

ADVFN

www.advfn.com



ADVFN Plc
Annual Report 2019
FOR THE YEAR ENDED
30 JUNE 2019

Registered Number: 2374988 (England and Wales)

CONTENTS OF THE FINANCIAL STATEMENTS

	PAGE
Directors, officers and advisers	2
Chief Executive's Statement	3
Strategic Report	4
Corporate Governance Report	7
Report of the Directors	11
Remuneration Report	14
Independent Auditor's Report	16
Consolidated Income Statement and Statement of Comprehensive Income	21
Consolidated Balance Sheet	22
Company Balance Sheet	23
Consolidated Statement of Changes in Equity	24
Company Statement of Changes in Equity	25
Consolidated Cash Flow Statement	26
Company Cash Flow Statement	27
Notes to the Financial Statements	28

DIRECTORS, OFFICERS AND ADVISERS

Directors

Michael Hodges (Chairman)

Clement Chambers (Chief Executive Officer)

Jonathan Mullins (Technical Director and Chief Financial Officer)

Matt Collom (Sales Director)

Brian Basham (Non-executive Director)

Secretary

Michael Hodges

Registered Office

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

Independent Auditor

Grant Thornton UK LLP, St John's House, Haslett Avenue West, Crawley, RH10 1HS

Nominated Adviser

Beaumont Cornish Limited, 10th Floor, 30 Crown Place, London, EC2A 4EB

Broker

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

Registrars

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

Company number: 02374988

Chief Executive's Statement

The financial year 2018/19 was a year of development that has seen us adapt to a changing marketplace and begin to strengthen our business by pushing forward with our US facing business. Work in 2017 was responsible for addressing negative developments in equities, replacing revenue from equity-focused clients with revenues from the growing Blockchain industry. We now have a strong and comprehensive on-line Crypto information and data offering and we expect that to lead to a range of opportunities going forward providing us with additional revenue and a chance to grow the website with new opportunities.

Thanks to these developments we hope to avoid both the effects of Brexit but also the European Contracts and Markets Authority (ESMA) which has had a significant impact on some of our customers who focus on Contract for Difference (CFD) and spread betting. We have therefore accelerated our investment in the future to try to capitalise on the potential of a rebound for these clients alongside the next phase of the blockchain development which is recently showing a strong comeback.

Our US offering is now our largest audience and this year we have spent significant time and money to build on our presence there. We believe that this investment should start to bear fruit in 2019 and significantly in 2020. We are very happy with progress there and the product developments that will also begin to impact.

Whilst it is hard to predict the future in such an uncertain political business landscape, 2018/19 has been a significant year for us in positioning ADVFN to grow. Although, in this year, the overall market has shrunk, to compensate there is less competition. We would prefer to be operating in a burgeoning market, but it certainly helps to be one of the few places where a private investor or Cryptocurrency trader can get real-time high-quality information. We are one of a small number of destinations where financial services companies can get access to a high value audience for their offerings.

ADVFN and Investorshub has a large audience whose high aggregate net worth, is at the core of our business and we have been working hard to broaden our offering to take advantage of it.

At the end of this year we feel we are well positioned to prosper in an environment many look at with trepidation and we are looking forward to developments next year which we feel will deliver a strong performance.

Clement Chambers
CEO
29 October 2019

STRATEGIC REPORT

Financial Overview

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

We are assailed by a constant demand for price increases, particularly in the costs for data licenses and exchange fees and we continue to monitor this and adapt by deleting poor value sources and bringing in new data in response.

Business Review

The website is the centre of ADVFN's business and it can be seen at www.advfn.com. Our customer's demands on our website means we must provide sophisticated, technically challenging material which is subject to constant 24-hour maintenance and engineering. This is both a significant cost but also a wide defensive moat and barrier to entry for our business. The cost of provision of our kind of service has proved prohibitive to many competitors over the years.

Blockchain and Cryptocurrencies have allowed us to add new information and create a whole new area to the website dedicated to the needs of the growing global cryptocurrency audience for timely and accurate data. This has enhanced the whole ADVFN/Investorshub proposition.

In the UK our audience remains interested in Brexit and the impact it may or may not have, which creates much interest in the financial markets in the UK, which is to our advantage. ADVFN's data / information sites are a very important window into the world's financial markets that private investors in any part of the globe can use to help manage their investing and trading activities. We see opportunities for growth in many countries around the world and we support markets in many of them, however, at this time we are focused on developing audiences in the US, UK and Brazil.

Operating Costs

Our main costs are relatively fixed, but licence and exchange fees are continuing to rise which we monitor closely and have been adapting our offering to compensate. We have removed some markets and added others and have, up to now, seen no impact to our business by rejecting exchanges that become too costly for their profile. We have started to work closely with a select group of markets to help them reach broader audiences and this is an interesting opportunity for us.

Research and Development ("R&D")

Research and Development is what has allowed us to keep up with a rapidly changing market. Technology is always changing, competition appearing or disappearing, and we constantly strive to be relevant by providing excellent services. It is this research and development that is a key pillar for our future. The web and mobile environments are also changing all the time and we have to continue to move and evolve so that we can stay at the forefront of what customers need.

Our R & D investment this year has been £360,000 (2018: £353,000) and a substantial part of this investment has been to develop the website and has been capitalised. This constant investment ensures our web and mobile experience remains up to date and fresh.

Environmental policy

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

Future outlook for the business

The last two decades have taught us that we must keep abreast of an ever-changing market. Blockchain and Crypto Currencies are very much part of this and our future. They are new areas in which new business opportunities could open up where we can take the business forward. We are also developing other products that broaden our offering to both our users and our advertising customers and with a stable revenue platform we look towards meaningful growth.

STRATEGIC REPORT (continued)

Summary of key performance indicators

Our key indicators have not changed, as they are an important part of the business.

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

	2019 Actual	2019 Target	2018 Actual	2018 Target
Turnover	£8.7M	£8.8M	£9.2M	£8.5M
Average head count	46	44	46	40
ADVFN registered users	4.7M	4.6M	4.5M	4.2M

Turnover – is of vital importance as it gives the sales department a goal and measures the financial success of the Group’s services. The target for 2019 was set so as to show a steady improvement over the target for 2018 where the actual for 2018 had been unexpectedly high.

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

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

Principal risks and uncertainties

In addition to the principal risks summarised on page 7, the following are also considered to be principal risks and uncertainties.

Economic downturn

We constantly face rapid change and may face many new potential issues, including the outcome and impact of the Brexit negotiations and the leaving process itself. This, mixed with many emerging global economic pressures such as the US/China trade war, makes for an abundance of uncertainty. Uncertainty is a driver of our audience’s engagement, so our future is somewhat hedged by this against negative outcomes beyond our control.

High proportion of fixed overheads coupled with variable revenues

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

Product obsolescence

The systems and technology that we use are always in development and constantly requiring changes and upgrading. All our technology and products are subject to technological evolution and could become obsolete.

We constantly innovate and adopt new developments to keep up with this inevitable change.

The Board is 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.

Principal risks and uncertainties (continued)

Fluctuations in currency exchange rates

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

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

Consideration of the principal risks associated with financial instruments is contained in note 22.

People

I would like to thank the whole team at ADVFN who tirelessly provide a global service for private investors 24 hours a day.

ON BEHALF OF THE BOARD

Clement Chambers
CEO
29 October 2019

Corporate Governance Report

In April 2018, the Quoted Companies Alliance (QCA) published an updated version of its Code which provides UK small and mid-sized companies with a corporate governance framework that is appropriate for a Group and Company of our size and nature.

The Board considers the principles and recommendations contained in the QCA Code are appropriate and have therefore chosen to apply the QCA Code. The updated 2018 QCA Code has 10 principles that should be applied. Each principle is listed in the statement below together with an explanation of how the Group and Company applies or otherwise departs from each of the principles.

Principle One

Business Model and Strategy

The Board has concluded that the highest medium and long term value can be delivered to its shareholders is to continue to provide the tools and information our customers require, be that equity share prices, FOREX data, index data or crypto coin prices and information. Together with news about the financial markets globally. We have subscription based products that allow customers access to premium data and Advertisers that wish to reach our subscribers and users of the site. Further details and information about our products can be found at www.advfn.com.

Principle Two

Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its brokers, NOMAD and shareholders. Shareholders also have the opportunity to attend our AGM and can access current information about the Company via our Investor Relations (IR) website or at www.advfn.com.

Principle Three

Considering wider stakeholder and social responsibilities

The Board recognises that the long term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders. In addition the Board is conscious of its responsibility to ensure the website users experience is a positive one by being aware of its social, economic and environmental impact, and considering human rights. The finance team review this on a regular basis to ensure that there is close oversight and contact with its key resources and relationships.

Principle Four

Risk Management

In addition to its other roles and responsibilities, the Audit Committee and Finance team are responsible to the Board for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Company. The risk assessment matrix below sets out those risks, and identifies their ownership and the controls that are in place. This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them. The following principal risks and controls to mitigate them, have been identified:

Activity	Risk	Impact	Control(s)
Management	Recruitment and retention of key staff	Reduction in operating capability	Stimulating and safe working environment Balancing salary with longer term incentive plans
Regulatory adherence	Breach of rules	Censure or withdrawal of authorisation	Strong compliance regime instilled at all levels of the company.
Strategic	Damage to reputation	Inability to secure new capital or clients	Effective communications with shareholders coupled with consistent messaging to our customers
	Inadequate disaster recovery procedures	Loss of key operational and financial data	Robust compliance Secure offsite storage of data

Further information regarding the principle risks and uncertainties see page 5.

Activity	Risk	Impact	Control(s)
Financial	Liquidity, market and credit risk	Inability to continue as going concern Reduction in asset values	Reviewed by the Finance Team on a regular basis
	Inappropriate controls and accounting policies	Incorrect reporting of assets	Appropriate authority and investment levels Audit Committee and Finance Team

The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control exercised by the executive directors. However, the Board will continue to monitor the need for an internal audit function. The Board works closely with and has regular ongoing dialogue with the Company financial controller and has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

Principle Five

A Well Functioning Board of Directors

As at the date hereof the Board comprised, the Executive Chairman and company Secretary Michael Hodges, CEO Clement Chambers, CFO and CTO Jonathan Mullins, Sales Director Matthew Collom and Non-Executive Director, Brian Basham. Biographical details of the current Directors are set out within Principle Six below. Executive and Non-Executive Directors are subject to re-election at intervals of no more than three years. All the Directors bar Matthew Collom including the Non-Executive Directors are considered to be part time but are expected to provide as much time to the Company as is required.

