**ADVFN PLC**

ANNUAL REPORT AND AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2023

**Registered Number: 02374988 (England and Wales)**

## Contents of the Financial Statements

## Directors, officers and advisers

### Directors

Amit Tauman (Appointed as Chief Executive Officer 23 November 2022)

Jonathan Mullins (Resigned 6 February 2023)

Matthew Collom (Sales Director)

Lord Gold (Non-executive Chairman)

Anthony Wollenberg (Non-executive Director)

Michael Hodges (Resigned 8 August 2022)

Thomas Spiller (Resigned 8 August 2022)

### Registered Office

Suite 28, Ongar Business Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA

### Independent Auditor

Saffery LLP, 71 Queen Victoria St, London, EC4V 4BE

### Nominated Adviser

Beaumont Cornish Limited, Building 3, 566 Chiswick High Road, London, W4 5YA

### Broker

Peterhouse Capital Limited, 80 Cheapside, London, EC2V 6EE

### Registrars

Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD

**Company number:** 02374988

## Chairman's Statement

As the Non-Executive Chairman of ADVFN, this year has been marked by significant evolution in both our Board and executive roles. The dramatic changes we've experienced have brought challenges, but they have also opened opportunities for future growth and improvement. Our focus has been on ensuring that these transitions align with our vision and future goals and reinforce our commitment to robust governance.

In supervising the executive team, led by CEO Amit Tauman, the Board has been instrumental in navigating these changes. We have emphasised operational efficiency and financial stability, ensuring that our strategic initiatives are both effective and responsible.

Currently, we are in the process of recruiting high-level positions further to strengthen our leadership team and enhance diversity. This pursuit is critical to our ongoing commitment to excellence in governance and strategic oversight.

In conclusion, we remain steadfast in our dedication to steering ADVFN towards sustained growth and success.

David Gold

Lord Gold
**Non-executive Chairman**

## Chief Executive's Statement

As the CEO of ADVFN, I am honored to guide our company through a transformative period. Upon assuming my role, I was confronted with a reality far more complex than anticipated: the company was struggling with significant financial limitations, possessing barely any cash reserves. Moreover, the need for a strategic overhaul in our organisational structure, culture and staff was evident, especially while navigating through difficult market conditions.

While this period has not been without its share of challenges, our progress over the last year has been substantial and encouraging. The work we have done and are continuing to do can be categorised under the following headings:

**Overcoming Challenges and Legacy Constraints:**

- We have addressed the challenges of outdated infrastructure and the risks associated with our old hardware, which often resulted in system downtime and additional risk exposures. In parallel, we have initiated a migration to cloud-based solutions to enhance performance and further mitigate risk.
- We have resolved complexities with our joint venture in Brazil, unexpected audits and historical vendor agreements which have now been agreed upon.
- We have wound down non-core operations including ALLIPO, MJAC, Fotothing, CupidBay and Dubai offices, which were loss making and no longer aligned with our strategic direction. In the current year, the group impaired the historic goodwill in InvestorsHUB, leading to an impairment of £978,000 on the income statement. This has been treated as exceptional in nature and has resulted in the goodwill balance being fully impaired.
- We have reshaped the board structure and related activities, incurring significant legal expenses, amounting to approximately £200,000. These costs are due to legal fees, relating to potential claims against some of the previous management with whom settlements were reached.

**Reshaping Our Company:**

We have restructured the Board of Directors and made comprehensive adjustments within our staff, moving from a traditional corporate structure to a startup mindset focused on growth and innovation. These shifts also meant parting ways with those who did not align with the company's new cultural standards.

**Achievements and Ongoing Initiatives:**

- Fundraising: We succeeded in raising £6.5m, mainly from our existing shareholders, reflecting an impressive belief in the new management.
- Expanding our product offering: The launch of real-time option data and option flow product, new and unique editorial content, comprehensive global fundamental data for relevant markets, and the revamp of the InvestorsHub message board.
- Expanding into Korea, forming a new arrangement with our Brazilian partners and establishing two additional partners in 2024.
- R&D and Infrastructure: We have made substantial investments in high-capacity, low-latency data processing to improve site stability, laying the groundwork for developing large-scale real-time streaming products.
- Cost Reductions: We have managed to reduce the overall operational costs by 20% and reduce our headcount, including contractors, from 40 to 31, while onboarding new senior team members.
- Monetisation and Analytics: We have successfully completed the optimisation of our ad tech operations and effectively streamlined our funnels for user engagement and monetisation. Additionally, we have shifted towards a data-driven decision-making approach, integrating advanced analytics into our operations.
- App: We plan to release our new app by the end of Q2 2024.

**Strategic Focus and Future Vision:**

Given the challenging market conditions and stock market volatility, our short-term objective has been to transform into a small and dynamic team. We place a significant emphasis on cost-effectiveness, while prioritising the preservation of our cash reserves for strategic investments. As we reach a point of financial stability and become a more efficient organisation, we will be poised to identify and seize opportunities further to grow our business.

In the first 5 months of the present financial year, improvements are already being seen.

We are pleased to announce that our initial phase of changes and redesign of our product offering will be fully optimised by Q1 2024.

In 2024 we plan to introduce a new product which we believe is going to revolutionise the way our users consume financial information, utilise our existing community and tools in different ways.

As the company's CEO, my foremost objective is to forge a clear vision and strategy for the Company to deliver these changes. I am confident that the trust of our shareholders, combined with the skills and motivation of our team under my leadership, will show much different results in 2024.

Amit Tauman
**CEO**

**20 DECEMBER 2023**

## Strategic Report

### Financial Overview

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

The loss for the financial year after tax amounted to £2,169,000 (2022: a loss of £1,368,000). The Directors are not proposing payment of a dividend.

Throughout this fiscal year, we encountered a series of exceptional expenses that impacted on our financial landscape. A considerable portion of our expenses, exceeding £200,000, arose from legal fees, particularly following the change in our board of directors and related to potential litigation resolved with former management. Another significant factor contributing to the loss was the impairment of goodwill of £978,000 related to InvestorsHub.

Further cash expenditure totalling £100,000 was incurred during our fundraising activities. In addition, we have wound down various operations, including the subsidiaries ALLIPO, CupidBay, MJAC, and Fotothing, and our presence in Dubai, all of which incurred one-time costs. While these closures were essential in redirecting our resources and focus on our primary objectives, they are also instrumental in our ongoing process of cost reduction. By adopting new technology, we anticipate further reductions in hosting and IT expenses beginning early 2024. Moreover, our exits and renegotiations with different providers are expected to lead to additional cost savings.

While the spend was high this year, we are moving toward one of our goals and seeing diminishing expenses and constantly reducing operational costs:

- Operational costs are down on average by 20% YoY. 7,076k vs 8,852k
- Headcount, reduced by 23% YoY from 40 to 31.

ADVFN 2022-2023 financial highlights:

- Revenue was £5.5 million compared to £7.8 million in the prior year.
- Net loss was £2.1 million (including £314k loss arising from discontinued operations, £978k impairment of goodwill and £200k of non-recurring legal fees) compared to net loss of £1.37 million in the prior year period.
- Cash and cash equivalents: £5.6 million compared to £0.9m in the prior year.

The Directors are not proposing payment of a dividend (2022: £589k).

### Business Review

Navigating through current market conditions remains challenging. Market conditions in 2022/23 dampened retail investors' enthusiasm in the entire financial data sector.

However, the ADVFN team remains patient and focused on crafting a long-term strategy that we firmly believe will significantly enhance our financial standing over the coming years.

The focal point of the 2023/24 year’s efforts lies in building our new app and our new product offering while simultaneously growing and cultivating our community and forums, together aiming to position ADVFN as a state-of-the-art one-stop shop for investors.

### Summary of key performance indicators

As ADVFN continues to evolve, our approach to Key Performance Indicators (KPIs) reflects a significant shift from previous strategies. In line with our strategic plan for the future, we are focusing on a combination of immediate and long-range objectives that align with our current strategic path. Our operating costs have been reduced by 20% on a year-on-year basis. This concerted effort has paved the way for enhanced fiscal efficiency and positions us well on the trajectory towards our cost-effective goal. This ongoing trend underscores our commitment to fiscal prudence and the prudent allocation of resources. We remain confident that those costs will continue to diminish over H1.

1. **Operational Cost Reductions:** Our objective is adopting a cost-effective approach, aimed at cutting unnecessary expenses that do not align with our new strategy. This shift is exemplified by our reduced headcount, now at 31 from 40, though headcount is no longer a key metric in isolation.

**Strategic Report (continued)**

2. **Traffic Growth:** We believe that traffic growth should be our foremost KPI. As we approach full optimisation, our primary focus is on the top of the funnel – increasing traffic while maintaining cost effectiveness to support this growth. This strategic emphasis is crucial for driving our next phase of development.

3. **Turnover Increase:** We anticipate that the increase in traffic, bolstered by our fully established monetisation process, will in turn lead to an increase in turnover. Our focus on attracting and retaining users, coupled with efficient monetisation, lays the foundation for enhanced financial performance.

While specific metrics like headcount and registered users are no longer primary KPIs, they play a supportive role in our broader objectives.

**Principal risks and uncertainties**

1. **Currency Fluctuations**: Operating in multiple countries exposes us to the risks associated with fluctuating exchange rates of the Euro, GBP, and the US Dollar. These currency fluctuations can impact on our revenues, expenses, and overall financial stability, making it imperative to employ effective currency risk management strategies. To mitigate these risks, we are reviewing our pricing transfer agreements and primarily maintaining most our revenues in GBP. This approach helps stabilise our financial operations against currency volatility.

2. **Interest Rates and Inflation**: Rising interest rates and inflation pose challenges to our financial model. Not only can these factors increase our borrowing costs, but they can also affect end-user and provider fees, potentially eroding our profit margins. It is crucial to monitor and adapt to changes in these economic indicators. In response, we have secured long-term contracts with many of our providers, aiming to lock in current rates and mitigate the risks associated with inflation.

3. **Ad Networks Industry Volatility**: The ad networks industry is witnessing a decline in overall revenue, exemplified by the recent bankruptcy of companies like EMX and MediaMath. This is reflected in the Online Ad Revenue Index, which has dropped by over 30%. These industry-wide challenges necessitate a proactive approach in diversifying our revenue streams and ensuring financial stability. To address these industry-wide challenges, we are diversifying our revenue streams by expanding our product offerings and focusing on increasing subscriptions. This strategy is designed to reduce our dependence on ad revenues and enhance financial stability.

4. **Market Uncertainty Impacting Traffic**: The unpredictability in global markets directly impacts on our website traffic and user engagement. During times of economic uncertainty and a steady downward trend, users may reduce their online activity or shift their preferences, affecting our platform's performance. Developing resilience and adaptability strategies is essential to mitigate the adverse effects of market fluctuations on our traffic and user engagement. To counteract these effects, we are continually working on converting new traffic and intensively improving our SEO. These efforts are aimed at maintaining and growing our user base despite market fluctuations.

5. **Regulatory adherence:** In the ever-evolving landscape of digital regulation, we are acutely aware of the increasing complexities and tightening of rules surrounding GDPR and User-Generated Content (UGC) compliance. These regulatory frameworks are critical in shaping how we manage data and interact with our user base. To navigate these changes effectively, we are steadfast in our commitment to staying abreast of new regulations and governance practices. Our approach includes the development of robust compliance guidelines and ongoing consultations with legal experts and industry specialists.

6. **Inadequate Disaster Recovery Procedures:** Addressing the risks associated with our on-premises data storage, especially in the event of a disaster, is a top priority. Such events pose serious threats to our data integrity and infrastructure. To mitigate these risks, we are transitioning to cloud-based data storage for improved security and redundancy and are updating our infrastructure by replacing old hardware with more robust and reliable systems. This strategy is key to ensuring the protection and stability of our operations under any circumstances.

