ADVFN PLC

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2008

Registered Number: 2374988 (England and Wales)

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ADVFN PLC

Audited Results for the Year Ended 30 June 2008

ADVFN, Europe's leading stocks and shares website, today announces its audited results for the year ended 30 June 2008.

Highlights:

- **Turnover up 15.1% to £6.93M (2007: £6.02M)**
- **Loss after tax - down 36% to £882,000 (2007: £1,382,000)**
- **Loss per share reduced by 38% to 0.15p (2007: 0.24p)**
- **Increase in cash by 17.2% to £1.591M (June 2007: £1.358M)**
- **ADVFN user numbers up 48% to 1.44M (2007: 970K)**
- **Total group user numbers up 21% to 4.0M (2007: 3.3M)**

DIRECTORS, OFFICERS AND ADVISERS

Directors

Michael Hodges (Chairman)

Clem Chambers (Managing Director)

David Crump (Finance Director)

Jonathan Mullins (Technical Director)

Raymond Negus (Sales Director)

Robert Emmet (Non-executive Director)

Secretary

David Crump

Registered Office

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

Independent Auditor

Grant Thornton UK LLP, The Explorer Building, Fleming Way, Manor Royal, Crawley, West Sussex, RH10 9GT

Nominated Adviser

Grant Thornton UK LLP, Grant Thornton House, Melton Street, Euston Square, London, NW1 2EP

Broker

Mirabaud Securities Limited, 21 St James' Square, London, SW1Y 4JP

Registrars

Capita Registrars plc, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU

Company number: 2374988

CHIEF EXECUTIVE'S STATEMENT

Turmoil in the world's financial markets has been beneficial to ADVFN. Since the beginning of the credit crunch we have experienced strong growth. A troubled market has boosted our traffic and subscriptions and has accelerated the growth of our international sites. While advertising income has been held back in comparison it is nonetheless resilient. Equity Development has had a good year as the demand for good quality research also proves robust.

Financial overview

These accounts have been prepared under International Financial Reporting Standards (IFRS) which are the accounting standards that listed groups now have to adopt. These accounts set out this year's figures and also restate last year's in the new format so you can see the changes. Turnover for the year ended 30 June 2008 was up 15% to £6,931,000 from last year. Our performance is in line with our expectations for the year and since the year end growth has continued to accelerate with subscriptions experiencing a burst in growth alongside the global equity crash.

Financial performance

Financial performance for the year has been analysed as follows:

	Year to 30 June 2008	Year to 30 June 2007	Change	Change
	£'000	£'000	£'000	%
Turnover	6,931	6,022	909	15%
Net Loss	(882)	(1,382)	500	(36)%
Loss per share from continuing operations	(0.12p)	(0.19p)	0.07p	(36)%

Strategy

As it should be, our strategy has not changed for years; to build ADVFN internationally as the leading destination for private investors looking for information and to generate revenue from advertising sales and subscription products. We are always working to enhance the service and create new technologies to keep the site fresh, while localising the platform for new markets. By innovation we try to create bundled products that give private investors information of a professional quality at a keen price. Where possible we work directly with our advertisers in a long term relationship to help them meet the needs of their marketing and business plans by tailoring our advertising opportunities. The ADVFN website is a significant technological achievement, a scalable platform streaming financial data from around the world 24/7/365. It is built to be able to grow to meet increasing demand, an important feature in today's tumultuous markets where demand for data and the supply of it from the markets has grown immensely. This architecture has allowed us to grow without expending huge amounts on new equipment, a key factor in our growth. Our ability to develop and maintain state of the art software has allowed us to grow overseas and so while we are the major player in this market niche in the UK, we can look to the rest of the world for growth. While still the mainstay of our income, the UK now only represents 18% of our website traffic, which has been an important strategic development in the last couple of years. This alone suggests that the potential for revenue growth is significant and that becoming less dependant on the local UK market puts us in a strong position in the current gloomy economic climate. Strong traffic growth in France, Italy, South America and the US is beginning to translate into new income with early signs of significant promise.

Turnover

Our turnover has continued to grow for the 8th consecutive year. Sales have achieved growth over the year of 15% and this growth shows no sign of stopping.

Operating costs

Costs across the world have increased and we have been no exception to the market. Bandwidth, market data, networking and hosting charges have all risen sharply but by an ongoing process of optimisation we have minimised the impact. Our staffing levels have been maintained rather than increased as we have paid intense focus to costs in general. Marketing and customer acquisition costs have remained as planned and have been reasonable static throughout the year.

