p)
Diluted		0.99 p	(1.56 p)	(0.88 p)

## Consolidated statement of comprehensive income

	6 months to 31 Dec 2020 £'000 unaudited	6 months to 31 Dec 2019 £'000 unaudited	12 months to 30 June 2020 £'000 audited
Profit/(loss) for the period	264	(399)	(225)
<b>Other comprehensive income:</b>			
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(49)	16	23
<b>Total other comprehensive income</b>	<b>(49)</b>	<b>16</b>	<b>23</b>
<b>Total comprehensive income for the year attributable to shareholders of the parent</b>	<b>215</b>	<b>(383)</b>	<b>(202)</b>

**Consolidated balance sheet**

	31 Dec 2020 £'000 unaudited	31 Dec 2019 £'000 unaudited	30 June 2020 £'000 audited
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	283	172	365
Goodwill	927	978	1,002
Intangible assets	1,460	1,467	1,428
Deferred tax asset	-	1	-
Trade and other receivables	-	108	-
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	2,670	2,726	2,795
<b>Current assets</b>			
Trade and other receivables	647	491	574
Cash and cash equivalents	931	557	915
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	1,578	1,048	1,489
	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	<b>4,248</b>	<b>3,774</b>	<b>4,284</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	51	51	51
Share premium	167	167	167
Share based payments reserve	411	367	367
Foreign exchange reserve	256	298	305
Retained earnings	874	436	610
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	1,759	1,319	1,500
<b>Non-current liabilities</b>			
Borrowing – bank loans	83	-	144
Borrowing – lease liabilities	101	-	94
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	184	-	238
<b>Current liabilities</b>			
Trade and other payables	2,082	2,455	2,278
Borrowing – bank loans	88	-	80
Borrowing – lease liabilities	135	-	188
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	2,305	2,455	2,546
	<hr/>	<hr/>	<hr/>
<b>Total liabilities</b>	<b>2,489</b>	<b>2,455</b>	<b>2,784</b>
<b>Total equity and liabilities</b>	<b>4,248</b>	<b>3,774</b>	<b>4,284</b>

**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
<b>At 1 July 2019</b>	51	167	367	282	835	1,702
Loss for the period after tax	-	-	-	-	(399)	(399)
<b>Other comprehensive income</b>						
Exchange differences on translation of foreign operations	-	-	-	16	-	16
<b>Total comprehensive income</b>	-	-	-	16	(399)	(383)
<b>At 31 December 2019</b>	51	167	367	298	436	1,319
Profit for the period after tax	-	-	-	-	174	174
<b>Other comprehensive income</b>						
Exchange differences on translation of foreign operations	-	-	-	7	-	7
<b>Total comprehensive income</b>	-	-	-	7	174	181
<b>At 30 June 2020</b>	51	167	367	305	610	1,500
Share based payments	-	-	44	-	-	44
Profit for the period after tax	-	-	-	-	264	264
<b>Other comprehensive income</b>						
Exchange differences on translation of foreign operations	-	-	-	(49)	-	(49)
<b>Total comprehensive income</b>	-	-	-	(49)	264	215
<b>At 31 December 2020</b>	51	167	411	256	874	1,759

**Consolidated cash flow statement**

	6 months to 31 Dec 2020 £'000 unaudited	6 months to 31 Dec 2019 £'000 unaudited	12 months to 30 June 2020 £'000 audited
<b>Cash flows from operating activities</b>			
Profit/(loss) for the year	264	(399)	(225)
Taxation expense	-	-	(124)
Net finance expense in the income statement	13	5	29
Depreciation of property, plant and equipment	95	52	177
Amortisation	128	156	296
Loss on disposal of PPE	-	-	2
Share based payment	44	-	-
(Increase)/decrease in trade and other receivables	(73)	202	227
Decrease in trade and other payables	(254)	(101)	(278)
Net cash generated by continuing operations	217	(85)	104
Income tax recovered	-	-	124
Net cash generated/(used) by operating activities	217	(85)	228
<b>Cash flows from financing activities</b>			
Repayment of lease principle	(41)	-	-
Drawdown of loans	-	-	224
Interest paid	(13)	(5)	(29)
Net cash (used)/generated by financing activities	(54)	(5)	195
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	(13)	(79)	(117)
Purchase of intangibles	(160)	(176)	(277)
Net cash used by investing activities	(173)	(255)	(394)
Net (decrease)/increase in cash and cash equivalents	(10)	(345)	29
Exchange differences	26	15	(1)
Net increase/(decrease) in cash and cash equivalents	16	(330)	28
Cash and cash equivalents at the start of the period	915	887	887
Cash and cash equivalents at the end of the period	931	557	915

## 1. Legal status and activities

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

ADVFN Plc is a public limited liability company incorporated and domiciled in England and Wales. The address of its registered office is Suite 28, Ongar Business Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA.

ADVFN Plc 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 2020. 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 2020, 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 2020 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 2020.

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 2020 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. Earnings per share

	6 months to 31 Dec 2020 £'000	6 months to 31 Dec 2019 £'000	12 months to 30 June 2020 £'000
Loss for the year attributable to equity shareholders	264	(399)	(225)
Earnings per share (pence)			
Basic	1.03 p	(1.56 p)	(0.88p)
Diluted	0.99 p	(1.56 p)	(0.88p)
	Shares	Shares	Shares
Weighted average number of shares in issue for the period	25,703,845	25,657,927	25,703,845
Dilutive effect of options	1,092,868	-	-
Weighted average shares for diluted earnings per share	26,796,713	25,657,927	25,703,845

Where a loss is reported for the period 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.

In addition, where a profit has been recorded but the average share price for the period remains under the exercise price of a specific grant of options, the existence of those options is not dilutive.

**4. Events after the balance sheet date**

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

**5. Dividends**

The directors do not recommend the payment of a dividend.