The Board meets regularly throughout the year (ordinarily 6 times). It has established an Audit Committee and Finance team and a Remuneration Committee, particulars of which appear hereafter. The Board has agreed that appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee. Brian Basham is considered to be an Independent Director. The Board notes that the QCA recommends a balance between executive and non-executive Directors and recommends that there be two independent non-executives. While the Board considers to date the Board composition (including the executive role of the Chairman and the single non-executive director) has been appropriate for the Company given the size of the business, the board will review further appointments as scale and complexity grows and in particular the potential appointment of an additional second independent non-executive director to meet the QCA recommendation.

Principle Six

Appropriate Skills and Experience of the Directors

The Board currently consists of Five Directors. The Company believes that the current balance of skills in the Board as a whole, reflects a very broad range of commercial and professional skills across geographies and industries and each of the Director's has experience in public markets.

The Board recognises that it currently has a limited diversity and this will form a part of any future recruitment consideration if the Board concludes that replacement or additional directors are required.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

Clement Chambers

Chief Executive Officer

Co-founder of ADVFN plc, All IPO plc and Online Blockchain plc, Clement Chambers has been involved in the software industry for over 35 years as a pioneer of computer games, massively multiplayer games, multimedia and the internet. He is also director of Online Blockchain plc. He has written investment columns for Wired Magazine, Forbes, The Business, The Scotsman and broadcasts on investment matters for SKY News, CNBC and the BBC. Chambers takes an active role in all aspects of ADVFN, from product and staff development to revenue generation and the day-to-day running of the site. He is a member of the remuneration committee. He has been a Non-Executive Director of Avarae Global Coins PLC since November 2010.

Michael Hodges

Chairman

Co-founder of ADVFN plc, Michael Hodges has over 35 years experience in computer software development and publishing, while working with multi-user and Internet projects for many years. He Co-founded Online Blockchain plc, ADVFN plc and All IPO plc. He is currently Chairman of Online Blockchain plc, ADVFN plc and a director of All IPO plc. At ADVFN, Michael has responsibility for exchange liaison, all legal and contractual issues and general business development. He is a member of the audit committee and of the remuneration committee.

Jonathan Mullins

CFO & CTO

Jonathan Mullins has been involved in the development of a wide variety of on-line and internet services for over 20 years. He is responsible for the entire technical department of ADVFN and has overseen the growth of the website since its early days, including the development of the proprietary streaming service. He continues to direct all technical implementations for the site and as CFO is head of the Finance team.

Matthew Collom

Sales Director

Matthew Collom joined ADVFN in 2001 and has 20 years' experience within the on-line advertising industry. He became the Sales Director of the company in May 2014.

Brian Basham

Non Executive Director

Executive Chairman of Equity Development, Brian Basham brings a wealth of industry knowledge and experience to the ADVFN board, having founded a number of successful businesses since 1976, including Broad Street Associates (subsequently sold to BDDP in 1986) and Primrose Care (sold to BUPA in 1998). Basham has had a long career in the City having first worked as a financial journalist, working for the Daily Mail, The Times and The Telegraph.

Principle Seven

Evaluation of Board Performance

Internal evaluation of the Board, the Committees and individual Directors is to be undertaken in the form of appraisal and discussions to determine the effectiveness and performance as well as the Directors' continued independence.

Principle Eight

Corporate Culture

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company. A large part of the Company's activities is centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great import on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

Principle Nine

Maintenance of Governance Structures and Processes

Ultimate authority for all aspects of the Company's activities rests with the Board, the respective responsibilities of the Chairman and Chief Executive Officer arising as a consequence of delegation by the Board. The Chairman is responsible for the effectiveness of the Board, while management of the Company's business and primary contact with shareholders has been delegated by the Board to the Chief Executive Officer.

Audit Committee

During the financial year ended 30th June 2019 the Audit Committee comprised Jonathan Mullins and Michael Hodges and was chaired by Jonathan Mullins. This team has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported. It receives reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit Committee has unrestricted access to the Company's auditors.

Remuneration Committee

The Remuneration Committee comprises Clement Chambers and Michael Hodges. The Remuneration Committee reviews the performance of the executive directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves the granting of share options pursuant to the share option plan and the award of shares in lieu of bonuses pursuant to the Company's Remuneration Policy.

Nominations Committee

The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

Non-Executive Directors

The Board has adopted guidelines for the appointment of Non-Executive Directors which have been in place and which have been observed throughout the year. These provide for the orderly and constructive succession and rotation of the Chairman and non-executive directors insofar as both the Chairman and non-executive directors will be appointed for an initial term of three years and may, at the Board's discretion believing it to be in the best interests of the Company, be appointed for subsequent terms.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

Principle Ten

Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company.

Investors also have access to current information on the Company through its website, www.advfn.com, and via Clement Chambers, CEO, who is available to answer investor relations enquiries.

The Company shall include, when relevant, in its annual report, any matters of note arising from the audit or remuneration committees.

REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements for the year ended 30 June 2019.

PRINCIPAL ACTIVITIES

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

RESULTS

The loss for the financial year amounted to £411,000 (2018: profit of £393,000). The Directors do not propose the payment of a dividend (2018: £nil).

DIRECTORS

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

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

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

SUBSTANTIAL SHAREHOLDERS

At 29 October 2019 the Directors were aware of the following shareholdings in excess of 3% of the Company's issued share capital:

	Shareholding	%
Online Blockchain Plc	4,605,940	17.92%
River and Mercantile Asset Management	2,602,662	10.13%
Peter O'Reilly	2,136,893	8.31%
Michael Tamil	1,944,464	7.57%
Fidelity	1,110,545	4.32%

RESEARCH AND DEVELOPMENT

Research and development is a very important part of the work we do. We are constantly working to improve and expand the on-line experience available to subscribers to the many ADVFN services. We are highly focused on new developments including improvements to our website and researching and developing other methods of accessing our offering. Expenditure during the year amounted to £360,000 (2018: £353,000) all of which is development expenditure and has been capitalised.

GOING CONCERN

The financial statements have been prepared on the going concern basis which assumes the Group will continue in existence for the foreseeable future. The Directors recognise that the Group has moved into a loss making situation this year, however, they have also prepared a detailed forecast of future trading and cash flows for the foreseeable future. At 30 June 2019 the Group's cash balances amounted to £887,000 and forecasts indicate that this balance will be improved during the next twelve to eighteen months. Accordingly, the Directors have prepared these financial statements on the going concern basis.

REPORT OF THE DIRECTORS (continued)

FINANCIAL RISK MANAGEMENT

Information relating to the Group's financial risk management is detailed in note 22 to the financial statements.

EVENTS AFTER THE BALANCE SHEET DATE

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

STRATEGIC REPORT

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

REPORT OF THE DIRECTORS (continued)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Report of the Directors, the Directors' Remuneration Report, and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements and,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

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

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

AUDITOR

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

ON BEHALF OF THE BOARD

Michael Hodges
Chairman
29 October 2019

REMUNERATION REPORT

Directors' emoluments

	Salary & fees	Annual bonus	Share based payment	2019 Total	2019 Pension	2018 Total	2018 Pension
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Executive Directors							
M J Hodges	286	15	-	301	36	305	39
C H Chambers	342	15	2	359	36	358	39
J B Mullins	243	3	-	246	-	256	4
M Collom	316	3	-	319	-	294	4
Non-executive Directors							
B Basham	-	-	-	-	-	-	-
	1,187	36	2	1,225	72	1,213	86

Remuneration policy for Executive Directors

The Company's policy on Executive Director's remuneration is to:

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

Service contracts

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

Except for the disposal on 15 June 2019 of certain shares owned by the company in Equity Holdings and its subsidiary Equity Developments to Mr Brian Basham who is a non-executive director of ADVFN, no Director had, either during or at the end of the year, a material interest in any contract which was significant in relation to the Company's business.

Directors' interests in shares

The interests of the Directors and their families in the shares of the company at 30 June 2018 and 30 June 2019 were as follows:

	30 June 2019 No of Shares	1 July 2018 No of Shares	30 June 2019 No of options	1 July 2018 No of options
M J Hodges	26,000	26,000	651,473	651,473
C H Chambers	603,198	518,198	811,473	811,473
J B Mullins	18,578	18,578	400,000	400,000
M Collom	-	-	200,000	200,000

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

REMUNERATION REPORT (continued)

Directors' interests in share options

The following options were exercised during the year:

Grant date	Vesting date	Lapse date	M J Hodges	C H Chambers	J B Mullins	M Collom	Total
15.01.19	19.01.19	12.12.24	-	40,000	-	-	40,000
15.01.19	19.01.19	12.12.24	-	40,000	-	-	40,000
			-	40,000	-	-	40,000

The following share options were granted during the year

Grant date	Vesting date	Lapse date	M J Hodges	C H Chambers	J B Mullins	M Collom	Total
15.01.19	19.01.19	12.12.24	-	40,000	-	-	40,000
15.01.19	19.01.19	12.12.24	-	40,000	-	-	40,000
			-	40,000	-	-	40,000

The details of the options held by each Director at 30 June 2019 are as follows:

Grant date	Vesting date	Lapse date	M J Hodges	C H Chambers	J B Mullins	M Collom	Total
27.01.04	31.12.13	31.12.22	40,000	60,000	40,000	-	140,000
27.01.05	31.12.13	31.12.22	40,000	60,000	40,000	-	140,000
06.09.06	31.12.13	31.12.22	60,000	60,000	60,000	-	180,000
21.10.09	31.12.13	31.12.22	31,473	31,473	-	-	62,946
12.12.14	12.12.15	12.12.24	400,000	400,000	200,000	200,000	1,200,000
07.06.18	10.06.18	12.12.24	40,000	160,000	20,000	-	220,000
07.06.18	10.06.18	12.12.24	40,000	40,000	40,000	-	120,000
			651,473	811,473	400,000	200,000	2,062,946

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

Mr C H Chambers exercised 80,000 options during the year. These options had been granted during the year (see note 20 and above).