Consideration of the principal risks associated with financial instruments is contained in note 23.

**Strategic Report (continued)**

**People**

I would like to thank the whole team at ADVFN who have worked hard during a tumultuous time in the markets.

**Directors' statement of responsibilities under section 172 Companies Act 2006**

The Directors have considered the requirements of Section 172(1) of the Companies Act 2006 to prepare a statement explaining how the Directors have considered the wider stakeholder needs when performing their duties under Section 172 of the Companies Act 2006.

The Directors consider the stakeholders to be the people who work for us, work with us, invest with us, own us, regulate us and live in the societies we serve. The Directors recognise that building strong relationships with our stakeholders will help deliver the Group's strategy in line with the long-term values. The Directors are committed to effective engagement with all of our stakeholders and seek to understand the interests and views of the Group's stakeholders by engaging with them directly as appropriate.

Depending on the nature of the issue in question, the relevance of each stakeholder group may differ and, as such, as part of the Group's engagement with stakeholders, the Directors seek to understand the relative interests and priorities of each group and to have regard to these, as appropriate, in their decision making. The Directors acknowledge, however, that not every decision the Board makes will necessarily result in a positive outcome for all stakeholders. However, the Directors do challenge management to ensure all stakeholder interests are considered in the day-to-day management and operations of the Group.
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As part of their deliberations and decision-making process, the Directors take into account the following:

• the likely consequences of any decisions in the long term;
• interests of the Group's employees;
• need to foster the Group's business relationships with suppliers, customers and others;
• impact of the Group's operations on the community and environment;
• desirability of the Group maintaining a reputation for high standards of business conduct; and
• the need to act fairly as between members of the Group.

As a result of these activities, the Directors believe that they have demonstrated compliance with their obligations under s.172 of the Companies Act 2006.

**Business**

The Directors' aim for the Group is to be and remain a contributing and good "Corporate Citizen".

Our business does not have a high carbon footprint and we consider it to be a sustainable business. We try to ensure that our planet's precious resources are used appropriately for the benefit of current and future generations. The Board considers that the business and strategic decisions which it takes now, in furtherance of the Group's business objectives, do not damage the global environment.

**Employees**

The Group has a small number of employees but those it has are situated and are deployed on the Group's business around the World. We ensure that we comply with all local labour laws and apply what the Directors believe are appropriate standards and systems to monitor and ensure the welfare of those employees.

**Stakeholder engagement**

The Group is entirely owned by the shareholders of ADVFN Plc and the shares of the Group are traded on AIM. The stakeholders of the Group consist predominantly of the shareholders, employees, advisers and suppliers. The Directors recognise the importance of these relationships and take active steps to develop and strengthen them through dialogue and engagement. These relationships are regularly monitored at Board level.

**Strategic Report (continued)**

**Governance**

Each Board meeting addresses compliance by the Group with its corporate governance codes and reinforces the Board's requirement that its business be conducted with integrity and with due regard for ethical standards.

ON BEHALF OF THE BOARD

**Amit Tauman**

**CEO**

**20 DECEMBER 2023**

## 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 has 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 medium-long term value that can be delivered to its shareholders is for ADVFN to obtain technological advantage while building cutting edge tools for real-time data and for growing our community. We remain in the position that a key indicator for our company's health is our subscriptions, and we maintain our sales-subscription model as it is.

**Principle Two**
*Understanding Shareholder Needs and Expectations*
The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Group 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 Group 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 Group is reliant upon the efforts of the employees of the Group and its contractors, suppliers, regulators and other stakeholders. In addition, the Board is conscious of its responsibility to ensure that 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 Group. 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<br>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 Group |
| **Strategic** | Inadequate disaster recovery procedures | Loss of key operational and financial data | Robust compliance<br>Secure offsite storage of data and Cloud migration. |

**Corporate Governance Report (continued)**

| Activity | Risk | Impact | Control(s) |
|---|---|---|---|
| **Financial** | | | |
| | Fixed overheads | Decline in revenue affects going concern | Board monitor |
| | Fluctuations in exchange rates and inflation | Exposure to negative impact will reduce value of assets and revenues | Monitoring by Board and consultants, reviewing price transferring agreement and use of forward contracts where required |
| **Economic** | General downturn | Business activity reduced | Market engagement by staff and Board monitor |
| **Technical** | Product obsolescence | Visits to site and revenue fall | Maintain R & D spend and technical expertise |

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 Group 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.

**Principle Five**
*A Well-Functioning Board of Directors*
As at the date hereof the Board comprised, the Non-Executive Chairman Lord Gold, CEO Amit Tauman, Sales Director Matthew Collom, Anthony Wollenberg. 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.

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 below. 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. Anthony Wollenberg and Lord Gold are considered to be Independent Directors. 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 that the Board composition (including the non-executive role of the Chairman and the single non-executive director) has been appropriate for the Group given the size of the business, the board will review further appointments as scale and complexity grows.

**Principle Six**
*Appropriate Skills and Experience of the Directors*
The Board currently consists of 4 Directors (2022:5). The Group 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 Directors has experience in public markets. However, we are in a search to expand our board of directors.

The Board recognises that it currently has limited diversity and this will be taken fully into account if the Board concludes that replacement of directors is required. The Board will review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

**Amit Tauman**
Chief Executive Officer

Amit Tauman joined ADVFN earlier this year as an executive director. Amit took responsibilities across several business operations, including creating and implementing the company's culture, vision, mission, and overall direction while leading the development and implementation of the company's overall strategy. Amit came from an extensive background in mathematics and computer science with years of experience in AI and machine learning. Amit Tauman assumed the title of CEO on 25 November 2022.

**Corporate Governance Report (continued)**

**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.

**Lord Gold**
*Non-Executive Chairman*

Lord Gold was appointed Director of ADVFN on 29 April 2022. His background is as a litigation solicitor at Herbert Smith, becoming Senior Partner in April 2005. In March 2011 he set up a consultancy advising on strategy and tactics. In October 2018, Lord Gold joined forces with Simon Collins, former Senior Partner of KPMG, to create a new business called Gold Collins Associates, which advises organisations and individuals facing crisis situations. He became a Conservative Peer in February 2011. He chairs the investment committee of litigation funder, Balance Legal Capital. He also chairs the London campus of international business school, ESCP.

**Anthony Wollenberg**
*Non-Executive Director*

Tony Wollenberg joined the board earlier this year together with Lord Gold and Amit Tauman. Tony Wollenberg is a solicitor specialising in financial services and big ticket commercial disputes, often with alleged fraud at their heart. He founded and managed his own law firm for 22 years before its merger with a US law firm. Tony Wollenberg has also founded and invested in a number of commercial ventures. He currently serves as a director of eToro (U.K.) Limited which is part of one of the world's largest investment platforms which he helped found in 2007.

Directors attendance at Board Meetings

| | Aug 2022 | 4 Oct 2022 | 12 Oct 2022 | Nov 2023 | Dec 2023 | Jan 2023 | 3 Feb 2023 | 28 Feb 2023 | Mar 2023 | 1 Jun 2023 | 8 Jun 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Amit Tauman | x | x | x | x | x | x | x | x | x | x | x |
| Matthew Collom | x | x | x | x | x | x | x | x | x | x | x |
| Lord David Gold (Non-exec) | x | x | x | x | x | x | x | x | x | x | x |
| Anthony Wollenberg (Non-exec) | x | x | x | x | x | x | x | x | x | x | x |
| Jonathan Mullins (resigned 6 February 2023) | x | x | x | x | x | x | x | - | - | - | - |
| Michael Hodges (resigned 8 August 2022) | - | - | - | - | - | - | - | - | - | - | - |
| Thomas Spiller (resigned 8 August 2022) | - | - | - | - | - | - | - | - | - | - | - |

**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. There is no formal programme of appraisal in place as the Board is small and in constant contact. Informal meetings include discussions around members' effectiveness and performance.

**Principle Eight**
*Corporate Culture*
The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Group as a whole and that this will impact upon the performance of the Group. The Board is very aware that the tone and culture set by the Board will greatly impact on all aspects of the Group as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Group delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Group.

**Corporate Governance Report (continued)**

A large part of the Group'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 Group successfully to achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Group does. The Directors consider that at present the Group has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Group 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 Group 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 Group's activities rests with the Board, the respective responsibilities of the Non-executive Chairman and Chief Executive Officer arising as a consequence of delegation by the Board. The Non-executive Chairman is responsible for the effectiveness of the Board, while management of the Group's business and primary contact with shareholders has been delegated by the Board to the CEO.

*Audit Committee*

During the financial year ended 30 June 2023 the Audit Committee comprised Anthony Wollenberg and Lord David Gold and was chaired by Lord David Gold. This team has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group 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 Group. The Audit Committee has unrestricted access to the Group's auditors. The audit committee now consists of Amit Tauman, Lord Gold and Anthony Wollenberg.

*Remuneration Committee*

The Remuneration Committee comprises Amit Tauman, Lord Gold and Anthony Wollenberg. 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 Group'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 observed throughout the year. These provide for the orderly and constructive succession and rotation of the Non-executive Chairman and non-executive directors insofar as both the Non-executive 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 Group, 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 Group; 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 Group 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 Group.

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

The Group 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 2023.

**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.

**DIRECTORS**

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

A Tauman
J B Mullins (resigned 6 February 2023)
M Collom
Lord Gold (Non-executive)
A Wollenberg (Non-executive)
M J Hodges (Resigned 8 August 2022)
T Spiller (Non-executive) (Resigned 8 August 2022)

Anthony Wollenberg retires by rotation and, being eligible, offers himself for re-election. The Directors' interests in the shares of the Company are shown in the Remuneration Report.

**DIRECTORS' INDEMNITIES**

The company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

**SUBSTANTIAL SHAREHOLDERS**

At 15 December 2023 the Directors were aware of the following shareholdings in excess of 3% of the Company's issued share capital:

| | Shareholding | % |
|---|---|---|
| Amit Tauman (Director) | 5,437,972 | 11.82 |
| Yair Tauman | 4,225,165 | 9.18 |
| Dan Horsky | 4,071,437 | 8.85 |
| Online Blockchain Plc | 3,050,938 | 6.63 |
| Ron Izaki | 2,979,761 | 6.48 |
| Zohar Zisapel | 1,818,181 | 3.95 |
| Soare Holdings Ltd | 1,818,181 | 3.95 |

**RESEARCH AND DEVELOPMENT**

We are constantly engaged in research and development, striving to improve and expand our customers' on-line experience. We are highly focused on new developments including improvements to our website and researching and developing new investment tools and real-time systems. Expenditure during the year amounted to £175,000 (2022: £74,000) 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 have prepared a detailed forecast of future trading and cash flows for the next three years after the accounts are approved. The forecasts take into potential future growth of the business both in the UK and USA, the development of products that will enhance the growth of the business and the potential areas for additional cost saving if required. At 30 June 2023 the Group's cash balances amounted to £5,557,000. The group forecasts are based on nil revenue growth in 2024 and then growth in 2025 of 5% to 10% for advertising and subscription revenue with costs not increasing by more than 5% for the UK and USA business over the two years. The forecasts show that the group and the company have sufficient funding to enable them to carry on as a going concern for the next twelve months from the date of signing the audit report. The Directors are also planning on developing new products that will enhance the growth of the business and will consider further areas for additional cost saving if required. The directors have given due consideration to the two subsidiaries for whom ADVFN Plc has given guarantees under the audit exemption rules and do not consider this will affect the Group's risk position. Accordingly, the Directors have prepared these financial statements on the going concern basis.

**FINANCIAL RISK MANAGEMENT**

Information relating to the Group's financial risk management is detailed in note 23 to the financial statements.

**Report of the Directors (continued)**

**EVENTS AFTER THE BALANCE SHEET DATE**

In September 2023 the Group set up a new subsidiary in Israel as part of the new strategic direction.