Research and development

We continue to invest in the quality and design of our products. We believe continued investment in our research and development is fundamental to the continuing growth of the business and much of our cost base is effectively focused on developing products markets for the future.

Environmental policy

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

Summary of key performance indicators
Below are some of the key performance indicators we use to monitor the group's progress. We have monitored the progress of the overall strategy and the individual strategic elements by reference to certain financial and non-financial key performance indicators as set out below:-

	2008 Actual	2008 Target	2007 Actual	2007 Target
Growth in sales (%)	15%	15%	35%	30%
Staff turnover (%)	35%	25%	18%	20%
Average head count	54	55	54	55
Advfn registered users	1.44M	1.2M	970K	850K
Group registered users	4.0M	3.5M	3.3M	2.5M

Future outlook for the business
Our strategy remains the same; to grow ADVFN internationally. Over the past months as the world Stock Markets have crashed we have worked flat out to keep up with the demand which has broken all previous levels. Having anticipated the 'credit crunch' as early as January 2007, it has come as a pleasant surprise that our business has not been hurt by this emergency and has in fact been helped by it. The crash has forced many investors on to the net to find the latest information which in turn has introduced large numbers of new users to ADVFN. With no quick end to the current world financial problems it would appear that ADVFN is well positioned to accelerate its international roll out.
Trading since the year end has established the trend that volatility in the markets is a benign environment for ADVFN and subscriptions are growing quickly in all of our major territories.

Principal risks and uncertainties
The management of the business and the nature of the company's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business. The directors' are of the opinion that a thorough risk management process is adopted which involves the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

Economic downturn
The success of the world's Stock Markets could affect the business, in recent months most stock markets have crashed or had a very major correction. Events like this can have a knock on effect to consumer spending power although in the past when we have seen a drop in the worlds market or indices, the market down turn has not changed our customer requirement to know what is happening in the market. However we do not feel it prudent to discount the potential for problems going forwards. It is important the senior management respond to this risk, and aim to keep abreast of economic conditions around the World.

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

Product obsolescence
The Technology that we use and develop is always moving on and changing, products are subject to technological advances and resultant obsolescence. The directors are committed to the Research and Development strategy in place, and are confident that the company is able to react effectively to the developments within the market.

Fluctuations in currency exchange rates
A growing proportion of our turnover relates to overseas operations. As a company, we are therefore exposed to foreign currency fluctuations. The company manages its foreign exchange exposure on a net basis, and if required uses forward foreign exchange contracts and other derivatives/financial instruments to reduce the exposure. Currently hedging is not employed. If currency volatility was extreme and hedging activity did not mitigate the exposure, then the results and the financial condition of the company might be adversely impacted by foreign currency fluctuations.

People
We have a very dedicated team that are all focused on creating the best possible service we can provide. I would like to thank them all for the hard work and dedication over the past year.

Clem Chambers
Managing Director
28th October 2008

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 30 June 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group is the development and provision of financial information primarily via the internet and the development and exploitation of ancillary internet sites. A review of the business as required by the Companies Act 1985 has been provided within the Chief Executive's Statement on pages 4 and 5.

RESULTS

The loss for the financial year amounted to £882,000 (2007: £1,382,000). The directors are unable to propose the payment of a dividend.

DIRECTORS

The directors holding office throughout the year are set out below:
M J Hodges
D J Crump
C H Chambers
J B Mullins
R J Negus
R A Emmet

M J Hodges and C H Chambers retire by rotation and being eligible, offer themselves for re-election. The directors' interests in the shares of the company are shown in the Remuneration Report.

Biographic details

Michael Hodges, *aged 46, Chairman*
Michael Hodges has over 20 years experience in computer software development and publishing, while working with multi-user and Internet projects for the last thirteen years. He founded On-line plc, ADVFN plc and Allipo plc. He is currently Chairman of On-line plc, ADVFN plc and a director of Allipo plc.

Clement Chambers, *aged 45, Managing Director*
Co-founder of On-line, Clement Chambers has been involved in the software industry for over 20 years, primarily as a publisher of computer games entertainment software. He is a director of On-line plc and a director of Allipo plc.

David Crump, *aged 53, Finance Director*
David Crump trained as a Chartered Accountant with Touche Ross qualifying in 1978. Since then he has gained a broad range of experience in entertainment, media and IT businesses. He is also a director of On-line plc.