Independent auditor's report to the members of ADVFN plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of ADVFN plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2019, which comprise the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2019 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.


Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

 <p>Grant Thornton</p>	<p>Overview of our audit approach</p> <ul style="list-style-type: none"> • Overall materiality: £175,000, which represents approximately 2% of the group's revenue; • Key audit matters were identified as revenue recognition and its occurrence; and <p>We performed full scope audit procedures on the financial statements of ADVFN plc. We engaged a component auditor to perform full scope audit procedures on the financial information of IHub Inc. We engaged a component auditor to perform specified audit procedures on the financial information of All IPO plc and NA Data Inc. We performed specified audit procedures on the financial information of MJAC Investorshub International Conferences Limited. We performed analytical procedures over the other components.</p>
--	--

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

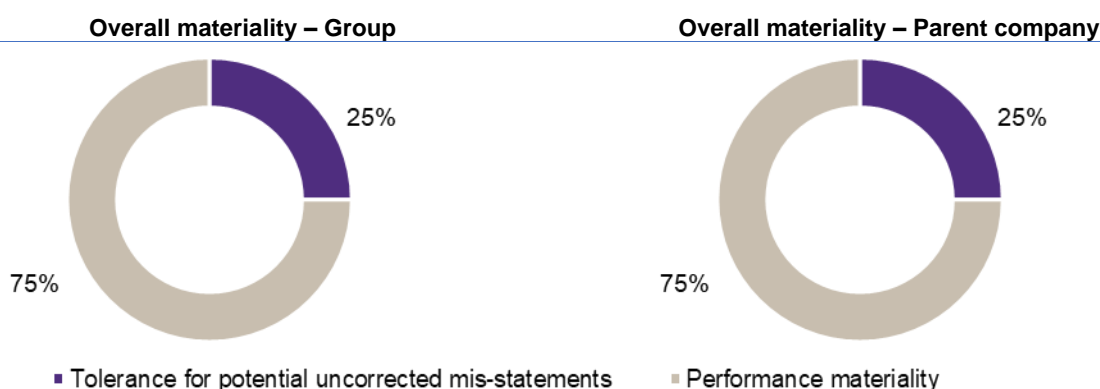
<u>Key Audit Matter – Group and parent company</u>	<u>How the matter was addressed in the audit – Group and parent company</u>
<p>Improper revenue recognition and its occurrence The group's revenues are a significant measure of its financial performance during the financial year.</p> <p>The group derives the majority of its revenue from the provision of financial information through websites. This generates subscription income, which is recognised over the life of the subscription, as well as advertising revenue which is recognised over the period in which advertising space is provided. Both subscription and advertising revenue recognition are included within this Key Audit Matter.</p> <p>IFRS 15 'Revenue from Contracts with Customers' is effective for periods commencing on or after 1 January 2018. The group adopted this standard in the year commencing 1 July 2018.</p> <p>Due to the volume of transactions that occur during the year, the significance of revenue as a measure of the group's performance, its importance to users of the financial statements, and the inception of IFRS 15, we identified improper revenue recognition as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> • assessing the appropriateness of the group's revenue recognition accounting policy in light of the requirements of the financial reporting framework, including IFRS 15, and confirming through sample testing its consistent application; • testing a sample of advertising revenue transactions by comparing each item to source documentation demonstrating that the sale took place and the timing of revenue recognition and its occurrence was appropriate; and • agreeing recognised subscription income to third party evidence of the related cash receipt to ensure that the timing of revenue recognition and its occurrence was appropriate. <p>The group's accounting policy on revenue recognition is shown in note 2 to the financial statements and related disclosures are included in note 3.</p> <p style="text-align: right;">Key observations</p> <p>Our audit procedures, as set out above, did not identify any material misstatement in respect of revenue recognised by the group during the year and its occurrence.</p>

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

Materiality measure	Group	Parent company
Financial statements as a whole	£175,000, which is approximately 2% of the group’s revenue. This benchmark is considered the most appropriate because revenue is a key performance indicator. Materiality for the current year is lower than the level that we determined for the year ended 30 June 2018 to reflect lower revenue recorded by the group in the year.	£131,000, which is 2% of the parent company’s revenue, capped at 75% of group materiality. This benchmark is considered the most appropriate because revenue is a key performance indicator. Materiality for the current year is lower than the level that we determined for the year ended 30 June 2018 to reflect the capping at 75% of group materiality, which is based on the lower revenue recorded by the group in the year.
Performance materiality used to drive the extent of our testing	75% of financial statement materiality.	75% of financial statement materiality.
Specific materiality	We determined a lower level of specific materiality for certain areas such as directors’ remuneration and related party transactions.	We determined a lower level of specific materiality for certain areas such as directors’ remuneration and related party transactions.
Communication of misstatements to the audit committee	£8,800 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£6,600 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.



An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the group’s business, its environment and risk profile and in particular included:

- evaluation by the group audit team of identified components to assess the significance of that component and to determine the planned audit response based on a measure of materiality. Our assessment was based on the relative materiality of each component entity to the group and an assessment of their audit risk;
- performing full scope audit procedures in the UK on the financial statements of the parent company ADVFN plc and specified audit procedures by the Group audit team on the financial information of the UK subsidiary MJAC Investorshub International Conferences Limited;
- determining that full scope audit procedures should be carried out by a component auditor in the US on the financial information of the subsidiary IHub Inc. We also determined that specified audit procedures should be carried out by component auditors in the US and UK on the financial information of the subsidiaries NA Data Inc. and All IPO plc respectively. The final non-significant component Cupid Bay Limited was subject to analytical procedures on account balances with a focus on applicable risks identified above and the significance to the group balances. The analytical procedures performed in relation to Cupid Bay Limited were carried out by the group audit team;

- full scope and specified audit procedures covering 96.4% of Group revenues;
- evaluating the group's internal control environment, including an assessment of the design effectiveness of controls over key financial statement risk areas identified as part of our audit risk assessment and to select certain transaction items to test during our procedures at the final audit stage; and
- the group audit team communicating with the component auditors throughout the planning, fieldwork and concluding stages of the local audit and reviewed the work performed by the component auditors.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the report of the directors report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the report of the directors.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Use of our report

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

Jonathan Maile BSc (Hons) FCA

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Crawley

Date: 29 October 2019

Consolidated income statement

	Notes	30 June 2019 £'000	30 June 2018 £'000
Revenue	3	8,714	9,201
Cost of sales		(421)	(392)
Gross profit		8,293	8,809
Share based payment	20	(2)	(21)
Amortisation of intangible assets	11	(220)	(202)
Other administrative expenses		(8,546)	(8,202)
Total administrative expenses		(8,768)	(8,425)
Operating (loss)/profit	4	(475)	384
Finance income and expense	6	(7)	-
Income from related parties		-	58
Profit from sale of equity investment to a related party	25	47	-
(Loss)/profit before tax		(435)	442
Taxation	7	24	(49)
Total (loss)/profit for the period attributable to shareholders of the parent		(411)	393
Profit per share			
Basic	8	(1.60 p)	1.53 p
Diluted	8	(1.60 p)	1.53 p

Consolidated statement of comprehensive income

	30 June 2019 £'000	30 June 2018 £'000
(Loss)/profit for the period	(411)	393
Other comprehensive income:		
Items that will be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	37	(33)
Total other comprehensive income	37	(33)
Total comprehensive income for the year attributable to shareholders of the parent	(374)	360

Company statement of comprehensive income

As permitted by Section 408 of the Companies Act 2006, the income statement and statement of comprehensive income of the parent company is not presented as part of these financial statements. The parent company's result after taxation for the financial year was a loss of £494,000 (2018: restated profit of £48,000).

The accompanying accounting policies and notes on pages 28 to 57 form an integral part of these financial statements.

Consolidated balance sheet

	Notes	30 June 2019 £'000	30 June 2018 £'000
Assets			
Non-current assets			
Property, plant and equipment	9	145	136
Goodwill	10	978	941
Intangible assets	11	1,447	1,307
Investments	13	-	3
Deferred tax	14	-	4
Trade and other receivables	15	108	111
		2,678	2,502
Current assets			
Trade and other receivables	15	693	855
Cash and cash equivalents		887	1,061
		1,580	1,916
Total assets		4,258	4,418
Equity and liabilities			
Equity			
Issued capital	19	51	51
Share premium		167	145
Share based payment reserve		367	365
Foreign exchange reserve		282	245
Retained earnings		835	1,277
		1,702	2,083
Current liabilities			
Trade and other payables	18	2,556	2,313
Current tax		-	22
		2,556	2,335
Total liabilities		2,556	2,335
Total equity and liabilities		4,258	4,418

The financial statements on pages 21 to 57 were authorised for issue by the Board of Directors on 29 October 2019 and were signed on its behalf by:

Clement Chambers
 CEO
 Company number: 02374988

The accompanying accounting policies and notes on pages 28 to 57 form an integral part of these financial statements.

ADVFN PLC

Company balance sheet	Note	At 30 June 2019 £'000	At 30 June 2018 £'000
Assets			
Non-current assets			
Property, plant and equipment	9	126	124
Intangible assets	11	399	418
Trade and other receivables	15	108	111
Investments	12/13	2,276	2,365
		2,909	3,018
Current assets			
Trade and other receivables	15	767	1,105
Current tax recoverable		-	-
Cash and cash equivalents		661	561
		1,428	1,666
Total assets		4,337	4,684
Equity and liabilities			
Equity			
Called up share capital	19	51	51
Share premium account		167	145
Share based payment reserve		367	365
Retained earnings		1,111	1,617
		1,696	2,178
Current liabilities			
Trade and other payables	18	2,641	2,496
Current tax		-	10
		2,641	2,506
Total liabilities		2,641	2,506
Total equity and liabilities		4,337	4,684

The financial statements on pages 21 to 57 were authorised for issue by the Board of Directors on 29 October 2019 and were signed on its behalf:

Clement Chambers
CEO
Company number: 02374988

The accompanying accounting policies and notes on pages 28 to 57 form an integral part of these financial statements.