Since the balance sheet date, in line with the strategic plans for the business, an application for strike off has been submitted for CupidBay Limited, MJAC InvestorsHub International Conferences Limited and All IPO Plc.

In September 2023, 180,000 share options were granted to vest over a three-year period.

**STRATEGIC REPORT**

Information in respect of the Business Review is not shown in the Report of the Directors because it is presented in the Strategic Report in accordance with s414C(11) of the Companies Act 2006.

**CORPORATE GOVERNANCE REPORT**

Information in respect of the Principal Risks and Uncertainties is not shown in the Report of the Directors because it is presented in the Corporate Governance Report.

**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 under applicable law and UK-adopted international accounting standards as at 30 June 2023. 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 judgments and accounting estimates that are reasonable and prudent
- state whether applicable law and UK-adopted international accounting standards, in conformity with the requirements of the Companies Act 2006, 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 appointing auditors will be put to the members at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

David Gold

**Lord Gold**
**Chairman**
**20 DECEMBER 2023**

## Remuneration Report

### Directors' emoluments

| | Salary & fees £'000 | Annual bonus £'000 | Share based payments £'000 | 2023 Total £'000 | 2023 Pension £'000 | 2022 Total £'000 | 2022 Pension £'000 |
|---|---|---|---|---|---|---|---|
| **Executive Directors** | | | | | | | |
| A Tauman | 200 | - | 1 | 201 | - | - | - |
| M J Hodges (resigned 8 August 2022) | 37 | - | - | 37 | 6 | 440 | 36 |
| C H Chambers (resigned 23 February 2022) | - | - | - | - | - | 1,212 | 24 |
| J B Mullins (resigned 6 February 2023) | 137 | - | - | 137 | - | 367 | - |
| M Collom | 141 | | - | 141 | - | 292 | - |
| **Non-Executive Directors** | | | | | | | |
| D Gold | 74 | 26 | - | 100 | - | - | - |
| A Wollenberg | 49 | 30 | - | 79 | - | - | - |
| T Spiller (resigned 8 August 2022) | 3 | - | - | 3 | - | 21 | - |
| | 641 | 56 | - | 698 | 6 | 2,332 | 60 |

In the prior year Mr Chambers' salary and fees comprise a salary and annual bonus of £382,000 and compensation for loss of office of £830,000.

### Remuneration policy for Executive Directors

The Group'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 and are normally exercisable for a period of 7 years and lapse if an employee leaves.

### Service contracts

The Executive Directors have contracts with a ninety day notice period.

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 Group's business.

### Directors' interests in shares

The interests of the Directors and their families in the shares of the company at 1 July 2022 and 30 June 2023 were as follows:

| | **30 June 2023 No of Shares** | 1 July 2022 No of Shares | **30 June 2023 No of Options** | 1 July 2022 No of Options |
|---|---|---|---|---|
| M J Hodges (resigned 8 August 2022) | - | 26,000 | - | 651,473 |
| J B Mullins (resigned 6 February 2023) | - | 18,578 | - | 400,000 |
| M Collom | - | - | 70,000 | 200,000 |
| A Tauman | 5,437,972 | 2,180,820 | 460,000 | - |
| Lord Gold | - | - | - | - |
| A Wollenberg | - | - | - | - |

### Directors' interests in share options

Share options granted to M Hodges, J Mullins and M Collom have lapsed in the year.

## Independent auditor's report to the members

### Opinion

We have audited the financial statements of ADVFN PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2023 which comprise Consolidated Income Statement and Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement, Company Statement of Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.
In our opinion the financial statements:

- give a true and fair view of the state of affairs of the group and of the parent company as at 30 June 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- 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.

### Our approach to the audit

We tailored the scope of our audit to ensure that we obtained sufficient evidence to support our opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls and the industry in which they operate.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at areas where the directors made subjective judgements for example in respect of significant accounting policies that involved making assumptions and considering future events that are inherently uncertain. The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are discussed under "Key audit matters" within this report.

The group consists of the parent company and its subsidiaries, which includes UK and overseas companies. Materiality and the risks of material misstatement were assessed at subsidiary level for our audit procedures on the subsidiaries, both in the UK and overseas.

Our group audit scope included an audit of the group and parent company financial statements. We performed an assessment to determine which components were significant to the group. Significant components were deemed to be those which financially contributed greater than 15% of the group's revenue. None of the UK components were identified as significant. One overseas entity was deemed a significant component and was subject to audit procedures by component auditors under the instruction of the group engagement team. The results of this audit work were reviewed by the group engagement team. Non-significant components were subject to analytical procedures by the group engagement team. The group engagement team also performed testing of the consolidation process and adjustments.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, 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) we identified, including those which 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.

<table>
<tr><th>Key Audit Matter</th><th>How our scope addressed this matter</th></tr>
<tr><td><u>Carrying value of capitalised website and software development expenditure (Group & Company only)</u><br>The group recognises a number of internally generated intangible assets from development projects. The total carrying value at the reporting date was £1,003,000.<br><br>When capitalising an internally generated intangible asset there is significant judgement as to:<br>• Assessing whether the recognition criteria for capitalisation under IAS 38 has been met;<br>• Determining the asset's useful economic life and an appropriate amortisation policy once complete; and<br>• Assessing whether there are indicators of impairment at the reporting date.<br><br>The significance of capitalised development costs to the group and the judgements involved regarding the recognition of development assets have led us to identify this as a key audit matter.</td><td>Our audit procedures included the following:<br>• Reviewed management's assessment of costs capitalised, taking into consideration the recognition criteria in accordance with IAS 38;<br>• Corroborated a sample of costs capitalised to payroll data and invoices where applicable, verifying the allocation to the website and software projects as appropriate;<br>• Obtained and critically reviewed the Board's assessment for indicators of impairment, after considering both corroborative and contradictory evidence; and<br>• Re-performing calculations of amortisation charges, ensuring they are appropriate given the accounting policies applied and the useful economic life.<br><br>Based on the procedures performed, we have not identified any material misstatements arising in the carrying value of capitalised website and software development expenditure.</td></tr>
<tr><td><u>Carrying value of goodwill </u>(Group only)<br><br>The group held £978,000 of goodwill from historic acquisitions which is subject to an annual impairment review.<br><br>The directors' assessment of impairment includes significant estimates and assumptions particularly around:<br>• Allocation of the group's assets and operations into cash-generating units (CGUs), and in particular the allocation of goodwill to CGUs;<br>• Identifying future cash flows generated by the CGUs based on management's view of future business projects and expected performance; and<br>• Estimating future growth and discounting rates.<br><br>Based on the assessment prepared by the directors the goodwill was fully impaired during the period.<br><br>The significance of goodwill to the group's financial statements, together with the impairment recorded in the period has led us to identify this is as a key audit matter.</td><td>Our audit procedures included the following:<br>• Reviewed managements' identified CGUs and the allocation of goodwill to them in order to conclude on whether these are in line with the requirements of IAS 36 and reflect the underlying business structure;<br>• Obtained and reviewed management's assessment of the impairment of goodwill at the reporting date, critically appraising by assessing for arithmetical accuracy, comparing with post year-end information and scrutinising the underlying cash flows;<br>• Obtained management's assessment of the goodwill value and scrutinised key underlying assumptions used in the five-year cash flow model; being Nil growth in revenue in year one and 5% growth for years two to five. The model also includes a 5% inflationary cost increase for each year and a discount rate of 10%.<br>• Stress testing the sensitivity of the key underlying assumptions within the supporting discounted cashflow calculations prepared by management; and<br>• Reviewed the disclosures made regarding the conclusions of directors impairment assessment and agreed the consistency of these to the underlying workings presented.<br><br>Following recognition of the impairment charge in the period, based on our procedures performed we have not identified any material misstatement arising in the carrying value of goodwill. We confirm the disclosures in respect of this are appropriate.</td></tr>
<tr><td><u>Carrying value of investments in subsidiaries </u>(Company only)<br>The parent company held investments in subsidiaries at an amount of £1,000,000.</td><td>Our audit procedures included the following:<br>• Reviewed current year performance and net asset position of investments in comparison to the carrying value of investments;</td></tr>
</table>

| | |
|---|---|
| IAS 36 requires these to be assessed for indicators of impairment at the reporting date. If any such indication exists, the recoverable amount of the asset is estimated. The directors' assessment of impairment includes significant estimates and assumptions particularly around:<br><br>• Identifying future cash flows generated by the subsidiaries based on management's view of future business projects and expected performance; and<br>• Estimating future growth and discounting rates.<br><br>Based on the assessment prepared by the directors the investments were fully impaired during the period.<br><br>The significance of investments in subsidiaries to the parent company's financial statements, together with the impairment recorded in the period has led us to identify this is as a key audit matter. | • Obtained management's impairment review of the investments and scrutinised key underlying assumptions, including challenging management's assumptions and reviewing underlying data.<br><br>• Stress tested the sensitivity of the key underlying assumptions within the supporting discounted cashflow calculations prepared by management; and<br>• Reviewed the disclosures made regarding the impairment recognised during the year and agreed the entries to the underlying model.<br><br>Following recognition of the impairment charge in the period, based on our procedures performed, we have not identified any material misstatements arising in the carrying value of investments in subsidiaries. We confirm the disclosures in the financial statements to be appropriate. |

**Our application of materiality**

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. Our overall objective as auditor is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error. We consider a misstatement to be material where it could reasonably be expected to influence the economic decisions of the users of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceeds materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below this level will not necessarily be evaluated as immaterial as we also take into accounts of the qualitative nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial.

Based on our professional judgement and taking into account the possible metrics used by investors and other readers of the accounts, we have determined an overall group materiality of £81,000 based on 1.5% of revenue per draft financial statements at the planning stage. Materiality of £62,000 was used for the parent company was also based on 1.5% of revenue per draft financial statements at the planning stage.

Group performance materiality was set at £60,750 and parent company performance materiality was set at £46,500. These represented 75% of overall materiality

We agreed to report all individual audit differences in excess of £5,000 in relation to the group and parent company, being the level below which misstatements are considered to be clearly trivial. We also agreed to report any other identified misstatements that warranted reporting on qualitative grounds.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and the parent company's ability to continue to adopt the going concern basis of accounting included:

- Obtained the directors going concern assessment and supporting cash flow forecasts for the next three years;
- Critically appraised and assessed for arithmetical accuracy the directors' formal going concern assessment;
- Reviewed detailed cash flow forecasts to support management's going concern assessment to assess the ability of the company to continue in operation for at least 12 months from the date of signing this report and stress tested the forecasts under a range of scenarios;
- Performed a sensitivity analysis on key assumptions underlying the directors' going concern assessment, including revenue growth year on year and the level of expenditure on development and overheads and the continued impact of inflation on the expenditure being incurred;
- Discussed events after the reporting date with the directors to assess their impact on the going concern assumption, including comparison of the post year-end cash balances to forecast positions;
- Considered how the impact of the current economic climate has been factored into the forecasts including mitigating actions taken to reduce the impact and the timing of such measures;

- Reviewed the disclosures in the financial statements regarding the impact of current economic climate and the going concern status of the group; and
- Considered the form of our audit opinion.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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**

As explained more fully in the Directors' Responsibilities Statement set out on page 8, 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 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 group and parent company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the group and parent company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent company by discussions with directors, communication with component auditors and by updating our understanding of the sector in which the group and parent company operate.

Laws and regulations of direct significance in the context of the group and parent company include The Companies Act 2006, the AIM Rules for Companies and UK Tax legislation as well as similar laws and regulations prevailing in each country in which we identified a significant component.