Jonathan Mullins, *aged 39, Technical Director*
Jonathan Mullins has been involved in the development of a wide variety of on-line and internet services for over 10 years. He has been responsible for the entire technical department of ADVFN and has overseen the growth of the web site since its early days, including the development of the proprietary streaming service.

Ray Negus, *aged 55, Sales Director*
Ray Negus has over 30 years experience of sales and advertising including 10 years with the Birmingham Post and Mail and 10 years with NEWSCOM PLC where he held the position of Group Sales and Marketing Manager prior to joining ADVFN in January 2000.

Robert Emmet, *aged 50, Non-executive Director*
Robert Emmet, is a Chartered Accountant who qualified with Ernst and Young before joining Hoare Govett. He worked in corporate finance for a number of years before joining Auspex, a Silicon valley company manufacturing high availability fileservers. Over the last 10 years he has worked in recruitment, and is currently with Edward Hunter Associates Limited, an executive search consultancy.

REPORT OF THE DIRECTORS (continued)

SUBSTANTIAL SHAREHOLDERS

At 22 October 2008 the directors were aware of the following shareholding in excess of 3% of the company's issued share capital:

	Shareholding	%
On-Line Plc	114,300,000	19.27%
Peter O'Reilly	53,422,333	9.01%
FMR Corp. (Fidelity)	27,763,630	4.68%
Guy Thomas	23,850,000	4.02%

DONATIONS

There were no charitable or political donations.

FINANCIAL INSTRUMENTS

The details of the financial instruments held by the Group are disclosed in note 19.

PAYMENT POLICY AND PRACTICE

It is the Group's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction, to ensure that suppliers are aware of these terms and to abide by them. Company trade creditors represented xx days (2007: xx days) and the Group xx days (2007: 59 days) of related expenditure in the year.

FINANCIAL RISK MANAGEMENT

Information relating to the group's financial risk management is detailed in note 26 to the financial statements.

DIRECTORS' RESPONSIBILITIES FOR THE GROUP FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the Group financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. The directors are required to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS's). The financial statements are required by law to give a true and fair view of the state of affairs of the Group and of the profit or loss of the 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 estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are 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.

AUDITORS

In accordance with section 385 of the Companies Act 1985, a resolution proposing the reappointment of Grant Thornton UK LLP will be put to the members at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

Michael Hodges
Chairman
28 October 2008

REMUNERATION REPORT

Directors' emoluments

	Salary & fees £'000	Benefits in kind £'000	Annual bonus £'000	2008 Total £'000	2008 Pension £'000	2007 Total £'000	2007 Pension £'000
Executive directors							
M J Hodges	156	2	7	165	12	99	12
D J Crump	140	2	14	156	12	80	12
C H Chambers	206	1	7	214	12	140	12
J B Mullins	106	1	1	108	-	91	-
R J Negus	118	-	1	119	-	139	-
Non-executive directors							
R A Emmet	16	-	1	17	-	13	-
	742	6	31	779	36	562	36

On 2 November 2007 Mr R Negus exercised options over 333,333 ordinary shares at a price of 1.25 pence per share. The gain made on this exercise amounted to £5,250.

Remuneration policy for executive directors

The company's policy on executive director remuneration is to:

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

Service contracts

The executive directors have contracts with a thirty-six month notice period.

No director had either during or at the end of the year a material interest in any contract which was significant in relation to the company's business.

Directors' interests in shares

The interests of the directors and their families in the shares of the company at 1 July 2007 and 30 June 2008 were as follows:

	30 June 2008 No of Shares	1 July 2007 No of Shares	**30 June 2008 No of options**	1 July 2007 No of options
M J Hodges	-	-	5,500,000	6,500,000
D J Crump	1,230,000	1,230,000	4,500,000	5,500,000
C H Chambers	6,253,846	6,253,846	9,500,000	10,500,000
J B Mullins	464,444	464,444	5,000,000	6,500,000
R J Negus	666,666	333,333	6,166,667	6,500,000
R A Emmet	50,000	50,000	3,500,000	4,000,000

REMUNERATION REPORT (continued)

Re-dating of options on 8 July 2008

Certain ADVFN directors hold 8,500,000 options which were exercisable at below market price, and expire between June 2009 and February 2010. In order to avoid shareholder dilution, those directors agreed that they would waive the existing rights that they had to exercise those options and amended the terms of the options such that they now become exercisable on 10 June 2011 (subject to normal caveats regarding becoming exercisable prior to that on certain eventualities, for example death of the director or takeover of the Company) and expire on 10 June 2018.