Consolidated statement of changes in equity

	Share capital	Share premium	Share based payment reserve	Foreign exchange reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2017	51	145	344	278	884	1,702
Equity settled share options	-	-	21	-	-	21
Total transactions with owners	-	-	21	-	-	21
Profit for the period after tax	-	-	-	-	393	393
Other comprehensive income Exchange differences on translation of foreign operations	-	-	-	(33)	-	(33)
Total other comprehensive income	-	-	-	(33)	-	(33)
Total comprehensive income				(33)	393	360
At 30 June 2018 – as originally stated	51	145	365	245	1,277	2,083
Effect of the application of IFRS 9 (page 28)	-	-	-	-	(31)	(31)
	51	145	365	245	1,246	2,052
Shares issued	-	22	-	-	-	22
Equity settled share options	-	-	2	-	-	2
Total transactions with owners	-	22	2	-	-	24
Loss for the year after tax	-	-	-	-	(411)	(411)
Other comprehensive income Exchange differences on translation of foreign operations	-	-	-	37	-	37
Total other comprehensive income	-	-	-	37	-	37
Total comprehensive income	-	-	-	37	(411)	(374)
At 30 June 2019	51	167	367	282	835	1,702

The accompanying accounting policies and notes on pages 28 to 57 form an integral part of these financial statements.

Company statement of changes in equity

	Share capital	Share premium	Share based payment reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
At 1 July 2017	51	145	344	1,569	2,109
Equity settled share options	-	-	21	-	21
Transactions with owners	-	-	21	-	21
Profit for the period after tax	-	-	-	48	48
Total comprehensive income for the year	-	-	-	48	48
At 30 June 2018 – as originally stated	51	145	365	1,617	2,178
Effect of the application of IFRS 9 (page 28)				(12)	(12)
	51	145	365	1,605	2,166
Shares issued	-	22	-	-	22
Equity settled share options	-	-	2	-	2
Transactions with owners	-	22	2	-	24
Profit for the period after tax	-	-	-	(494)	(494)
Total comprehensive income for the year	-	-	-	(494)	(494)
At 30 June 2019	51	167	367	1,111	1,696

The accompanying accounting policies and notes on pages 28 to 57 form an integral part of these financial statements.

Consolidated cash flow statement

		12 months to 30 June 2019 £'000	12 months to 30 June 2018 £'000
	Notes		
Cash flows from operating activities			
Profit for the year		(411)	393
Taxation		(24)	49
Net finance income in the income statement	6	7	-
Depreciation of property, plant & equipment	9	81	68
Amortisation of intangible assets	11	220	202
Profit on disposal of equity investment to a related party	25	(47)	-
Profit on disposal of Equity Holdings to a related party	25	-	(53)
Share based payments - options/warrants	20	2	21
Decrease in trade and other receivables		134	74
Increase/(decrease) in trade and other payables		243	(151)
Net cash generated by continuing operations		205	603
Income tax receivable/(payable)		2	(27)
Net cash generated by operating activities		207	576
Cash flows from financing activities			
Issue of share capital		22	-
Interest paid		(7)	-
Net cash generated by financing activities		15	-
Cash flows from investing activities			
Payments for property, plant and equipment	9	(90)	(151)
Purchase of intangibles	11	(360)	(353)
Receipt from sale of equity investment to a related party	25	50	50
Net cash used by investing activities		(400)	(454)
Net (decrease)/increase in cash and cash equivalents		(178)	122
Exchange differences		4	(24)
Net (decrease)/increase in cash and cash equivalents		(174)	98
Cash and cash equivalents at the start of the period		1,061	963
Cash and cash equivalents at the end of the period		887	1,061

The accompanying accounting policies and notes on pages 28 to 57 form an integral part of these financial statements.

Company cash flow statement

		12 months to 30 June 2019 £'000	12 months to 30 June 2018 £'000
	Notes		
Cash flows from operating activities			
Profit for the period		(494)	48
Taxation		(10)	37
Net finance expense in the income statement	6	5	-
Depreciation of property, plant & equipment	9	63	40
Amortisation	11	282	332
Impairment of investment in subsidiary	12	86	-
Share based payments – options/warrants	20	2	21
Profit on disposal of equity investment to a related party	25	(47)	-
Profit on disposal of Equity Holdings to a related party	25	-	(53)
Decrease/(increase) in trade and other receivables		329	(76)
Increase in trade and other payables		145	18
Net cash generated by operating activities		361	367
Income tax payable		-	(27)
Net cash generated by operating activities		361	340
Cash flows from financing activities			
Issue of share capital		22	-
Interest paid		(5)	-
Net cash generated by financing activities		17	-
Cash flows from investing activities			
Payments for property, plant and equipment	9	(65)	(140)
Purchase of intangibles	11	(263)	(262)
Receipt from related party	25	50	50
Net cash used by investing activities		(278)	(352)
Net decrease in cash and cash equivalents		100	(12)
Cash and cash equivalents at the start of the period		561	573
Cash and cash equivalents at the end of the period		661	561

The accompanying accounting policies and notes on pages 28 to 57 form an integral part of these financial statements.

Notes to the financial statements

1. General information

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

The principal trading subsidiaries are All IPO Plc, InvestorsHub.com Inc, 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 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA.

The registered number of the company is 02374988.

Exemption from audit

For the year ended 30 June 2019 ADVFN Plc has provided a guarantee in respect of all liabilities due by its subsidiary companies Cupid Bay Limited (Company No. 04001650) and MJAC InvestorsHub International Conferences Ltd (Company No. 11000464) thus entitling them to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

2. Summary of significant accounting policies

Basis of preparation

The consolidated and company financial statements are for the year ended 30 June 2019. They have been prepared in compliance with International Financial Reporting Standards (IFRSs) and IFRS Interpretations Committee (IFRIC) interpretations as adopted by the European Union as at 30 June 2019. The consolidated and company financial statements have been prepared under the historical cost convention and are presented in Sterling rounded to the nearest thousand except where indicated otherwise.

The subsidiary companies Cupid Bay Limited and MJAC InvestorsHub International Conferences Ltd are exempt from an audit under s479A of the Companies Act 2006.

Going concern

The financial statements have been prepared on the going concern basis which assumes the Group will continue in existence for the foreseeable future. The Directors recognise that the Group has moved into a loss making situation this year, however, they have also prepared a detailed forecast of future trading and cash flows for the foreseeable future. At 30 June 2019 the Group’s cash balances amounted to £887,000 and forecasts indicate that this balance will be improved during the next twelve to eighteen months. Accordingly, the Directors have prepared these financial statements on the going concern basis.

Effects of changes in accounting policies

During the year the Group has adopted IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from contracts with customers”.

The adoption of IFRS 15 has not led to the need to restate prior period figures. However the Company and Group has financial assets at amortised cost that are subject to IFRS 9’s new expected credit loss model and was required to revise its impairment methodology under IFRS 9 for this class of asset. As permitted by the transitional provisions of IFRS 9, the Company elected not to restate comparative figures. Any adjustments to the carrying amounts of the financial assets were recognised in the opening retaining earnings of the current period. The identified impairment loss for the Company and the Group was immaterial. Applying the expected credit risk model resulted in the recognition of a loss allowance of £12,000 and £31,000 in the Company and Group respectively in the year ended 30 June 2018.

All other accounting policies remain unchanged since the year ended 30 June 2019.

See below for further details of the adoption of these two new standards.

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Standards and amendments to existing standards adopted in these accounts

- IFRS 15 - Revenue

The standard defines a new five step model to recognise revenue from customers and replaces IAS 18 'Revenue', IAS 11 'Construction contracts', IFRIC 13 'Customer loyalty programmes', IFRIC 15 'Agreements for the construction of real estate', IFRIC 18 'Transfer of assets from customers' and SIC-3 'Revenue - Barter transactions involving advertising services'.

The group has a number of income streams and the Directors have examined the Group's revenue policy in detail as follows:

Subscriptions – both monthly and annual subscriptions are offered and annual subscriptions are deferred on a time basis with equal monthly transfers to the income statement.

Events – revenue from events is recognised at the time of the event. There are no circumstances when the early payment of entrance or stand fees are entirely non-refundable.

Advertising – fees for advertising are recognised when the service obligations are fulfilled. Where there are multiple obligations amounts specific to that obligation are transferred to the income statement.

The Directors have reviewed the standard and its effects in the context of the Group's policy described above and the result is that there will not be a significant impact on the Group's revenue.

- IFRS 9 Financial Instruments

The standard is a replacement for IAS 39 'Financial Instruments'. The Group's financial assets consist of receivables and the liabilities consist of payables. There are no material borrowings.

Under the provisions of the standard the treatment of any doubtful receivables has changed to reflect an expected credit loss rather than an incurred credit loss. The group now applies an expected credit loss model when calculating impairment losses on its trade and other receivables (both current and non-current). This results in increased impairment provisions and greater judgement due to the need to factor in forward looking information when estimating the appropriate amount of provisions. In applying IFRS 9 the group has considered the probability of a default occurring over the contractual life of its trade receivables and contracts asset balances on initial recognition of those assets.

The directors have reviewed the effects of adopting this standard and the current year provision on an expected credit loss basis is £70,000 (see note 16).

In addition, the classification of financial assets and liabilities has changed under the new standard, however, the result does not impact the income statement.

Changes to rules covering hedge accounting do not apply as the Group does not use hedge accounting.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company in the 30 June 2019 financial statements

- IFRS 16 Leases

The standard is effective for periods commencing on or after 1 January 2019 and will therefore be adopted for the period commencing 1 July 2019. The standard replaces IAS 17 and introduces a single lessee accounting model. Under the provisions of the new standard most leases, including the majority of those previously classified as operating leases, will be brought onto the financial position statement as a right-of-use asset and as an offsetting lease liability. Both asset and liability are based on present values of the lease payments due over the term of the lease with the asset being depreciated in accordance with IAS 16 'Property, plant and equipment' and the liability increased by the addition of interest and reduced as lease payments are made.

The directors continue to monitor the likely impact of the new standard on the Group. If the standard were to be adopted during the current financial period and applied to the operating leases currently in the Group, the value of leases recognised as 'right of use' assets on the balance sheet at 30 June 2019 would be in the range £230,000 to £270,000. The impact on profit or loss will be minimal as the operating lease charge will be replaced by an interest expense on the lease liability and a depreciation charge in administrative expense which together will approximate the operating lease charge. There is a tendency for this method to front load the expense but this is minimal in ADVFN's case.