In addition, the group is subject to other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to its ability to operate or to avoid a material penalty. These include anti-bribery legislation and employment law.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of group and parent company financial statement disclosures. We reviewed the parent company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

As group auditors, our assessment of matters relating to non-compliance with laws or regulations and fraud differed at group and component level according to their particular circumstances. Our communications with component auditors included a request to identify instances of non-compliance with laws and regulations and fraud that could give rise to a material misstatement of the group financial statements in addition to our risk assessment.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.
A further description of our responsibilities is available 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 parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

……………………………………..

Stuart Macdougall (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

DECEMBER 2023

## Consolidated income statement

| | Notes | 30 June 2023 £'000 | 30 June 2022 £'000 |
|---|---|---|---|
| Revenue | 3 | 5,445 | 7,848 |
| Cost of sales | | (316) | (374) |
| Gross profit | | 5,129 | 7,474 |
| Share based payment | 21 | 319 | - |
| Amortisation of intangible assets | 12 | (191) | (256) |
| Administrative expenses | | (6,026) | (7,176) |
| Administrative expenses – non-recurring items | 6 | (1,178) | (1,420) |
| Total administrative expenses | | (7,076) | (8,852) |
| Operating loss | 4 | (1,947) | (1,378) |
| Finance income | 7 | 24 | - |
| Finance expense | 7 | (11) | (14) |
| Other income | | 20 | - |
| Loss before tax | | (1,914) | (1,392) |
| Taxation | 8 | 58 | 24 |
| **Loss from continuing operations** | | **(1,856)** | **(1,368)** |
| Loss from discontinued operations | 3 | (313) | - |
| **Total loss for the period attributable to shareholders of the parent** | | **(2,169)** | **(1,368)** |
| **Loss per share from continuing operations** | | | **RESTATED** |
| Basic | 9 | (5.16p) | (5.19p) |
| Diluted | 9 | (5.16p) | (5.19p) |
| **Loss per share from total operations** | | | **RESTATED** |
| Basic | | (6.03p) | (5.19p) |
| Diluted | | (6.03p) | (5.19p) |

## Consolidated statement of comprehensive income

| | 30 June 2023 £'000 | 30 June 2022 £'000 |
|---|---|---|
| Loss for the year | (2,169) | (1,368) |
| **Other comprehensive income:** | | |
| Items that will be reclassified subsequently to profit or loss: | | |
| Exchange differences on translation of foreign operations | 33 | 73 |
| **Total other comprehensive income** | 33 | 73 |
| **Total comprehensive loss for the year attributable to shareholders of the parent** | (2,136) | (1,295) |

The accompanying accounting policies and notes on pages 30 to 63 form an integral part of these financial statements.

**Consolidated balance sheet**

| | Notes | **30 June 2023 £'000** | 30 June 2022 £'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 10 | 160 | 98 |
| Goodwill | 11 | - | 988 |
| Intangible assets | 12 | 1,003 | 1,124 |
| Trade and other receivables | 15 | 25 | 26 |
| | | 1,188 | 2,236 |
| **Current assets** | | | |
| Trade and other receivables | 15 | 466 | 460 |
| Cash and cash equivalents | | 5,557 | 915 |
| | | 6,023 | 1,375 |
| **Total assets** | | 7,211 | 3,611 |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Issued capital | 20 | 92 | 53 |
| Share premium | | 6,676 | 305 |
| Share based payment reserve | | 22 | 341 |
| Foreign exchange reserve | | 316 | 283 |
| Retained earnings | | (1,828) | 340 |
| | | 5,278 | 1,322 |
| **Non-current liabilities** | | | |
| Borrowing – bank loans | 17 | 20 | 41 |
| | | 20 | 41 |
| **Current liabilities** | | | |
| Trade and other payables | 19 | 1,903 | 2,148 |
| Borrowing – bank loans | 17 | 10 | 13 |
| Borrowing – lease liabilities | 17 | - | 87 |
| | | 1,913 | 2,248 |
| **Total liabilities** | | 1,933 | 2,289 |
| **Total equity and liabilities** | | 7,211 | 3,611 |

The financial statements on pages 23 to 63 were authorised for issue by the Board of Directors on 20 December 2023 and were signed on its behalf by:

**Amit Tauman**
CEO
Company number: 02374988

The accompanying accounting policies and notes on pages 30 to 63 form an integral part of these financial statements.

**Company balance sheet**

| | Note | At 30 June 2023 £'000 | At 30 June 2022 £'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 10 | 154 | 24 |
| Intangible assets | 12 | 218 | 234 |
| Trade and other receivables | 15 | 25 | 24 |
| Investments | 13 | - | 1,001 |
| | | 397 | 1,283 |
| **Current assets** | | | |
| Trade and other receivables | 15 | 313 | 786 |
| Cash and cash equivalents | | 5,301 | 529 |
| | | 5,614 | 1,315 |
| **Total assets** | | 6,011 | 2,598 |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Called up share capital | 20 | 92 | 53 |
| Share premium account | | 6,676 | 305 |
| Share based payment reserve | | 22 | 341 |
| Retained earnings | | (2,653) | (507) |
| | | 4,137 | 192 |
| **Non-current liabilities** | | | |
| Borrowings - bank loans | 17 | 20 | 41 |
| Deferred tax | | 104 | 104 |
| | | 124 | 145 |
| **Current liabilities** | | | |
| Trade and other payables | 19 | 1,740 | 2,248 |
| Borrowings - bank loans | 17 | 10 | 13 |
| | | 1,750 | 2,261 |
| **Total liabilities** | | 1,874 | 2,406 |
| **Total equity and liabilities** | | 6,011 | 2,598 |

The financial statements on pages 23 to 63 were authorised for issue by the Board of Directors on 20 December 2023 and were signed on its behalf:

**Amit Tauman**
**CEO**
Company number: 02374988

**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 £2,146,000 (2022: loss of £2,231,000).

The accompanying accounting policies and notes on pages 30 to 63 form an integral part of these financial statements.

## Consolidated statement of changes in equity

| | Share capital £'000 | Share premium £'000 | Share based payment reserve £'000 | Foreign exchange reserve £'000 | Retained earnings £'000 | Total equity £'000 |
|---|---|---|---|---|---|---|
| **At 1 July 2021** | 52 | 223 | 343 | 210 | 2,295 | 3,123 |
| **Transactions with equity shareholders:** | | | | | | |
| Share issues | 1 | 82 | - | - | - | 83 |
| Transfer on exercise | - | - | (2) | - | 2 | - |
| | 1 | 82 | (2) | - | 2 | 83 |
| **Distributions to owners** | | | | | | |
| Dividends | - | - | - | - | (589) | (589) |
| | - | - | - | - | (589) | (589) |
| Loss for the year after tax | - | - | - | - | (1,368) | (1,368) |
| **Other comprehensive income** | | | | | | |
| Exchange differences on translation of foreign operations | - | - | - | 73 | - | 73 |
| Total other comprehensive income | - | - | - | 73 | - | 73 |
| Total comprehensive income | - | - | - | 73 | (1,957) | (1,884) |
| **At 30 June 2022** | **53** | **305** | **341** | **283** | **340** | **1,322** |
| **Transactions with equity shareholders:** | | | | | | |
| Issue of shares | 39 | 6,448 | - | - | - | 6,487 |
| Cost associated with the issue of shares | - | (77) | - | - | - | (77) |
| Issue of options | - | - | 1 | - | - | 1 |
| Lapsed options | - | - | (320) | - | - | (320) |
| | 39 | 6,371 | (319) | - | - | 6,091 |
| Loss for the year after tax | - | - | - | - | (2,168) | (2,168) |
| **Other comprehensive income** | | | | | | |
| Exchange differences on translation of foreign operations | - | - | - | 33 | - | 33 |
| Total other comprehensive income | - | - | - | 33 | - | 33 |
| Total comprehensive income | - | - | - | 33 | (2,168) | (2,135) |
| **At 30 June 2023** | **92** | **6,676** | **22** | **316** | **(1,828)** | **5,278** |

The accompanying accounting policies and notes on pages 30 to 63 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 2021** | 52 | 223 | 343 | 2,311 | 2,929 |
| **Transactions with equity shareholders:** | | | | | |
| Share issues | 1 | 82 | - | - | 83 |
| Transfer on exercise | - | - | (2) | 2 | - |
| | 1 | 82 | (2) | 2 | 83 |
| **Distributions to owners** | | | | | |
| Dividends | - | - | - | (589) | (589) |
| | - | - | - | (589) | (589) |
| Loss for the year after tax | - | - | - | (2,231) | (2,231) |
| Total comprehensive income for the year | - | - | - | (2,231) | (2,231) |
| **At 30 June 2022** | **53** | **305** | **341** | **(507)** | **192** |
| **Transactions with equity shareholders:** | | | | | |
| Issue of shares | 39 | 6,448 | - | - | 6,487 |
| Cost associated with the issue of shares | - | (77) | - | - | (77) |
| Issue of options | - | - | 1 | - | 1 |
| Lapsed options | - | - | (320) | - | (320) |
| | 39 | 6,371 | (319) | - | 6,091 |
| Profit for the year after tax | - | - | - | (2,146) | (2,146) |
| Total comprehensive income for the year | - | - | - | (2,146) | (2,146) |
| **At 30 June 2023** | **92** | **6,676** | **22** | **(2,653)** | **4,137** |

The accompanying accounting policies and notes on pages 30 to 63 form an integral part of these financial statements.

**Consolidated cash flow statement**

| | Notes | **12 months to 30 June 2023 £'000** | 12 months to 30 June 2022 £'000 |
|---|---|---|---|
| **Cash flows from continuing operating activities** | | | |
| Loss for the year from continuing operations | | (1,855) | (1,368) |
| Net finance income in the income statement | 7 | (13) | 14 |
| Depreciation of property, plant & equipment | 10 | 75 | 181 |
| Amortisation of intangible assets | 12 | 191 | 256 |
| Write off goodwill | 11 | 978 | - |
| Write off intangible assets | | - | 296 |
| Share based payments | 21 | (319) | - |
| (Increase) / Decrease in trade and other receivables | | (20) | 170 |
| (Decrease)/increase in trade and other payables | | (226) | 262 |
| Net cash generated by continuing operations | | (1,189) | (189) |
| **Cashflow from discontinued operating activities** | | | |
| Loss for the year from discontinued operations | | (313) | - |
| Amortisation of intangible assets | 12 | 23 | - |
| Write off intangible assets | 12 | 83 | - |
| Decrease in trade and other receivables | | 14 | - |
| Decrease in trade and other payables | | (23) | - |
| Net cash generated by discontinued operations | | (216) | - |
| Income tax receivable | | - | - |
| Net cash generated by operating activities | | (1,405) | (189) |
| **Cash flows from financing activities** | | | |
| Issue of share capital | 20 | 6,410 | 83 |
| Dividend payments | | - | (589) |
| Bank interest received | | 24 | - |
| Repayment of loans | 17 | (24) | (13) |
| Repay lease liability | 17 | (91) | (103) |
| Lease interest paid | 17 | (4) | (10) |
| Other interest paid | | (1) | (4) |
| Net cash generated by financing activities | | 6,314 | (636) |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment | 10 | (136) | (39) |
| Purchase of intangibles | 12 | (175) | (114) |
| Net cash used by investing activities | | (311) | (153) |
| Net increase in cash and cash equivalents | | 4,598 | (978) |
| Exchange differences | | 44 | (46) |
| Net increase in cash and cash equivalents | | 4,642 | (1,024) |
| Cash and cash equivalents at the start of the period | | 915 | 1,939 |
| Cash and cash equivalents at the end of the period | | 5,557 | 915 |

All financing and investing activities were continuing.

The accompanying accounting policies and notes on pages 30 to 63 form an integral part of these financial statements.

**Company cash flow statement**

| | Notes | **12 months to 30 June 2023 £'000** | 12 months to 30 June 2022 £'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit / (loss) for the period | | (2,146) | (2,231) |
| | | | |
| Net finance expense in the income statement | | 1 | 1 |
| Depreciation of property, plant & equipment | 10 | 3 | 72 |
| Amortisation of intangibles | 12 | 191 | 223 |
| Impairment of investments | | 1,001 | 1,275 |
| Share based payments – options/warrants | 21 | (319) | - |
| (Increase)/decrease in trade and other receivables | | 473 | 7 |
| Decrease/(increase) in trade and other payables | | (509) | 159 |
| | | | |
| Net cash generated by operating activities | | (1,305) | (494) |
| | | | |
| **Cash flows from financing activities** | | | |
| Issue of share capital | 20 | 6,410 | 83 |
| Dividend payments | | - | (589) |
| Repayment of loans | 17 | (24) | (13) |
| Interest paid | | (1) | (1) |
| | | | |
| Net cash generated by financing activities | | 6,385 | (520) |
| | | | |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment | 10 | (133) | (32) |
| Purchase of intangibles | 12 | (175) | (75) |
| | | | |
| Net cash used by investing activities | | (308) | (107) |
| | | | |
| Net increase/(decrease) in cash and cash equivalents | | 4,772 | (1,121) |
| Cash and cash equivalents at the start of the period | | 529 | 1,650 |
| | | | |
| Cash and cash equivalents at the end of the period | | 5,301 | 529 |

The accompanying accounting policies and notes on pages 30 to 63 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 28, Ongar Business 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 2023 ADVFN Plc has provided a guarantee in respect of all liabilities due by its subsidiary companies Cupid Bay Limited (Company No. 04001650), All IPO Plc (Company Number 03230460) 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 2023. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards as at 30 June 2023. The consolidated and company financial statements have been prepared under the historical cost convention and are presented in Sterling rounded to the nearest thousand (£’000) except where indicated otherwise.

The subsidiary companies Cupid Bay Limited, All IPO Plc 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 have prepared a detailed forecast of future trading and cash flows for the next three years after the accounts are approved. The forecasts take into potential future growth of the business both in the UK and USA, the development of products that will enhance the growth of the business and the potential areas for additional cost saving if required. At 30 June 2023 the Group’s cash balances amounted to £5,557,000. The group forecasts are based on nil revenue growth in 2024 and then growth in 2025 of 5% to 10% for advertising and subscription revenue with costs not increasing by more than 5% for the UK and USA business over the two years. The forecasts show that the group and the company have sufficient funding to enable them to carry on as a going concern for the next twelve months from the date of signing the audit report. The Directors are also planning on developing new products that will enhance the growth of the business and will consider further areas for additional cost saving if required. The directors have given due consideration to the two subsidiaries for whom ADVFN Plc has given guarantees under the audit exemption rules and do not consider this will affect the Group’s risk position. Accordingly, the Directors have prepared these financial statements on the going concern basis.

### 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 2023 financial statements

IFRS 17 - Insurance Contracts 1 January 2023
Amendments to IFRS 17 - Insurance Contracts; and Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4 Insurance Contracts) 1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements) 1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors) 1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes) 1 January 2023
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) 1 January 2024

The Directors continue to monitor developments in the relevant accounting standards but do not believe that these changes will significantly impact the Group.

**Notes to the financial statements (continued)**

**Summary of significant accounting policies (continued)**

**Basis of Consolidation**
The Group's financial statements consolidate those of the parent company and all of its subsidiaries drawn up to 30 June 2023. 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.

**Joint arrangements**
The Group has a joint arrangement in Brazil, ADVFN Brasil LTDA for the purpose of operating the ADVFN website in Brazil. ADVFN and Infoadvanced Prestacao De Servicos De Informacoes E Cotacoes Via Internet LTDA (Infoadvanced). each own 50% of ADVFN Brasil. Both ADVFN and Infoadvanced have control over the entity. The agreement is structured as a joint operation as both parties would have the rights to separate income streams and be responsible for the related costs.

**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.

**Notes to the financial statements (continued)**

**Summary of significant accounting policies (continued)**

**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 IFRS 15 'Revenue from contracts with customers' and reported as follows:

- Subscriptions – both monthly and annual subscriptions are offered and the price for the subscription is quoted on the website. Revenue for annual subscriptions is deferred on a time basis with equal monthly transfers to the income statement to allocate the recognition across the period of service provision. Payment is received in advance of subscription fulfilment.
- Advertising – fees for advertising are recognised when the service obligations are fulfilled and are subject to agreement by a written contract which includes pricing. Where there are multiple obligations amounts specific to that obligation are transferred to the income statement. Payment terms are 30 days following invoicing.

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.

**Non-recurring items**
Certain administrative costs have been shown separately under the heading of "Administrative expenses – non-recurring items". The Directors consider these items to be unusual, one-off costs that are unlikely to reoccur in subsequent financial years. A breakdown of these costs is shown in note 6.

**Notes to the financial statements (continued)**

**Summary of significant accounting policies (continued)**

**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 arose on the acquisition of InvestorsHub.com (IHUB). Goodwill is capitalised as an intangible asset and allocated to cash generating units (with separately identifiable cash flows). IHUB is considered to be a single CGU. Goodwill is subject to impairment testing on an annual basis or more frequently if circumstances indicate that the asset may have been impaired, by comparing the carrying value to the recoverable amount, being the higher of the fair value less cost of disposal and the value in use. The value in use has been determined based on management forecasts for the next 5 years, discounted at a rate of 10%. In the current year, the value in use was deemed to be lower than the carrying value and therefore the goodwill has been impaired in full.

*- 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 three to five years. Amortisation commences when the asset is made available for use.

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 |
| Right of use lease assets | The earlier of the end of the useful life of the asset or the end of the lease term |

**<u>Notes to the financial statements</u> (continued)**

**Summary of significant accounting policies (continued)**

**Intangible assets (continued)**

**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.

*Trade and other receivables - impairment*
The group applies 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.

**Financial liabilities**
The Group's financial liabilities include trade and other payables and borrowings which include lease liabilities.

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.

**Notes to the financial statements (continued)**

**Summary of significant accounting policies (continued)**

**Leases**

Where the group enters into leasing arrangements within the scope of IFRS 16, it recognises right-of-use assets and liabilities as required. Where leases meet the low value or short-term lease exemption, the expense is recognised directly in the income statement.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments,
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date,
- amounts expected to be payable under a residual value guarantee, and
- the exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise such an option to extend and penalties for early termination of a lease unless the group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee or if the group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' separately on the balance sheet.

**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.

**Dividends**
During the year, no dividends (2022: £589k) were paid. The board is not recommending the payment of any further dividends in the current financial year.

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.

**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.
*Warrant reserve*
The warrant reserve represents equity settled warrants granted as part of the open offer in January 2023 until such warrants 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.

**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. The amount of the capitalisation is based on estimates to judge the percentage of the time relevant staff spend on projects as specific timesheets are not maintained. 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 three 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.
c) The application of IFRS 15 - *Revenue from contracts with customers* requires an assessment of the elements of the contract to separate potentially bundled services requiring different treatment, the recognition of revenue at the point of performance obligations and the assessment of the correct amount of revenue for each of those obligations.
d) The directors have used their judgement in the classification of ADVFN Brasil Ltda as a joint operation, rather than a joint venture, based on the historic treatment by both sides of the revenues and expenses incurred, the substance of the arrangement and the share agreement by both parties of the nature of the operating arrangements.
e) On issuing the warrants related to the rights issue in January 2023, as the warrants were offered to all existing shareholders and therefore, in the directors estimation, these warrants are classified as equity instruments in line with IAS 32.
f) The directors have used their judgement to assess the valuation of the call option agreed on 3 May 2023 to purchase 50% of ADVFN Brasil Ltda within the next 4 years. Management have considered the future performance of the business and have judged that this will remain out of the money for the remainder of its existence and therefore it has no intrinsic value.

Sources of estimation uncertainty

a) Determining whether goodwill and other intangible assets are impaired requires an estimation of the value in use of the cash generating unit to which the goodwill and intangibles have 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. During the year, the review of the goodwill led to an impairment of £978,000. For the Company, the review led to an impairment of the investments in Group Companies of £1,000,000.

## 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 are 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:

**Notes to the financial statements (continued)**

**Segmental analysis (continued)**

| **2023** | Continuing operations | | | Discontinued | |
|---|---|---|---|---|---|
| | Provision of financial information | Other | Total | | Total |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Revenue from external customers | 5,445 | - | 5,445 | 16 | 5,461 |
| Depreciation and amortisation | (266) | - | (266) | (23) | (289) |
| Other operating expenses | (5,666) | (282) | (5,948) | (306) | (6,254) |
| Non-recurring iterms | (1,178) | - | (1,178) | - | (1,178) |
| Segment operating loss | (1,665) | (282) | (1,947) | (313) | (2,260) |
| Other income | 20 | - | 20 | - | 20 |
| Interest income | 24 | - | 24 | - | 24 |
| Interest expense | (11) | - | (11) | - | (11) |
| Segment assets | 6,135 | 981 | 7,116 | 95 | 7,211 |
| Segment liabilities | (1,784) | (22) | (1,806) | (27) | (1,833) |
| Purchases of non-current assets | (311) | - | (311) | - | (311) |

| **2022** | **Provision of financial information** | **Other** | **Total** |
|---|---|---|---|
| | **£'000** | **£'000** | **£'000** |
| Revenue from external customers | 7,796 | 52 | 7,848 |
| Depreciation and amortisation | (405) | (32) | (437) |
| Other operating expenses | (9,338) | 551 | (8,787) |
| Other operating income | - | - | - |
| Segment operating (loss)/profit | (1,947) | 571 | (1,376) |
| Interest income | - | - | - |
| Interest expense | (14) | - | (14) |
| Segment assets | 1,718 | 1,896 | 3,614 |
| Segment liabilities | (2,232) | (58) | (2,290) |
| Purchases of non-current assets | 155 | - | 155 |

Revenue recognition per IFRS 15

| | Point in time | Over time | Total |
|---|---|---|---|
| | £'000 | £'000 | £'000 |
| Revenue during 2022 | 4,183 | 3,668 | 7,851 |
| Revenue during 2023 | 2,384 | 3,077 | 5,461 |

**Notes to the financial statements (continued)**

**Segmental analysis (continued)**

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

| | **Revenue 2023 £'000** | **Non-current assets 2023 £'000** | Revenue 2022 **£'000** | Non-current assets 2022 **£'000** |
|---|---|---|---|---|
| UK (domicile) | 2,651 | 1,184 | 3,198 | 1,172 |
| USA | 2,659 | 983 | 4,525 | 1,064 |
| Other | 151 | - | 125 | - |
| | 5,461 | 2,167 | 7,848 | 2,236 |

Revenues are allocated to the country in which the customer resides. During both 2023 and 2022 no single customer accounted for more than 10% of the Group's total revenues.

## 4. Operating loss

| Operating loss has been arrived at after charging: | **2023 £'000** | 2022 £'000 |
|---|---|---|
| Foreign exchange loss/(gain) | 7 | (2) |
| Depreciation and amortisation: | | |
| Depreciation of property, plant and equipment: | 75 | 181 |
| Amortisation of intangible assets from continuing and discontinued operations | 214 | 256 |
| Employee costs (Note 5) | 2,837 | 4,650 |
| Lease payments on land and buildings (Note 22) | 91 | 103 |
| Audit and non-audit services: | | |
| Fees payable to the company's auditor for the audit of the Group's annual accounts | 87 | 45 |

**Remuneration of key senior management for Group and Company**

| | **2023 £'000** | 2022 £'000 |
|---|---|---|
| **Key senior management comprises only directors** | | |
| Salary and fees | 697 | 1,502 |
| Compensation for loss of office | - | 831 |
| Benefits in kind | - | - |
| Annual bonus | - | 80 |
| Share based payments | 1 | - |
| Post-employment benefits - defined contribution pension plans | 6 | 60 |
| | 704 | 2,473 |
| **Highest paid director** | | |
| Salary and fees | 200 | 381 |
| Compensation for loss of office | - | 831 |
| Benefits in kind | - | - |
| Annual bonus | - | 25 |
| Share based payments | 1 | - |
| Post-employment benefits - defined contribution pension plans | - | 24 |
| | 201 | 1,261 |

Details of the directors' emoluments, together with other related information, are set out in the Remuneration Report on page 16.