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

Notes to the financial statements (continued)**Summary of significant accounting policies (continued)****Consolidation**

The Group's financial statements consolidate those of the parent company and all of its subsidiaries drawn up to 30 June 2019. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated on the date control ceases.

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

Business combinations

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

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

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

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

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

Foreign currency translation

a) Functional and presentational currency

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

b) Transactions and balances

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

c) Group companies

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

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

Income and expense recognition

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

The revenues of the group are now accounted for under the new standard IFRS 15 'Revenue from contracts with customers'.and reported as follows:

- Subscriptions – both monthly and annual subscriptions are offered and annual subscriptions are deferred on a time basis with equal monthly transfers to the income statement.
- Events – revenue from events is recognised at the time of the event. There are no circumstances when the early payment of entrance or stand fees are entirely non-refundable.
- Advertising – fees for advertising are recognised when the service obligations are fulfilled. Where there are multiple obligations amounts specific to that obligation are transferred to the income statement.

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

Employee benefits

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

Intangible assets

- Licences

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

- Goodwill

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

- Internally generated intangible assets

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

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

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

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

Internally generated intangible assets are amortised over five years.

Notes to the financial statements (continued)**Summary of significant accounting policies (continued)****Intangible assets (continued)**

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

- Intangible assets acquired as part of a business combination

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

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

- Intangible assets purchased

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

Property, plant and equipment

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

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

Impairment

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

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

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

Financial assets

On initial recognition, the Group classifies its financial assets as either financial assets at fair value through profit or loss, at amortised cost or fair value through comprehensive income, as appropriate. The classification depends on the purpose for which the financial assets were acquired. At the reporting year-end the financial assets of the Group were all classified as loans or receivables.

Trade receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

They are initially recognised at fair value and measured subsequent to initial recognition at amortised cost using the effective interest method, less any impairment loss.

The Group's financial assets comprise trade receivables, other receivables (excluding prepayments) and cash and cash equivalents.

Notes to the financial statements (continued)**Summary of significant accounting policies (continued)****Financial assets (continued)**

Trade and other receivables - impairment

From 1 July 2018, the group has applied an expected credit loss model to calculate the impairment losses on its trade receivables. The group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. Trade receivables at the balance sheet date have been put into groups based on days past the due date for payment and an expected loss percentage has been applied to each group to generate the expected credit loss provision for each group and a total expected credit loss provision has thus been calculated.

Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's available for sale financial assets comprised equity shareholding of 30% in the investee company Equity Holdings Ltd at 30 June 2018. This investment is measured at fair value with any movements recognised in other comprehensive income and was sold during the year.

Financial liabilities

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

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

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

Leases

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

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

Income taxes

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

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

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

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Provisions, contingent liabilities and contingent assets

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

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

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

Share based employee compensation

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

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

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

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

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

Equity

Issued capital

Ordinary shares are classified as equity. The nominal value of shares is included in issued capital.

Share premium

The share premium account represents the excess over nominal value of the fair value of consideration received for equity shares, net of the expenses of the share issue.

Share based payment reserve

The share based payment reserve represents equity settled share based employee remuneration until such share options are exercised.

Foreign exchange reserve

The foreign exchange reserve represents foreign exchange gains and losses arising on translation of investments in overseas subsidiaries into the consolidated financial statements.

Retained earnings

The retained earnings include all current and prior period results for the Group and the post acquisition results of the Group's subsidiaries as determined by the income statement.

Dividends

Final equity dividends to the shareholders of ADVFN plc are recognised in the period that they are approved by shareholders. Interim equity dividends are recognised in the period that they are paid.

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

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Use of key accounting estimates and judgements

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

Judgements in applying accounting policies

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

Sources of estimation uncertainty

- a) Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating unit to which the goodwill has been allocated. The carrying value of the investments are also assessed. The value in use calculations require an estimation of the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate a suitable present value.

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

3. Segmental analysis

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

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

Three minor operating segments, for which IFRS 8's quantitative thresholds have not been met, are currently combined below under 'other'. The main sources of revenue for these operating segments is the provision of financial broking services, financial conference events and other internet services not related to financial information. Segment information can be analysed as follows for the reporting period under review:

2019	Provision of financial information £'000	Other £'000	Total £'000
Revenue from external customers	8,490	224	8,714
Depreciation and amortisation	(360)	60	(300)
Other operating expenses	(8,321)	(568)	(8,889)
Segment operating (loss)/profit	(191)	(284)	(475)
Interest income	-	-	-
Interest expense	(7)	-	(7)
Segment assets	3,740	518	4,258
Segment liabilities	(2,559)	3	(2,556)
Purchases of non-current assets	340	110	450

2018	Provision of financial information £'000	Other £'000	Total £'000
Revenue from external customers	8,900	301	9,201
Depreciation and amortisation	(388)	122	(266)
Other operating expenses – restated see page 28	(7,984)	(567)	(8,551)
Segment operating (loss)/profit	528	(144)	384
Interest income	-	-	-
Interest expense	-	-	-
Segment assets – restated see page 28	3,831	587	4,418
Segment liabilities	(2,196)	(139)	(2,335)
Purchases of non-current assets	444	60	504

Revenue recognition per IFRS 15

	Point in time £'000	Over time £'000	Total £'000
Revenue during 2018	5,574	3,627	9,201
Revenue during 2019	5,578	3,136	8,714

Notes to the financial statements (continued)

Segmental analysis (continued)

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

	Revenue	Non-current assets	Revenue	Non-current assets
	2019	2019	2018	2018
UK (domicile)	2,925	1,679	3,466	1,547
USA	5,532	999	5,259	955
Other	257	-	476	-
	8,714	2,678	9,201	2,502

Revenues are allocated to the country in which the customer resides. During both 2019 and 2018 no single customer accounted for more than 10% of the Group's total revenues.

4. Operating loss

	2019	2018
	£'000	£'000
Operating (loss)/profit has been arrived at after charging:		
Foreign exchange loss	29	41
Depreciation and amortisation:		
Depreciation of property, plant and equipment:		
Depreciation on owned property, plant and equipment	81	68
Amortisation of intangible assets	220	202
Gain on disposal of equity investment to related party	47	-
Gain on disposal of subsidiary to related party	-	53
Employee costs (Note 5)	3,589	3,549
Lease payments on land and buildings held under operating leases	187	178
Audit and non-audit services:		
Fees payable to the company's auditor for the audit of the Group's annual accounts	38	33
For the audit of the company's subsidiaries pursuant to legislation	4	4
Fees payable to the Company's auditor and its associates for other services:		
All other assurance services	-	10
All non-audit services not covered above	3	3
Taxation compliance services	-	13

Remuneration of key senior management for Group and Company

	2019	2018
	£'000	£'000
See remuneration report		
Key senior management comprises only directors		
Salary and fees	1,187	1,178
Benefits in kind	-	9
Annual bonus	36	20
Share based payments	2	6
Post employment benefits - defined contribution pension plans	72	86
	1,297	1,299
Highest paid director		
Salary and fees	342	349
Benefits in kind	-	2
Annual bonus	15	5
Share based payments	2	2
Post employment benefits - defined contribution pension plans	36	39
	395	397

Details of the directors' emoluments, together with other related information, are set out in the Remuneration Report on page 14.

Notes to the financial statements (continued)

5. Employees

GROUP

	2019 £'000	2018 £'000
Employee costs (including directors):		
Wages and salaries	3,181	3,178
Social security costs	302	264
Pension costs	104	86
Share based payments	2	21
	<u>3,589</u>	<u>3,549</u>

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

Development	10	10
Sales and Administration	36	36
	<u>46</u>	<u>46</u>

COMPANY

	2019 £'000	2018 £'000
Employee costs (including directors):		
Wages and salaries	2,405	2,236
Social security costs	250	233
Pension	104	86
Share based payments	2	21
	<u>2,761</u>	<u>2,576</u>

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

Development	6	7
Sales and Administration	26	22
	<u>32</u>	<u>29</u>

For details of directors' remuneration, see the Remuneration Report on page 14.

Notes to the financial statements (continued)

6. Finance income and expense

GROUP AND COMPANY

	2019 £'000	2018 £'000
GROUP		
Finance expense		
Bank interest	7	-
	<u>7</u>	<u>-</u>
COMPANY		
Finance expense		
Bank interest	5	-
	<u>5</u>	<u>-</u>

7. Income tax expense

GROUP

	2019 £'000	2018 £'000
Current Tax:		
UK corporation tax on profits for the year	-	22
Adjustments in respect of prior periods	(24)	27
	<u>(24)</u>	<u>49</u>
Total current taxation	(24)	49
Deferred tax		
Origination and reversal of timing differences	-	(10)
Prior period adjustment	-	30
Effect of rate change	-	(20)
	<u>-</u>	<u>(0)</u>
Taxation	(24)	49

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

	2019 £'000	2018 £'000
Profit before tax	(435)	442
Profit before tax multiplied by the respective standard rate of corporation tax applicable in the UK (19.00%) (2018: 19.00%)	(83)	84
Effects of:		
Non-deductible expenses	47	83
Enhanced Research & Development expenditure	(89)	(156)
Overseas tax rates	-	8
Surrender of tax losses for R & D tax credit	-	(15)
Adjustments in respect of prior periods	(24)	27
Deferred tax – prior period adjustment	-	30
Deferred tax – difference between opening and current year tax rates	10	(20)
Movements in unrecognised deferred tax	115	8
	<u>115</u>	<u>8</u>
Tax (credit)/charge for the year	(24)	49

Notes to the financial statements (continued)

8. Profit per share

	12 months to 30 June 2019 £'000	12 months to 30 June 2018 £'000
(Loss)/profit for the year attributable to equity shareholders	<u>(411)</u>	<u>393</u>
Total loss per share – basic and diluted		
Basic	(1.60 p)	1.53 p
Diluted	(1.60 p)	1.53 p
	Shares	Shares
Weighted average number of shares in issue for the year	25,657,927	25,623,845
Dilutive effect of options	-	100,000
Weighted average shares for diluted earnings per share	<u>25,657,927</u>	<u>25,723,845</u>

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 dilutive.