**Notes to the financial statements** (continued)

## 5. Employees

**GROUP**

| | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| Employee costs (including directors): | | |
| Wages and salaries | 2,581 | 3,325 |
| Compensation for loss of office | - | 831 |
| Annual bonus | - | 80 |
| Social security costs | 224 | 309 |
| Pension costs | 31 | 105 |
| Share based payments | 1 | - |
| | 2,837 | 4,650 |

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

| | | |
|---|---|---|
| Development | 4 | 10 |
| Sales and Administration | 27 | 30 |
| | 31 | 40 |

**COMPANY**

| | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| Employee costs (including directors): | | |
| Wages and salaries | 1,359 | 2,140 |
| Compensation for loss of office | - | 831 |
| Social security costs | 135 | 225 |
| Pension | 28 | 103 |
| Share based payments | 1 | - |
| | 1,523 | 3,299 |

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

| | | |
|---|---|---|
| Development | 3 | 4 |
| Sales and Administration | 13 | 15 |
| | 16 | 19 |

Details of the directors' emoluments, together with other related information, are set out in the Remuneration Report on page 16.

## 6. Non-recurring items

**GROUP AND COMPANY**

| | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| Write off goodwill related to IHUB | 978 | - |
| Exceptional corporate and shareholder activity | - | 252 |
| Costs relating to the exit of directors | 200 | 1,114 |
| Early termination costs | - | 54 |
| | 1,178 | 1,420 |

In the year ended 30 June 2022, the company went through a period of shareholder and management changes, during which time the company incurred legal and advisory fees. The culmination of the activity was the resignation of Mr Clement Chambers, for which the company incurred further fees in relation to his exit.

The company also chose to vacate the Throgmorton Street offices in this financial year and incurred early termination costs on this lease.

In the current year the goodwill on the investment in IHUB was impaired during the review of the valuation of the investments. There were further legal fees incurred relating to the exit of the previous directors.

**Notes to the financial statements (continued)**

## 7. Finance income and expense

**GROUP**

| | **2023 £'000** | 2022 £'000 |
|---|---|---|
| Finance income: | | |
| Bank interest | **24** | - |
| Finance expense | | |
| Lease interest | **(4)** | (10) |
| Bank interest | **(7)** | (4) |

## 8. Income tax expense

**GROUP**

| | **2023 £'000** | 2022 £'000 |
|---|---|---|
| **Current Tax:** | | |
| UK corporation tax on profits for the year | (58) | (24) |
| Adjustments in respect of prior periods | | - |
| Total current taxation | (58) | (24) |
| Deferred tax | | |
| Origination and reversal of timing differences | 88 | 84 |
| Carried forward losses (DTA) | (88) | (84) |
| Effect of rate change | | |
| Taxation | (58) | (24) |

**Income tax expense (continued)**

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:

| | **2023 £'000** | 2022 £'000 |
|---|---|---|
| Loss before tax from total operations | (2,227) | (1,782) |
| Loss before tax multiplied by the respective standard rate of corporation tax applicable in the UK (19.00%) (2021: 19.00%) | (423) | (339) |
| Effects of: | | |
| Non-deductible expenses | 178 | 434 |
| Capital allowances | (25) | (9) |
| Carried forward losses utilised against profits | - | (27) |
| Enhanced Research & Development expenditure | (43) | (18) |
| Surrender of tax losses for R & D tax credit | 77 | 27 |
| Current year R&D tax credit | (58) | (24) |
| Effect of discontinued operations | 60 | - |
| Effect of difference in tax rates | (21) | 63 |
| Consolidation adjustments – no tax effect | 197 | (131) |
| Tax credit for the year | (58) | (24) |

**Notes to the financial statements (continued)**

## 9. Loss per share

| | **12 months to 30 June 2023 £'000** | 12 months to 30 June 2022 £'000 |
|---|---|---|
| Loss for the year attributable to equity shareholders from continuing operations | (1,856) | (1,368) |
| Loss for the year attributable to equity shareholders from total operations | (2,169) | (1,368) |
| **Weighted average number of shares** | | |
| Number of shares in issue prior to rights issue (prior year: weighted average) | 26,315,318 | 26,184,360 |
| Correction for deemed rights issue | 169,179 | 174,021 |
| Deemed number of shares before rights issue | 26,484,497 | 26,358,381 |
| **Weighted average shares** | | |
| 26,484,497 x 188/365 (prior to rights issue) | 13,641,330 | - |
| 46,004,758 x 177/365 (post rights issue) | 22,309,157 | - |
| Total weighted average number of shares | 35,950,487 | 26,358,381 |
| Loss per share for the year attributable to equity shareholders from continuing operations: | | |
| Basic | (5.16p) | (5.19p) |
| Diluted | (5.16p) | (5.19p) |
| Total loss per share for the year attributable to equity shareholders: | | |
| Basic | (6.03p) | (5.19p) |
| Diluted | (6.03p) | (5.19p) |
| Basic and diluted loss per share as previously stated | - | (5.22p) |

Where a loss has been recorded for the year the diluted loss per share does not differ from the basic loss per share.

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

During the current year, the company made a rights issue (Note 20). The prior year earnings per share has been restated to allow for the effect of this rights issue.

**Notes to the financial statements** (continued)

## 10. Property, plant and equipment

**GROUP**

| | Leasehold property improvements £'000 | Computer equipment £'000 | Office equipment £'000 | Right of use lease assets £'000 | Total £'000 |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 July 2021 | 48 | 403 | 270 | 349 | 1,070 |
| Additions | - | 32 | 7 | - | 39 |
| FX difference | - | - | 31 | - | 31 |
| At 30 June 2022 | 48 | 435 | 308 | 349 | 1,140 |
| Additions | | 132 | 4 | | 136 |
| Disposal | | | | (349) | (349) |
| FX difference | | | (11) | | (11) |
| At 30 June 2023 | 48 | 567 | 301 | - | 916 |
| **Depreciation** | | | | | |
| At 1 July 2021 | 48 | 339 | 266 | 178 | 831 |
| Charge for the year | - | 72 | 11 | 98 | 181 |
| FX difference | - | - | 30 | - | 30 |
| At 30 June 2022 | 48 | 411 | 307 | 276 | 1,042 |
| Charge for the year | - | 2 | - | 73 | 75 |
| Disposal | - | - | - | (349) | (349) |
| FX difference | - | - | (12) | - | (12) |
| At 30 June 2023 | 48 | 413 | 295 | - | 756 |
| **Net book value** | | | | | |
| **At 30 June 2023** | | 154 | 6 | - | 160 |
| At 30 June 2022 | - | 24 | 1 | 73 | 98 |

**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 2021 | 48 | 398 | 106 | 552 |
| Additions | - | 32 | - | 32 |
| Disposals | - | - | - | - |
| At 30 June 2022 | 48 | 430 | 106 | 584 |
| Additions | - | 133 | - | 133 |
| At 30 June 2023 | 48 | 563 | 106 | 717 |
| **Depreciation** | | | | |
| At 1 July 2021 | 48 | 334 | 106 | 488 |
| Charge for the year | - | 72 | - | 72 |
| At 30 June 2022 | 48 | 406 | 106 | 560 |
| Charge for the year | - | 3 | - | 3 |
| At 30 June 2023 | 48 | 409 | 106 | 563 |
| **Net book value** | | | | |
| **At 30 June 2023** | - | 154 | - | 154 |
| At 30 June 2022 | - | 24 | - | 24 |

**11. Goodwill**

**GROUP**

| | £'000 |
|---|---|
| At 1 July 2021 | 870 |
| Exchange differences | 118 |
| At 30 June 2022 | 988 |
| Exchange differences | (10) |
| Impairment | (978) |
| At 30 June 2023 | - |

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

*Impairment testing* – InvestorsHub.com Inc.

A discount rate of 10% has been used for impairment testing 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 $1.24/£ has been used (2022: $1.25/£). The value in use calculations indicate that InvestorsHub.com Inc. has a recoverable amount of less than the value of the investment, therefore the goodwill has been impaired.

**Notes to the financial statements (continued)**

## 12. Other intangible assets

**GROUP**

| | Licences | Brands & subscriber lists | Website development costs | Mobile application | Software | Crypto-currencies | Total |
|---|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Cost or valuation** | | | | | | | |
| At 1 July 2021 | 162 | 2,129 | 2,475 | 10 | 477 | - | 5,253 |
| Additions | - | - | 74 | - | 39 | 1 | 114 |
| Disposals | - | - | - | - | (296) | - | (296) |
| At 30 June 2022 | 162 | 2,129 | 2,549 | 10 | 220 | 1 | 5,071 |
| Additions | - | - | 175 | - | - | - | 175 |
| Disposals | - | - | - | - | (220) | - | (220) |
| At 30 June 2023 | 162 | 2,129 | 2,724 | 10 | - | 1 | 5,026 |
| **Amortisation** | | | | | | | |
| At 1 July 2021 | 162 | 2,129 | 1,308 | 10 | 82 | - | 3,691 |
| Charge for the year | - | - | 223 | - | 33 | - | 256 |
| Disposals | - | - | - | - | - | - | - |
| At 30 June 2022 | 162 | 2,129 | 1,531 | 10 | 115 | - | 3,947 |
| Charge for the year | - | - | 191 | - | 23 | - | 214 |
| Disposals | - | - | - | - | (138) | | (138) |
| At 30 June 2023 | 162 | 2,129 | 1,722 | 10 | - | - | 4,023 |
| **Net book value** | | | | | | | |
| **At 30 June 2023** | - | - | 1,002 | - | - | 1 | 1,003 |
| At 30 June 2022 | - | - | 1,018 | - | 105 | 1 | 1,124 |

Website development costs, mobile applications and software are internally generated assets. There are no components of these that are 'under construction'.

The £214k amortisation in the year represents £191k of amortisation for continuing operations and £23k on software for discontinued operations.

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 | Crypto-currencies £'000 | Total £'000 |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 July 2021 | 100 | 10 | 2,062 | - | 2,172 |
| Additions | - | - | 74 | 1 | 75 |
| Disposals | - | - | - | - | - |
| At 30 June 2022 | 100 | 10 | 2,136 | 1 | 2,247 |
| Additions | - | - | 175 | - | 175 |
| Disposals | - | - | - | - | - |
| At 30 June 2023 | 100 | 10 | 2,311 | 1 | 2,422 |
| **Amortisation** | | | | | |
| At 1 July 2021 | 100 | 10 | 1,680 | - | 1,790 |
| Charge for the year | - | - | 223 | - | 223 |
| Disposals | - | - | - | - | - |
| At 30 June 2022 | 100 | 10 | 1,903 | - | 2,013 |
| Charge for the year | - | - | 191 | - | 191 |
| Disposals | - | - | - | - | - |
| At 30 June 2023 | 100 | 10 | 2,094 | - | 2,204 |
| **Net book value** | | | | | |
| **At 30 June 2023** | - | - | 217 | 1 | 218 |
| At 30 June 2022 | - | - | 233 | 1 | 234 |

Website development costs and mobile applications are internally generated assets. There are no components of these that are 'under construction'.