9. Property, plant and equipment

GROUP

	Leasehold property improvements £'000	Computer equipment £'000	Office equipment £'000	Total £'000
Cost				
At 1 July 2017	48	1,326	306	1,680
Disposal	-	(42)	-	(42)
Additions	-	140	11	151
At 30 June 2018	48	1,424	317	1,789
Additions	-	65	25	90
At 30 June 2019	<u>48</u>	<u>1,489</u>	<u>342</u>	<u>1,879</u>
Depreciation				
At 30 June 2017	48	1,302	277	1,627
Disposal	-	(42)	-	(42)
Charge for the year	-	40	28	68
At 30 June 2018	48	1,300	305	1,653
Charge for the year	-	63	18	81
At 30 June 2019	<u>48</u>	<u>1,363</u>	<u>323</u>	<u>1,734</u>
Net book value				
At 30 June 2019	<u>-</u>	<u>126</u>	<u>19</u>	<u>145</u>
At 30 June 2018	<u>-</u>	<u>124</u>	<u>12</u>	<u>136</u>

Charge over assets

A fixed and floating charge is held by Barclays Bank which covers all the property and undertakings of the company against the provision of any loan, debenture or other bank liability.

Notes to the financial statements (continued)

Property, plant and equipment (continued)

COMPANY

	Leasehold property improvements £'000	Computer equipment £'000	Office equipment £'000	Total £'000
Cost				
At 1 July 2017	48	1,279	106	1,433
Additions	-	140	-	140
At 30 June 2018	48	1,419	106	1,573
Additions	-	65	-	65
At 30 June 2019	48	1,484	106	1,638
Depreciation				
At 1 July 2017	48	1,255	106	1,409
Charge for the year	-	40	-	40
At 30 June 2018	48	1,295	106	1,449
Charge for the year	-	63	-	63
At 30 June 2019	48	1,358	106	1,512
Net book value				
At 30 June 2019	-	126	-	126
At 30 June 2018	-	124	-	124

10. Goodwill

GROUP

	£'000
1 July 2018	941
Exchange differences	37
At 30 June 2019	978

The goodwill carried in the balance sheet is attributable to InvestorsHub.com Inc.

Impairment testing – InvestorsHub.com Inc.

The Group tests goodwill annually for impairment. During the year, impairment tests were undertaken over the goodwill of InvestorsHub.com Inc. which is considered to be a single CGU. The recoverable amount was determined using a value in use calculation based upon management forecasts for the trading results for the three years ending 30 June 2022 extended to perpetuity without growth.

A discount rate of 10% has been used for this exercise based on the estimated likely rate of debt financing for the company. The key assumptions utilised within the forecast model relate to the level of future sales. Increases have been estimated at between 0% and 5%. The closing exchange rate of \$1.26/£ has been used (2018: \$1.31/£). The value in use calculations indicate that InvestorsHub.com Inc. has a recoverable amount which is £4,105,000 greater than the carrying amount of the assets allocated to them. The value of forecast cashflows would have to fall by 79% to reduce the recoverable amount of the CGU to the carrying value of the assets allocated to them. The directors do not feel this is a reasonably possible scenario given the current and foreseeable market activity. The company is expanding and increasingly profitable.

Notes to the financial statements (continued)

11. Other intangible assets

GROUP

	Licences	Brands & subscriber lists	Website development costs	Mobile application	Software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 July 2017	162	2,129	2,910	10	102	5,313
Additions	-	-	261	-	92	353
At 30 June 2018	162	2,129	3,171	10	194	5,666
Disposals	-	-	(667)	-	-	(667)
Additions	-	-	263	-	97	360
At 30 June 2019	162	2,129	2,767	10	291	5,359
Amortisation						
At 30 June 2017	162	2,129	1,846	10	10	4,157
Charge for the year	-	-	171	-	31	202
At 30 June 2018	162	2,129	2,017	10	41	4,359
Disposals	-	-	(667)	-	-	(667)
Charge for the year	-	-	220	-	-	220
At 30 June 2019	162	2,129	1,570	10	41	3,912
Net book value						
At 30 June 2019	-	-	1,197	-	250	1,447
At 30 June 2018	-	-	1,154	-	153	1,307

All additions are internally generated by capitalisation of development work on websites and software projects.

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

Notes to the financial statements (continued)

Other intangible assets (continued)

COMPANY

	Licenses £'000	Mobile application £'000	Website development £'000	Total £'000
Cost				
At 1 July 2017	100	10	1,829	1,939
Additions	-	-	262	262
At 30 June 2018	100	10	2,091	2,201
Additions	-	-	263	263
At 30 June 2019	100	10	2,354	2,464
Amortisation				
At 1 July 2017	60	10	1,381	1,451
Charge for the year	10	-	322	332
At 30 June 2018	70	10	1,703	1,783
Charge for the year	10	-	272	282
At 30 June 2019	80	10	1,975	2,065
Net book value				
At 30 June 2019	20	-	379	399
At 30 June 2018	30	-	388	418

All additions are internally generated by capitalisation of development work on websites.

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

Notes to the financial statements (continued)

12. Subsidiary companies consolidated in these accounts

COMPANY

	Subsidiaries £'000
At 1 July 2018	2,362
Impairment	<u>(86)</u>
30 June 2019	<u><u>2,276</u></u>

	Country of incorporation	% interest in ordinary shares 30 June 2019	Principal activity	Registered address
Cupid Bay Limited	England & Wales	100.00	Internet dating web site	Suite 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA
Fotothing Limited	England & Wales	100.00	Dormant	As Cupid Bay Limited
NA Data Inc.	USA	100.00	Office services	P.O. Box 780 Harrisonville Mo. 64701
InvestorsHub.com Inc.	USA	100.00	Financial information web site	As NA Data Inc.
ADVFN Brazil Limited	England & Wales	100.00	Dormant	As Cupid Bay Limited
E O Management Limited	England & Wales	100.00	Dormant	As Cupid Bay Limited
Throgmorton Street Capital Limited	England & Wales	100.00	Dormant	As Cupid Bay Limited
Advessel Limited	England & Wales	100.00	Dormant	As Cupid Bay Limited
All IPO Plc	England & Wales	100.00	IPO information web site	As Cupid Bay Limited
Writer Pub Limited	England & Wales	100.00	Dormant	As Cupid Bay Limited
MJAC InvestorsHub International Conferences Ltd	England & Wales	100.00	Exhibition and business fair organiser	As Cupid Bay Limited

The subsidiary companies Cupid Bay Limited and MJAC InvestorsHub International Conferences Ltd are exempt from audit under s479A of the Companies Act 2006.

13. Investments

The shareholding of 30% in Equity Holdings was carried at 30 June 2018 at fair value through profit or loss of £3,000. On 15 June 2019 the investment was sold for consideration of £50,000 in cash back to Brian Basham, the owner of Equity Holdings Limited and Equity Development Limited (a related party resulting from a joint directorship) thus creating a profit of £47,000.

	2019 £'000	2018 £'000
Financial asset held at fair value through P or L – equity investment	<u>-</u>	<u>3</u>

Notes to the financial statements (continued)

14. Deferred tax

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

	Intangible assets £'000	Website development & software costs £'000	US temporary differences £'000	UK tax losses £'000	Total £'000
At 30 June 2017	83	(208)	(77)	208	6
Credit/(charge) to profit or loss	-	(14)	-	14	-
Charge to other comprehensive income	(3)	-	1	-	(2)
At 30 June 2018	80	(222)	(76)	222	4
Credit/(charge) to profit or loss	-	(16)	(4)	16	(4)
Charge to other comprehensive income					
At 30 June 2019	80	(238)	(80)	238	-

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

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

	2019 £'000	2018 £'000
Deferred tax liabilities		
- Website development & software costs	(238)	(222)
- US temporary differences	(80)	(76)
Deferred tax assets		
- Intangible assets	80	80
- UK tax losses	238	222
	-	4

At the balance sheet date the Group had unused tax losses of £7,085,000 (2018: £5,563,000) available for offset against future profits. A deferred tax asset has been recognised in respect of £1,398,000 (2018: £1,307,000) of such losses, as these losses would offset any taxable profits arising as a result of the unwinding of the deferred tax liability in respect of website development costs. No deferred tax asset has been recognised in respect of the remaining £5,687,000 (2018: £4,256,000) due to the unpredictability of future profit streams. Substantially all of the losses may be carried forward indefinitely.

Notes to the financial statements (continued)

15. Trade and other receivables

GROUP

	2019 £'000	2018 £'000
Non-current assets		
Other receivables	<u>108</u>	<u>111</u>
Current assets		
Trade receivables - gross	527	639
Less: provision for impairment – expected loss	(70)	-
Less: provision for impairment - specific	<u>(32)</u>	<u>(50)</u>
Trade receivables - net	425	589
Prepayments and accrued income	244	262
Other receivables	<u>24</u>	<u>4</u>
Total trade and other receivables	<u>693</u>	<u>855</u>

The ageing of trade receivables is as follows:

	2019 £'000	2018 £'000
Not past due and not impaired	107	280
Past due but not impaired	388	309
Past due and fully impaired	<u>32</u>	<u>50</u>
Trade receivables - gross	<u>527</u>	<u>639</u>
Not past due and not impaired	107	280
Past due but not impaired:		
Up to 30 days	30	26
31 to 60 days	28	155
61 to 90 days	29	24
Over 90 days	<u>301</u>	<u>104</u>
	<u>388</u>	<u>309</u>
Receivables not impaired	495	589
Past due but fully impaired	32	50
Less impairment provision	<u>(102)</u>	<u>(50)</u>
Trade receivables - net	<u>425</u>	<u>589</u>

Provision for impairment:

Opening	50	38
Movement in the year	<u>52</u>	<u>12</u>
Closing	<u>102</u>	<u>50</u>

Notes to the financial statements (continued)

COMPANY

	2019 £'000	2018 £'000
Non-current assets		
Other receivables	<u>108</u>	<u>111</u>
Current assets		
Trade receivables - gross	270	240
Less: provision for impairment – expected loss	(10)	-
Less: provision for impairment - specific	(3)	(25)
Trade receivables - net	<u>257</u>	<u>215</u>
Prepayments and accrued income	224	243
Amounts owed by Group undertakings	<u>286</u>	<u>647</u>
Total trade and other receivables	<u>767</u>	<u>1,105</u>

The ageing of trade receivables is as follows:

	2019 £'000	2018 £'000
Not past due and not impaired	197	115
Past due but not impaired	70	100
Past due and fully impaired	3	25
Trade receivables - gross	<u>270</u>	<u>240</u>
Not past due and not impaired	197	115
Past due but not impaired:		
Up to 30 days	20	-
31 to 60 days	2	45
61 to 90 days	-	1
Over 90 days	48	54
	<u>70</u>	<u>100</u>
Receivables not impaired	267	215
Past due and fully impaired	3	25
Less impairment provision	(13)	(25)
Trade receivables - net	<u>257</u>	<u>215</u>

Provision for impairment:

Opening	25	38
Movement in the year	(12)	(13)
Closing	<u>13</u>	<u>25</u>

Notes to the financial statements (continued)

16. Credit quality of financial assets

Under IFRS 9 Financial Instruments the allowance account for doubtful debts is calculated using an Expected Credit Loss (ECL) model which takes a view on the lifetime expected credit loss to be suffered by the current receivables. On that basis the allocation to the allowance account for receivables at 30 June 2019 is calculated using the percentage credit loss expectations shown.