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)**

**13. Subsidiary companies consolidated in these accounts**

**COMPANY**

| | Subsidiaries £'000 |
|---|---|
| At 1 July 2021 | 2,276 |
| Impairment | (1,275) |
| 30 June 2022 | 1,001 |
| Impairment | (1,000) |
| Write offs | (1) |
| **30 June 2023** | - |

A discount rate of 10% has been used for impairment testing 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 $1.24/£ has been used (2022: $1.25/£). The value in use calculations indicate that InvestorsHub.com Inc. has a negative headroom compared to an investment by ADVFN of £1,000,000. The Company's investment in InvestorsHub.com has therefore been impaired in full. In future years this will be reassessed should indications show that the impairment loss recognised may no longer exist

As part of the strategic realignment of the company, the decision was made to cease trading in Cupid Bay Limited, MJAC InvestorsHub International Conferences Limited and All IPO Plc during the year. These companies, as well as a number of dormant companies noted below are in the process of being liquidated and struck off.

| | Country of incorporation | % interest in ordinary shares 30 June 2022 | Principal activity | Registered address |
|---|---|---|---|---|
| Cupid Bay Limited (Strike off applied for on 22 August 2023) | England & Wales | 100.00 | Internet dating web site | Suite 28 Ongar Business Centre, The Gables, Ongar, England, 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 (Strike off applied for on 2 May 2023) | England & Wales | 100.00 | Dormant | As Cupid Bay Limited |
| Throgmorton Street Capital Limited (Strike off applied for on 26 May 2023) | England & Wales | 100.00 | Dormant | As Cupid Bay Limited |
| Advessel Limited (Strike off applied for on 2 May 2023) | England & Wales | 100.00 | Dormant | As Cupid Bay Limited |
| All IPO Plc (Strike off applied for on 4 December 2023) | England & Wales | 100.00 | Brokerage and software development | As Cupid Bay Limited |
| Writer Pub Limited (Strike off applied for on 2 May 2023) | England & Wales | 100.00 | Dormant | As Cupid Bay Limited |
| MJAC InvestorsHub International Conferences Limited (Strike off applied for on 22 August 2023) | England & Wales | 100.00 | Dormant | As Cupid Bay Limited |

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

**Notes to the financial statements (continued)**

## 14. Deferred tax

**GROUP**

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 | Website development & software costs | US temporary differences | UK tax losses | **Total** |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | **£'000** |
| At 30 June 2021 | - | (303) | | 303 | **-** |
| Credit/(charge) to profit or loss | - | (84) | - | 84 | - |
| At 30 June 2022 | - | (387) | - | 387 | - |
| Credit/(charge) to profit or loss | | (88) | | 88 | **-** |
| At 30 June 2023 | | (475) | | 475 | **-** |

Deferred tax in ADVFN Plc amounted to £88,600 and nil in subsidiary companies. The deferred tax liability for the temporary difference has been recognised at 25% as per the future tax rate which has increased the deferred tax liability by £22,000. The deferred tax asset for the losses has also been recognised at 25% as per the future tax rate.

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:

| | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| Deferred tax liabilities | | |
| - Website development & software costs | (88) | (84) |
| - US temporary differences | | - |
| Deferred tax assets | | |
| - Intangible assets | | - |
| - UK tax losses | 88 | 84 |
| | - | - |

At the balance sheet date the Group had unused tax losses of £5,802,000 (2022: £5,340,000) available for offset against future profits. The Group has surrendered losses of £403,000 for the R&D tax credit for the year. A deferred tax asset has been recognised in respect of £350,000 (2022: £338,000) 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 £5,452,000 (2022: £5,002,000) due to the unpredictability of future profit streams. Substantially all of the losses may be carried forward indefinitely.

**COMPANY**

The Deferred Tax Liability in the ADVFN company is due to the temporary difference between the accounting base and tax base for the Intangible – Website development, temporary difference £217,000 and deferred tax liability £54,000 and for Computer Equipment, temporary difference £134,000 and deferred tax liability £34,000.

**Notes to the financial statements (continued)**

## 15. Trade and other receivables

**GROUP**

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| **Non-current assets** | | |
| Other receivables | 25 | 26 |
| | | |
| **Current assets** | | |
| Trade receivables - gross | 257 | 320 |
| Less: provision for impairment – expected loss | (14) | (18) |
| Less: provision for impairment - specific | (9) | (2) |
| Trade receivables - net | 234 | 300 |
| Prepayments and accrued income | 124 | 130 |
| Other receivables | 26 | 6 |
| Recoverable corporation tax | 82 | 24 |
| | | |
| Total trade and other receivables | 466 | 460 |

**The ageing of trade receivables is as follows:**

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Not past due and not impaired | 192 | 222 |
| Past due but not impaired | 56 | 96 |
| Past due and fully impaired | 9 | 2 |
| Trade receivables - gross | 257 | 320 |
| | | |
| Not past due and not impaired | 192 | 222 |
| Past due but not impaired: | | |
| Up to 30 days | 28 | - |
| 31 to 60 days | 1 | 12 |
| 61 to 90 days | 15 | 30 |
| Over 90 days | 12 | 54 |
| | 56 | 96 |
| Receivables not impaired | 248 | 318 |
| Past due but fully impaired | 9 | 2 |
| Less impairment provision | (23) | (20) |
| Trade receivables - net | 234 | 300 |

**Provision for impairment:**

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Opening | 20 | 17 |
| Movement in the year | 3 | 3 |
| Closing | 23 | 20 |

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)

**COMPANY**

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| **Non-current assets** | | |
| Other receivables | 25 | 24 |
| **Current assets** | | |
| Trade receivables - gross | 123 | 175 |
| Less: provision for impairment – expected loss | (7) | (8) |
| Less: provision for impairment - specific | (9) | (2) |
| Trade receivables - net | 107 | 165 |
| Prepayments and accrued income | 102 | 97 |
| Other receivables | 21 | - |
| Recoverable corporation tax | 82 | 24 |
| Amounts owed by Group undertakings | - | 500 |
| Total trade and other receivables | 313 | 786 |

**The ageing of trade receivables is as follows:**

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Not past due and not impaired | 84 | 133 |
| Past due but not impaired | 30 | 40 |
| Past due and fully impaired | 9 | 2 |
| Trade receivables - gross | 123 | 175 |
| Not past due and not impaired | 84 | 133 |
| Past due but not impaired: | | |
| Up to 30 days | 21 | - |
| 31 to 60 days | - | 5 |
| 61 to 90 days | 7 | 14 |
| Over 90 days | 11 | 21 |
| | 39 | 40 |
| Receivables not impaired | 114 | 173 |
| Past due and fully impaired | 9 | 2 |
| Less impairment provision | (16) | (10) |
| Trade receivables - net | 107 | 165 |

**Provision for impairment:**

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Opening | 10 | 11 |
| Movement in the year | 6 | (1) |
| Closing | 16 | 10 |

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)**

## 16. Credit quality of financial assets

An impairment provision has been calculated on the basis of expected credit losses ("ECL") as required under IFRS 9.

**GROUP**
As of 30 June 2023, trade receivables of £56,000 (2022: £96,000) 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 | 2023 | | | 2022 |
|---|---|---|---|---|
| | £'000 | % | £'000 | £'000 |
| Not past due | 192 | 1% | 2 | 222 |
| Not more than 3 months | 28 | 5% | 2 | 42 |
| More than 3 months but not more than 6 months | 1 | 15% | - | 21 |
| More than 6 months but not more than 1 year | 15 | 25% | 4 | 24 |
| More than 1 year | 12 | 50% | 6 | 9 |
| | 248 | | 14 | 318 |

**Impaired receivables allowance account**

| Specific provision | 2023 £'000 | 2022 £'000 |
|---|---|---|
| At 1 July | 2 | 7 |
| Utilised during the year | (3) | (12) |
| Created during the year | 10 | 7 |
| **At 30 June** | 9 | 2 |

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

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Sterling | 62 | 135 |
| Euro | 3 | 1 |
| US dollar | 169 | 164 |
| | 234 | 300 |

**Notes to the financial statements (continued)**

**Credit quality of financial assets (continued)**

**COMPANY**

As of 30 June 2023, trade receivables of £30,000 (2022: £40,000) 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 | 2023 | | | 2022 |
|---|---|---|---|---|
| | £'000 | % | £'000 | £'000 |
| Not past due | 84 | 1% | 1 | 133 |
| Not more than 3 months | 18 | 5% | 1 | 19 |
| More than 3 months but not more than 6 months | - | 15% | - | 5 |
| More than 6 months but not more than 1 year | 3 | 25% | 1 | 13 |
| More than 1 year | 9 | 50% | 4 | 3 |
| | 114 | | 7 | 173 |

**Impaired receivables allowance account**

| Specific provision | 2023<br>£'000 | 2022<br>£'000 |
|---|---|---|
| At 1 July | 2 | 5 |
| Utilised during the year | (3) | (10) |
| Created during the year | 10 | 7 |
| **At 30 June** | 9 | 2 |

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

| | 2023<br>£'000 | 2022<br>£'000 |
|---|---|---|
| Sterling | 70 | 122 |
| Euro | 3 | 1 |
| US dollar | 34 | 42 |
| | 107 | 165 |

**Notes to the financial statements (continued)**

## 17. Interest bearing borrowings

**Bank loans**
As a result of the COVID-19 pandemic the Directors considered it prudent to take further steps to ensure that short term cashflow did not present a problem for the Group. Short term finance offered under the Business Bounce Back loan scheme provided an additional layer of protection whilst the economy rides out the effects of the pandemic. The UK loan is charged at 2.5% over 6 years with an interest and payment free period for the first 12 months.

**Lease liabilities**
The carrying value of the lease liabilities is included in the borrowing classification. There are no leases carried in the Company. For further details please see Note 22.

**GROUP**

| | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| **Non-current** | | |
| Bank loans | 20 | 41 |
| | 20 | 41 |
| Brought forward | 41 | 141 |
| Cash flows | (22) | (103) |
| Interest and fees | 1 | 3 |
| As at 30 June | 20 | 41 |
| **Current** | | |
| Bank loans | 10 | 13 |
| Lease liability | - | 87 |
| | 10 | 100 |
| Brought forward | 100 | 116 |
| Cash flows | (94) | (25) |
| Interest and fees | 4 | 9 |
| As at 30 June | 10 | 100 |

**Notes to the financial statements (continued)**

**Interest bearing borrowings (continued)**

**COMPANY**

| | **2023** | 2022 |
|---|---|---|
| | **£'000** | £'000 |
| **Non-current** | | |
| Bank loans | 20 | 41 |
| | | |
| Brought forward | 41 | 54 |
| Cash flows | (20) | (14) |
| Interest and fees | 1 | 1 |
| As at 30 June | 20 | 41 |
| **Current** | | |
| Bank loans | 10 | 13 |
| | | |
| Brought forward | 13 | - |
| Cash flows | (4) | - |
| Interest and fees | 1 | - |
| As at 30 June | 10 | 13 |

**Changes in liabilities arising from financing activities**

**GROUP**

| | **2022** | **Cash movements** | **Non-cash movements** | **2023** |
|---|---|---|---|---|
| | **£'000** | **£'000** | **£'000** | **£'000** |
| Long term borrowing | 54 | (25) | 1 | 30 |
| Lease liabilities | 87 | (91) | 4 | - |

**COMPANY**

| | **2022** | **Cash movements** | **Non-cash movements** | **2023** |
|---|---|---|---|---|
| | **£'000** | **£'000** | **£'000** | **£'000** |
| Long term borrowing | 54 | (25) | 1 | 30 |