GROUP

As of 30 June 2019, trade receivables of £388,000 (2018: £309,000) were past due but not impaired (see note 15). These relate to a number of independent customers for whom there is no recent history of default.

Expected credit loss provision	2019		2018	
	£'000	%	£'000	£'000
Not past due	107	1.00	1	280
Not more than 3 months	87	5.00	4	205
More than 3 months but not more than 6 months	111	15.00	17	77
More than 6 months but not more than 1 year	190	25.00	48	27
More than 1 year	-	50.00	-	-
	495		70	589

Impaired receivables allowance account

Specific provision	2019	2018
	£'000	£'000
At 1 July	50	38
Utilised during the year	(70)	(23)
Created during the year	52	35
At 30 June	32	50

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

	2019	2018
	£'000	£'000
Sterling	229	185
Euro	41	16
US dollar	225	388
	495	589

Notes to the financial statements (continued)

Credit quality of financial assets (continued)

COMPANY

As of 30 June 2019, trade receivables of £70,000 (2018: £100,000) were past due but not impaired (see note 15). These relate to a number of independent customers for whom there is no recent history of default.

Expected credit loss provision	2019		£'000	2018 £'000
	£'000	%		
Not past due	197	1.00	2	115
Not more than 3 months	22	5.00	1	45
More than 3 months but not more than 6 months	48	15.00	7	1
More than 6 months but not more than 1 year	-	25.00	-	54
More than 1 year	-	50.00	-	-
	267		10	215

Impaired receivables allowance account

Specific provision	2019	2018
	£'000	£'000
At 1 July	25	38
Utilised during the year	(47)	(23)
Created during the year	25	10
At 30 June	3	25

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

	2019	2018
	£'000	£'000
Sterling	217	181
Euro	9	16
US dollar	41	18
	267	215

Notes to the financial statements (continued)

17. Financial instruments

GROUP

Categories of financial instrument

	2019 £'000	2018 £'000
Non-current		
Trade and other receivables – at amortised cost	108	111
	108	111
Current		
Trade and other receivables - at amortised cost	449	593
Trade and other receivables – non-financial assets	244	262
	693	855
Cash and cash equivalents	887	1,061
Financial assets	1,444	1,765
Trade and other payables – at amortised cost	1,560	1,651
Trade and other payables – non financial liabilities	996	662
	2,556	2,313

COMPANY

Categories of financial instrument

	2019 £'000	2018 £'000
Non-current		
Trade and other receivables – at amortised cost	108	111
	108	111
Current		
Trade and other receivables – at amortised cost	543	862
Trade and other receivables – non-financial assets	224	243
	767	1,105
Cash and cash equivalents	661	561
Financial assets	1,312	1,534
Trade and other payables – at amortised cost	1,826	1,883
Trade and other payables – non financial liabilities	815	613
	2,641	2,496
Financial liabilities		

Notes to the financial statements (continued)

18. Trade and other payables

GROUP

	2019 £'000	2018 £'000
Trade payables	1,230	1,071
Social security and other taxes	203	61
Accrued expenses and deferred income	992	980
Other payables	60	36
Amounts owed to related parties	71	165
	2,556	2,313

COMPANY

	2019 £'000	2018 £'000
Trade payables	1,211	1,028
Other tax and social security	172	51
Accruals and deferred income	824	859
Other payables	42	57
Amounts owed to related parties	71	165
Amounts owed to Group undertakings	321	336
	2,641	2,496

19. Share capital

GROUP AND COMPANY

	Shares	£'000
Issued, called up and fully paid Ordinary shares of £0.002 each		
At 30 June 2017 and 30 June 2018	25,623,845	51
Share issues	80,000	-
	25,703,845	51

Share price

The market value of the shares at 30 June 2019 was 27.50p (2018; 31.00p). The range during the year was 25.00p to 42.50p (2018; 19.50p to 55.00p). Shareholders are entitled to one vote per Ordinary share held and dividends will be apportioned and paid proportionately to the amounts paid up on the Ordinary shares held.

Notes to the financial statements (continued)

20. Share based payments

GROUP AND COMPANY

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

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

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

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

	2019 WAEP	
	Number	Price (£)
Outstanding at the beginning of the year	2,112,946	0.7740
Granted during the year	80,000	0.2750
Exercised during the year	(80,000)	0.2750
Expired during the year	-	-
Outstanding at the year end	2,112,946	0.7740
Exercisable at the year end	2,112,946	0.7740

	2018 WAEP	
	Number	Price (£)
Outstanding at the beginning of the year	2,062,946	0.7810
Granted during the year	390,000	0.4110
Exercised during the year	-	-
Expired during the year	(340,000)	1.5735
Outstanding at the year end	2,112,946	0.7740
Exercisable at the year end	2,112,946	0.7740

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

Expiry date	Exercise Price (£)		2019		2018	
			Share options	Remaining life	Share options	Remaining life
10 year expiry						
31 December 2022	1.1875	Options	140,000	4	140,000	5
31 December 2022	1.1500	Options	140,000	4	140,000	5
31 December 2022	0.8250	Options	180,000	4	180,000	5
31 December 2022	0.7640	Options	62,946	4	62,946	5
12 December 2024	0.7950	Options	1,200,000	6	1,200,000	7
82 year expiry						
24 November 2099	0.4750	Options	50,000	81	50,000	82
7 year expiry						
12 December 2024	0.4375	Options	220,000	6	220,000	7
12 December 2024	0.3125	Options	120,000	6	120,000	7
			2,112,946	6	2,112,946	8

Mr C Chambers exercised 80,000 options during the year. The options had also been granted during the year (see above).

The total expense recognised during the year by the Group, for all schemes, was £2,000 (2018: £21,000).

Notes to the financial statements (continued)

21. Operating lease commitments

GROUP AND COMPANY

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

Land & buildings	2019	2018
	£'000	£'000
Within one year	189	181
Two to five years	312	301
	501	482

The lease expense in the period amounted to £187,000 (2018: £178,000)

22. Financial risk management

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

a) Market risk

Foreign exchange risk

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

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

GROUP

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

	2019		2018	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
US Dollars	1,440	399	1,638	219
Euros	78	82	58	79
Yen	7	-	5	23
Other	-	10	-	10
	1,525	491	1,701	331

COMPANY

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

	2019		2018	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
US Dollars	66	171	72	144
Euros	78	83	58	79
Yen	6	-	5	23
Other	-	10	-	10
	150	264	135	256

Notes to the financial statements (continued)

Financial risk management (continued)

Foreign exchange risk (continued)

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

Sensitivity to reasonably possible movements in the US Dollar exchange rate can be measured on the basis that all other variables remain constant. The effect on profit and equity of strengthening or weakening of the US Dollar in relation to sterling by 10% would result in a movement of:

Group - \pm £137,000 (2018: \pm £78,000).

Company - \pm £128,000 (2018: \pm £5,000).

Interest rate risk

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

b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise this risk the Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the value of the outstanding amount:

Group - £1,513,000 (2018: £1,765,000).

Company - £1,035,000 (2018: £1,534,000).

Provision of services by members of the Group results in trade receivables which the management consider to be of low risk, other receivables are likewise considered to be low risk. The management do not consider that there is any concentration of risk within either trade or other receivables. For additional information on receivables see note 15.

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

Notes to the financial statements (continued)

Financial risk management (continued)

c) Liquidity risk

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

GROUP

2019	Within 1 year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
Trade payables	1,230	-	-	-
Accruals	199	-	-	-
Other payables	60	-	-	-
Amounts owed to related parties	71	-	-	-

2018	Within 1 year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
Trade payables	1,071	-	-	-
Accruals	379	-	-	-
Other payables	36	-	-	-
Amounts owed to related parties	165	-	-	-

COMPANY

2019	Within 1 year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
Trade payables	1,211	-	-	-
Accruals	181	-	-	-
Other payables	42	-	-	-
Amounts owed to related parties	71	-	-	-
Amounts owed to Group undertakings	321	-	-	-

2018	Within 1 year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
Trade payables	1,028	-	-	-
Accruals	297	-	-	-
Other payables	57	-	-	-
Amounts owed to related parties	165	-	-	-
Amounts owed to Group undertakings	336	-	-	-

The Directors consider that the carrying amount of trade and other receivables in both the Group and Company is approximately equal to their fair value.

Notes to the financial statements (continued)**Financial risk management (continued)****d) Capital risk management**

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

The Group will also seek to minimise the cost of capital and attempt to optimise the capital structure, which currently means maintaining equity funding and keeping debt levels to insignificant amounts of lease funding. Share capital and premium together amount to £218,000 (see page 22).

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

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

23. Capital commitments**GROUP AND COMPANY**

At 30 June 2019 neither the Group nor the Company had any capital commitments (2018: £nil).

24. Related party transactions**GROUP**

Online Blockchain Plc is related by virtue of having common directors, M J Hodges, C H Chambers and J B Mullins and as Online Blockchain Plc holds approximately 17.98% of the shares in the Company. Advertising recharges were paid to Online Blockchain Plc amounting to £44,000 (2018: £52,000). Online Blockchain Plc was owed £68,000 (2018: £165,000) by ADVFN Plc at the balance sheet date and, in addition, Clement Chambers' was owed £3,000 (2018: £nil) by ADVFN Plc.