**Notes to the financial statements (continued)**

## 18. Financial instruments

### GROUP

| *Categories of financial instrument* | **2023 £'000** | 2022 £'000 |
|---|---|---|
| **Non-current** | | |
| Trade and other receivables – at amortised cost | 25 | 26 |
| **Current** | | |
| Trade and other receivables - at amortised cost | 260 | 306 |
| Trade and other receivables – non-financial assets | 148 | 130 |
| | 408 | 436 |
| Cash and cash equivalents | 5,557 | 915 |
| Financial assets | 5,817 | 1,221 |
| **Non-current** | | |
| Borrowings | 20 | 41 |
| **Current** | | |
| Borrowings | 10 | 100 |
| Trade and other payables – at amortised cost | 1,136 | 1,184 |
| Trade and other payables – non-financial liabilities | 767 | 964 |
| | 1,903 | 2,148 |
| Financial liabilities | 1,146 | 1,284 |

### COMPANY

| *Categories of financial instrument* | **2023 £'000** | 2022 £'000 |
|---|---|---|
| **Non-current** | | |
| Trade and other receivables – at amortised cost | 25 | 24 |
| **Current** | | |
| Trade and other receivables – at amortised cost | 107 | 848 |
| Trade and other receivables – non-financial assets | 111 | 96 |
| | 209 | 944 |
| Cash and cash equivalents | 5,301 | 529 |
| Financial assets | 5,408 | 1,376 |
| **Non-current** | | |
| Borrowings | 20 | 41 |
| **Current** | | |
| Borrowings | 10 | 13 |
| Trade and other payables – at amortised cost | 1,073 | 1,411 |
| Trade and other payables – non-financial liabilities | 667 | 837 |
| | 1,740 | 2,248 |
| Financial liabilities | 1,083 | 1,424 |

**Notes to the financial statements (continued)**

## 19. Trade and other payables

### GROUP

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Trade payables | 771 | 849 |
| Social security and other taxes | 119 | 191 |
| Accrued expenses and deferred income | 882 | 1,074 |
| Other payables | 131 | 34 |
| | 1,903 | 2,148 |

### COMPANY

| | 2023 £'000 | 2022 £'000 |
|---|---|---|
| Trade payables | 758 | 801 |
| Other tax and social security | 112 | 166 |
| Accruals and deferred income | 761 | 941 |
| Other payables | 109 | 8 |
| Amounts owed to Group undertakings | - | 332 |
| | 1,740 | 2,248 |

## 20. Share capital

### GROUP AND COMPANY

| Issued, called up and fully paid Ordinary shares of £0.002 each | Shares | £'000 |
|---|---|---|
| At 30 June 2022 | 26,315,319 | 53 |
| Share issued | 19,689,439 | 39 |
| At 30 June 2023 | 46,004,758 | 92 |

***Shares issued***

On 6 December 2022, the company proposed an equity fundraise whereby qualifying existing shareholders were able to subscribe for new shares at an issue price of £0.33 on the basis of 11 offer shares for every 14 existing ordinary shares. Under the issue, open offer warrants were issued to the qualifying shareholders in relation to the purchase of shares on the basis of one warrant for every 3 open offer shares. The warrants may be exercised from the date of issue until 6 December 2026 at a price of £0.60 per share. On 6 January 2023 13,708,380 shares were admitted to the London Stock Exchange as a result of this open offer. A further 5,981,059 shares were admitted on 14 March 2023 after FCA approval. A total of £6.5m was raised and 6,563,123 warrants were created.

***Share price***

The market value of the shares at 30 June 2023 was 21.00p (2022; 51.00p). The range during the year was 20.5p to 57.5p (2022; 49.00p to 87.20p). 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)**

## 21. 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:

| | **2023** | **WAEP** |
|---|---|---|
| | **Number** | **Price (£)** |
| Outstanding at the beginning of the year | 1,351,473 | 0.4437 |
| Granted during the year | 530,000 | 0.33 |
| Exercised during the year | - | - |
| Expired during the year | (1,251,473) | 0.3570 |
| Outstanding at the year end | 630,000 | 0.3333 |
| Exercisable at the year end | 630,000 | 0.3333 |

| | 2022 | WAEP |
|---|---|---|
| | Number | Price (£) |
| Outstanding at the beginning of the year | 1,751,473 | 0.4100 |
| Granted during the year | - | - |
| Exercised during the year | (200,000) | 0.4125 |
| Expired during the year | (200,000) | 0.7950 |
| Outstanding at the year end | 1,351,473 | 0.4437 |
| Exercisable at the year end | 1,351,473 | 0.4437 |

**Notes to the financial statements (continued)**

**Share based payments (continued)**

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

| Expiry date | Exercise Price (£) | | 2023 Share options | 2023 Remaining life (years) | 2022 Share options | 2022 Remaining life (years) |
|---|---|---|---|---|---|---|
| **10 year expiry** | | | | | | |
| 31 December 2022 | 0.1400 | Options | **-** | **-** | 80,000 | 0.5 |
| 31 December 2022 | 0.1400 | Options | **-** | **-** | 80,000 | 0.5 |
| 31 December 2022 | 0.1400 | Options | **-** | **-** | 120,000 | 0.5 |
| 31 December 2022 | 0.1400 | Options | **-** | **-** | 31,473 | 0.5 |
| 12 December 2024 | 0.1400 | Options | **-** | **-** | 500,000 | 2 |
| 12 December 2024 | 0.7950 | Options | **-** | **-** | 300,000 | 2 |
| 24 November 2027 | 0.4750 | Options | **50,000** | **4** | 50,000 | 4 |
| 24 November 2027 | 1.0000 | Options | **50,000** | **4** | 50,000 | 4 |
| **7 year expiry** | | | | | | |
| 12 December 2024 | 0.4375 | Options | **-** | **-** | 60,000 | 2 |
| 12 December 2024 | 0.3125 | Options | **-** | **-** | 80,000 | 2 |
| **3 year expiry** | | | | | | |
| 8 June 2026 | 0.33 | Options | **530,000** | **3** | - | - |
| | | | **630,000** | | 1,351,473 | 2 |

The total expense recognised during the year by the Group, for all schemes, was £1,000 (2022: £Nil).

During the year the value of the lapsed options of £320,000 was released to the income statement from the share-based payment reserve.

**Notes to the financial statements (continued)**

## 22. Lease liabilities

Property, plant and equipment comprises owned and leased assets.

**GROUP**

| | **2023 £'000** | 2022 £'000 |
|---|---|---|
| Property, plant and equipment - owned | - | 25 |
| Right-of-use assets except for investment property | - | 73 |
| | | 98 |
| **Right-of-use assets** | | |
| The group leases office buildings: | | |
| Balance at 1 July | 73 | 171 |
| Additions in the year | - | - |
| Depreciation charge for the year | (73) | (98) |
| Balance at 30 June | - | 73 |
| **Lease Liability** | | |
| Maturity analysis – contractual discounted cash flows | | |
| Within one year | - | 87 |
| Two to five years | - | - |
| Over five years | - | - |
| Total lease liabilities at 30 June | - | 87 |

| | **2023 £'000** | 2022 £'000 |
|---|---|---|
| Lease liabilities per the balance sheet | | |
| As at 30 June | | |
| Current | - | 87 |
| Non-current | - | - |
| | - | 87 |
| Amounts recognised in profit or loss | | |
| Interest on lease liabilities | 5 | 11 |
| Amounts recognized in the statement of cashflows | | |
| Total cash outflow for leases | 103 | 103 |

**Notes to the financial statements (continued)**

## 23. 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. This year the Group and Company are also exposed to global inflation risks. 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. During the year, the weakening of Sterling has decreased the impact of movements in US Dollars.

The Group does not currently hedge any transactions and therefore there are no open forward contracts. 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:

| | **2023** | | 2022 | |
|---|---|---|---|---|
| | **Assets £'000** | **Liabilities £'000** | Assets £'000 | Liabilities £'000 |
| US Dollars | 3,118 | 297 | 1,448 | 468 |
| Euros | 17 | 120 | 28 | 59 |
| Yen | 9 | - | 18 | - |
| Other | - | - | - | 11 |
| | 3,144 | 417 | 1,494 | 538 |

**COMPANY**

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

| | **2023** | | 2022 | |
|---|---|---|---|---|
| | **Assets £'000** | **Liabilities £'000** | Assets £'000 | Liabilities £'000 |
| US Dollars | 1,683 | 162 | 726 | 199 |
| Euros | 18 | 120 | 28 | 59 |
| Yen | 6 | - | 18 | - |
| Other | - | 22 | - | 11 |
| | 1,707 | 304 | 772 | 269 |

**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: ±£122,000 (2022: ±£50,000).
Company: ±£165,000 (2022: ±£57,000).

*Interest rate risk*
The Group carries borrowings which are at fixed interest rates and as a result 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: £433,000 (2022: £1,325,000).
Company: £1,849,000 (2022: £1,473,000).

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. The receivables are due from companies whose credit performance is constantly monitored and, if an amount becomes overdue, immediate action is taken to obtain payment. The population of clients is diverse, and this ensures no concentration of risk with any specific customer. A default is assumed and actioned when the Directors believe it will not be possible to obtain payment for the service supplied. This is not generally measured exclusively on the overdue period but judged on the basis of prior experience and the dialogue with the customer that follows the recognition of an overdue payment. 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.

**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:

**Notes to the financial statements (continued)**

**Financial risk management (continued)**

**Liquidity risk (continued)**

**GROUP**

| 2023 | Within 1 year £'000 | One to two years £'000 | Two to five years £'000 | Over five years £'000 |
|---|---|---|---|---|
| Trade payables | 771 | - | - | - |
| Accruals | 236 | - | - | - |
| Other payables | 131 | - | - | - |

| 2022 | **Within 1 year £'000** | **One to two years £'000** | **Two to five years £'000** | **Over five years £'000** |
|---|---|---|---|---|
| Trade payables | 849 | - | - | - |
| Accruals | 303 | - | - | - |
| Other payables | 32 | - | - | - |

**COMPANY**

| 2023 | Within 1 year £'000 | One to two years £'000 | Two to five years £'000 | Over five years £'000 |
|---|---|---|---|---|
| Trade payables | 758 | - | - | - |
| Accruals | 207 | - | - | - |
| Other payables | 109 | - | - | - |

| 2022 | **Within 1 year £'000** | **One to two years £'000** | **Two to five years £'000** | **Over five years £'000** |
|---|---|---|---|---|
| Trade payables | 801 | - | - | - |
| Accruals | 272 | - | - | - |
| Other payables | 8 | - | - | - |
| Amounts owed to Group undertakings | 332 | - | - | - |

**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 £6,768,000.

During the year, the Group did not pay a dividend to shareholders (2022: £589k). The Group continues to plan for growth, and it will continue to be important to maintain the Group's 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.

**Notes to the financial statements (continued)**

**Financial risk management (continued)**

**e) Inflation risk**

Inflation risk refers to the risks posed to the Group due to rising inflation. This increase in inflation could lead to increasing costs and potentially decreasing revenue as companies seek to decrease their own costs. Management have considered these factors in preparing their going concern forecasts and will continue to monitor the level of expenses and revenue going forward.

## 24. Capital commitments

**GROUP AND COMPANY**

At 30 June 2023 neither the Group nor the Company had any capital commitments (2022: £Nil).

## 25. Related party transactions

**GROUP**

The remuneration paid to Directors is disclosed on page 16 of the Directors' Report; there were no other related party transactions. Transactions with related parties were carried out on an arm's length basis.

**COMPANY**

The remuneration paid to Directors is disclosed on page 16 of the Directors' Report; there were no other related party transactions. Transactions with related parties were carried out on an arm's length basis.

## 26. Events after the balance sheet date

In September 2023 the Group set up a new subsidiary in Israel as part of the new strategic direction.

Since the balance sheet date, in line with the strategic plans for the business, an application for strike off has been submitted for CupidBay Limited, MJAC InvestorsHub International Conferences Limited and All IPO Plc.

In September 2023, 180,000 share options were granted to vest over a three-year period.

## 27. Accounts

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

www.companieshouse.gov.uk

and from the ADVFN plc website:

www.ADVFN.com