NA Data Inc (a subsidiary of ADVFN Plc) supplied development services to Online Blockchain Plc amounting to £153,000 during the year

Clement Chambers' son worked as a consultant for ADVFN on software projects during the year. His invoices for the year amounted to a total of £47,000 (2018: £51,000).

The remuneration paid to Directors is disclosed on page 14 of the Directors' Report; there were no other related party transactions except for those disclosed in note 25 below.

COMPANY

Online Blockchain Plc is related by virtue of having common directors, M J Hodges, C H Chambers and J B Mullins and as Online Blockchain Plc holds approximately 17.98% of the shares in the company. Advertising recharges were paid to Online Blockchain Plc amounting to £44,000 (2018: £52,000). Online Blockchain Plc was owed £68,000 (2018: £165,000) by ADVFN Plc at the balance sheet date and, in addition, Clement Chambers' was owed £3,000 (2018: £nil) by ADVFN Plc.

Clement Chambers' son worked as a consultant for ADVFN on software projects during the year. His invoices for the year amounted to a total of £47,000 (2018: £51,000).

The remuneration paid to Directors is disclosed on page 14 of the Directors' Report; there were no other related party transactions except for those disclosed in note 25 below.

Notes to the financial statements (continued)

25. Disposal of Equity Holdings Ltd and Equity Developments Ltd

GROUP AND COMPANY

Following the failure of Bashco Limited to make any payments to the Company for the acquisition of Equity Holdings Ltd and its subsidiary Equity Developments Ltd during the year to 30 June 2018, it was agreed between the parties that a payment be made by Bashco Ltd to ADVFN Plc amounting to a cash payment of £50,000 plus the issue to ADVFN Plc of shares amounting to a 30% stake in the disposed companies. These payments were received and the parties consider the transaction complete. The shareholding was therefore recognised at fair value through profit or loss within investments on the balance sheet at £3,000. On 15 June 2019 the investment was sold back to Brian Basham, the owner of Equity Holdings Limited and Equity Development Limited (a related party resulting from a joint directorship) for £50,000 thus creating a profit in the Company of £47,000.

26. Events after the balance sheet date

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

27. Accounts

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

www.companieshouse.gov.uk

and from the ADVFN plc website:

www.ADVFN.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of ADVFN plc will be held in the Conference Room, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA on the 23rd December 2019 at 10.00 a.m. for the following purposes:

Ordinary Business

- 1 To receive and adopt the financial statements and reports of the directors and auditors for the financial period ended 30 June 2019.
- 2 To re-elect Mr C Chambers as a director of the Company, who will retire by rotation in accordance with the Company's Articles of Association and offers himself for re-election.
- 3 To re-elect Mr 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.
- 4 To authorise the directors to appoint auditors for the Company to hold office until the next Annual General Meeting and to authorise the directors to fix their remuneration.

Special Business

- 5 To consider, and if thought fit, to pass the following as an ordinary resolution:-
That the directors of the Company (the "**Directors**") be and are hereby authorised generally and unconditionally pursuant to and for the purposes of Section 551 of the Companies Act 2006 (the "**Act**") to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £ 2,963,462 provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2020 save that the Company may make an offer or agreement before the expiry of this authority which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights pursuant thereto as if the authority conferred hereby had not expired, such authority to be in substitution for any existing authorities conferred on the Directors pursuant to Section 80 of the Companies Act 1985.
- 6 To consider, and if thought fit, to pass the following as special resolution:-
That, conditional on the passing of resolution 5 above, the Directors be and are hereby generally empowered pursuant to Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) pursuant to the authority conferred by resolution 5 above as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be in substitution for any previous powers conferred on the Directors pursuant to Section 95 of the Companies Act 1985 and shall be limited to:
(a) allotments of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to holders of ordinary shares made in proportion (or as nearly as may be) to their existing holdings of ordinary shares in the Company subject to the Directors having a right to make such exclusions or other arrangements in connection with such offering as they may deem necessary or expedient:-
(i) to deal with equity securities representing fractional entitlements; and
(ii) to deal with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory; and
(b) other allotments (otherwise than pursuant to sub-paragraph (a) above) of equity securities for cash up to an aggregate nominal amount equal to £ 2,963,462 and such authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2020 save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant thereto as if the power conferred hereby had not expired.

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

By order of the Board
J Mullins
CFO

29th November 2019

ADVFN PLC
NOTES:

1. A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of him. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. The proxy need not be a member of the Company. Please refer to the notes to the Form of Proxy for further information on appointing a proxy, including how to appoint multiple proxies (as the case may be).
2. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them. If you wish to appoint a proxy other than the Chairman of the meeting, cross out the words "the Chairman of the meeting" on the Form of Proxy and write the full name and address of your proxy on the dotted line. The change should be initialled.
3. In the absence of instructions, the person appointed proxy may vote or abstain from voting as he/she thinks fit on the specified resolutions and, unless otherwise instructed, may also vote or abstain from voting on any other matter (including amendments to resolutions) which may properly come before the meeting.
4. In the case of joint holders, the signature of any one of them will suffice but the names of all joint holders should be stated. The vote of the senior who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the votes of the other holders. For this purpose, seniority is determined by the order in which the names stand in the register of members in respect of the joint holding.
5. To be effective, the enclosed Form of Proxy must be duly completed and deposited together with any power of attorney or other authority (if any) under which it is executed (or a duly certified copy of such power or authority) and lodged at the offices of the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA no later than 10.00 a.m. on 19th December 2019. Please note that the pre-paid address printed on the reverse of the Form of Proxy is only for use if you are posting from within the United Kingdom.
6. Completion and return of the Form of Proxy will not preclude a shareholder from attending and voting in person at the meeting.
7. The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members entered on the register of members of the Company at 6 p.m. UK time on 19th December 2019 shall be entitled to attend and vote at the meeting or, if the meeting is adjourned, 6 p.m. on the day two days prior to the adjourned meeting. Changes to entries on the register of members after such time shall be disregarded in determining the right of any person to attend or vote at the meeting.

ADVFN PLC

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING (“AGM”) OF ADVFN PLC (THE “COMPANY”)

At the AGM, resolutions will be proposed as explained below.

Resolution 1 – Receiving the accounts

An ordinary resolution will be proposed that the report of the directors and the accounts for the year ended 30 June 2019 together with the report of the auditors on those accounts be received and adopted.

Resolution 2 – Re-election of Mr C Chambers as a director of the Company

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

Resolution 3 – Re-election of Mr J Mullins as a director of the Company

An ordinary resolution will be proposed to re-elect Mr J Mullins, who is retiring and, being eligible, offers himself for re-election as a director of the Company.

Resolution 4 – Re-appointment of auditors

An ordinary resolution will be proposed that the directors appoint auditors for the Company to hold office until the conclusion of the next annual general meeting of the Company and that their remuneration be fixed by the directors of the Company (the “**Directors**”) from time to time.

Special Business

Resolution 5 – Authority to allot relevant securities

An ordinary resolution will be proposed giving the Directors authority pursuant to section 551 of the Companies Act 2006 (the “**2006 Act**”) to exercise all powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares up to a maximum aggregate nominal amount of £ 2,963,462 to such persons at such times and upon such terms and conditions as the Directors may determine (subject always to the articles of association of the Company). Such authority will, unless renewed, varied or revoked, expire at the conclusion of the Annual General Meeting of the Company to be held in 2020.

Resolution 6 – Authority to disapply pre-emption rights

Subject to the passing of resolution 5, a special resolution will be proposed to empower the Directors to allot equity securities pursuant to the authority conferred by resolution 5 as if the pre-emption rights set out in section 561(1) of the 2006 Act did not apply, in respect of the following matters:

(a) the allotment of equity securities in connection with an offer of such securities by way of a rights issue or other issues pro rata to existing entitlements to holders of relevant equity securities in proportion (as nearly as may be) to the respective amounts of equity securities held by them but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with equity securities which represent fractional entitlements or legal or practical difficulties under the laws of any territory or the requirements of any regulatory body, stock exchange or other authority in any jurisdiction; and (b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to a maximum aggregate nominal amount of £ 2,963,462. Such authority will, unless renewed, varied or revoked, expire at the conclusion of the Annual General Meeting of the Company to be held in 2020.

ADVFN PLC

FORM OF PROXY

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

Dear Sirs

I/We.....
of.....
being a member of the Company hereby appoint.....
of.....

or failing him, the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 23rd December 2019 at 10.00 a.m. and at any adjournment thereof.

I/we direct that my/our proxy vote as indicated below in respect of the resolutions, which are referred to in the notice convening the meeting (see note 1 below).

Resolutions For Against Ordinary Resolutions:

- 1. To adopt the Report and Accounts for the year ended 30 June 2019
- 2. To re-elect Mr C Chambers as a director of the Company
- 3 To re-elect Mr J Mullins as a director of the Company
- 4. To appoint Auditors for the Company

For Against Withheld

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Special Business

- 5. To authorise the directors to allot shares or grant rights pursuant to section 551 of the Companies Act 2006 (the "2006 Act")
- 6. To authorise the Directors to allot equity securities pursuant to the authority conferred by resolution 5 as if the pre-emption rights set out in section 561(1) of the 2006.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Notes :

- 1. Please indicate with an "X" in the appropriate space how you wish your votes to be cast. If no indication is given your proxy will vote or abstain from voting at his discretion.
- 2. A member entitled to attend and vote is entitled to appoint a proxy to exercise all or any rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority, must arrive at the address shown above not less than 48 hours before the time appointed for the meeting or any adjournment of the meeting.
- 3. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given.
- 4. This form of proxy, if completed by a corporation, should be executed under the common seal of that corporation or be signed by an officer or attorney duly authorised to do so, whose capacity should be stated.
- 5. A member wishing to appoint as his proxy a person other than the Chairman of the Meeting, should insert in block capitals the full name of the person of his choice where indicated, and delete the words "the Chairman of the Meeting". All alterations should be initialled.
- 6. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated. Otherwise, in order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly revoking your proxy appointment to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA. In the case of a corporation, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
- 7. If you submit more than one valid proxy appointment but the instructions in such appointments are not compatible with each other, the appointment received last before the latest time for the receipt of proxies will take precedence.

SECOND FOLD

**Business Reply Plus
Licence Number
RSTY-SAKX-RZSL**



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

FIRST FOLD

THIRD FOLD