The exercise prices remain the same.

Details are as follows (all options expire on 10 June 2018).

C H Chambers
4,000,000 at 1.75p previously exercisable until 10 June 2009, now locked up until 10 June 2011
1,000,000 at 1.25p previously exercisable until 18 Feb 2010, now locked up until 10 June 2011

M J Hodges
1,000,000 at 1.75p previously exercisable 10 June 2009, now locked up until 10 June 2011
1,000,000 at 1.25p previously exercisable 18 Feb 2010, now locked up until 10 June 2011

J B Mullins
500,000 at 1.75p previously exercisable 10 June 2009, now locked up until 10 June 2011
1,000,000 at 1.25p previously exercisable 18 Feb 2010, now locked up until 10 June 2011

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ADVFN PLC

We have audited the Group financial statements of ADVFN plc for the year ended 30 June 2008 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cashflow Statement and notes 1 to 29. These Group financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the parent company financial statements of ADVFN plc for the year ended 30 June 2008.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the Group financial statements in accordance with United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Group financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Group financial statements give a true and fair view and whether the Group financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements. The information given in the Report of the Directors includes that specific information presented in the Chief Executive's Statement that is cross referred from the Business Review section of the Report of the Directors.

In addition we report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Group financial statements. The other information comprises only the Report of the Directors and the Chief Executive's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the group financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the Group financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Group financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Group financial statements.

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 30 June 2008 and of its loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
Gatwick
28 October 2008

Consolidated income statement

	Notes	12 months to 30 June 2008 £'000	12 months to 30 June 2007 £'000
Revenue	3	6,931	6,022
Cost of sales		(640)	(513)
Gross profit		6,291	5,509
Share based payment	24	(90)	(169)
Amortisation of intangible assets	13	(1,087)	(926)
Other administrative expenses		(6,422)	(5,427)
Total administrative expenses		(7,599)	(6,522)
Operating loss	4	(1,308)	(1,013)
Finance income	7	57	43
Finance expense	8	(17)	(15)
Result from associates after taxation	15	(221)	(418)
Loss before tax		(1,489)	(1,403)
Taxation	9	775	335
Loss for the period from continuing operations		(714)	(1,068)
Loss for the period from discontinued operations	15	(168)	(314)
		(882)	(1,382)
Loss per share – from continuing operations			
Basic and diluted (pence per share)	10	(0.12)	(0.19)
Loss per share – from continuing and discontinued operations			
Basic and diluted (pence per share)	10	(0.15)	(0.24)

Consolidated balance sheet	Notes	30 June 2008 £'000	30 June 2007 £'000
Assets			
Non-current assets			
Property, plant and equipment	11	187	258
Goodwill	12	1,590	1,510
Intangible assets	13	2,577	2,853
Investments in associates	15	1,187	1,595
Trade and other receivables	17	182	206
		5,723	6,422
Current assets			
Trade and other receivables	17	1,019	942
Current tax recoverable		163	267
Other financial assets (available for sale)	19	67	59
Other short term financial assets		-	13
Cash and cash equivalents	20	1,591	1,358
		2,840	2,639
Total assets		8,563	9,061
Equity and liabilities			
Equity			
Issued capital	23	5,932	5,870
Share premium		7,710	7,600
Shares to be issued		249	332
Merger reserve		221	221
Share based payment reserve		425	335
Foreign exchange reserve		-	(92)
Retained earnings		(8,254)	(7,372)
		6,283	6,894
Non-current liabilities			
Deferred tax	16	425	521
Borrowings - obligations under finance leases	22	31	20
		456	541
Current liabilities			
Trade and other payables	21	1,771	1,562
Borrowings - obligations under finance leases	22	53	64
		1,824	1,626
Total liabilities		2,280	2,167
Total equity and liabilities		8,563	9,061

The financial statements on pages 12 to 42 were authorised for issue by the Board of Directors on 28 October 2008 and were signed on its behalf:

Clem Chambers
Managing Director

Consolidated statement of changes in equity

	Share capital	Share premium	Shares to be issued	Merger reserve	Share based payment reserve	Foreign exchange reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2006	4,798	5,634	498	221	174	-	(5,990)	5,335
Exchange differences on translation of foreign operations	-	-	-	-	-	(92)	-	(92)
Net income recognised directly in equity	-	-	-	-	-	(92)	-	(92)
Loss for the period after tax	-	-	-	-	-	-	(1,382)	(1,382)
Total recognised income and expense	-	-	-	-	-	(92)	(1,382)	(1,474)
Issue of shares	1,072	2,147	(166)	-	-	-	-	3,053
Associated costs	-	(181)	-	-	-	-	-	(181)
Equity settled share options	-	-	-	-	161	-	-	161
At 30 June 2007	5,870	7,600	332	221	335	(92)	(7,372)	6,894
Disposal of interest in associate	-	-	-	-	-	92	-	92
Net income recognised directly in equity	-	-	-	-	-	92	-	92
Loss for the period after tax	-	-	-	-	-	-	(882)	(882)
Total recognised income and expense						92	(882)	(790)
Issue of shares	62	110	(83)	-	-	-	-	89
Equity settled share options	-	-	-	-	90	-	-	90
At 30 June 2008	5,932	7,710	249	221	425	-	(8,254)	6,283

Consolidated cash flow statement

	Notes	12 months to 30 June 2008 £'000	12 months to 30 June 2007 £'000
Cash flows from operating activities			
Loss for the period before tax		(1,489)	(1,403)
Finance costs in the income statement	7, 8	(40)	(28)
Results for associates	15	221	418
Depreciation of property, plant & equipment	11	173	180
Amortisation	13	1,087	926
Investment acquired as payment for services		-	(30)
Impairment of financial assets		5	-
Share based payments	24	90	169
Increase in trade and other receivables	17	(53)	(197)
Increase in trade and other payables	21	209	89
Net cash generated from operations		203	124
Interest paid		(17)	(15)
Income tax receivable		783	-
Net cash generated by operating activities		969	109
Cash flows from investing activities			
Interest received	7, 8	57	43
Payments for property plant and equipment		(62)	(111)
Purchase of intangibles	13	(811)	(827)
Disposal of interest in associates	15	132	-
Purchase of subsidiary undertakings (net)		-	(1,624)
Net cash used in investing activities		(684)	(2,519)
Cash flows from financing activities			
Proceeds from issue of equity shares		9	3,053
Issue costs		-	(181)
Loans repaid (finance leases)		(61)	(34)
Net cash generated by financing activities		(52)	2,838
Net increase in cash and cash equivalents		233	428
Exchange differences		-	(8)
Total increase in cash and cash equivalents		233	420
Cash and cash equivalents at the start of the period		1,358	938
Cash and cash equivalents at the end of the period	20	1,591	1,358

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 and the development and exploitation of ancillary internet sites.

The principal trading subsidiaries are Equity Holdings Ltd, Equity Development Ltd, InvestorsHub.com Inc. and Cupid Bay Ltd.

The Company is a public limited company which is quoted on the Alternative Investment Market of the London Stock Exchange and is incorporated and domiciled in the UK. The address of the registered office is Suite 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA.

The registered number of the company is 2374988.

2. Summary of significant accounting policies

Basis of preparation

The consolidated financial statements are for the year ended 30 June 2008. They have been prepared in compliance with International Financial Reporting Standards (IFRSs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations as adopted by the European Union as at 30 June 2008. The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial instruments.

In the current year the Group has adopted International Financial Reporting Standards for the first time and has applied IFRS 1 'First time adoption of IFRS' from the transition date of 1 July 2006. Please refer to note 29 for the details of the adjustments required to present the accounts under IFRS.

IFRS permits Groups adopting IFRS for the first time to take certain exemptions from the full requirements of IFRS in the transition period. These financial statements have been prepared on the basis of taking the following exemptions:

-IFRS 3 'Business combinations'
Business combinations that occurred before the opening IFRS balance sheet date are exempt from the application of the standard. Goodwill is no longer amortised and negative goodwill is written off to the income statement.

-IAS 21 'The effects of changes in foreign exchange rates'
Cumulative translation differences which exist at the time of the transition can be transferred into the retained earnings and the foreign exchange reserve therefore shows only differences arising after transition. Exchange differences recycled to the income statement on disposal of a foreign operation only relate to post transition differences (IFRS 1 'First time adoption of IFRS').

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, having considered the latest Group forecasts together with the cash resources available to them, believe it is appropriate for the financial statements to be prepared on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group in the 30 June 2008 financial statements
At the date of authorisation of these financial statements, certain new Standards, amendments and Interpretations to existing standards have been published but are not yet effective. The Group has not early adopted any of these pronouncements. The new Standards, amendments and Interpretations that are expected to be relevant to the Group's financial statements are as follows:

IAS 1 Presentation of Financial Statements (Revised 2007) (effective for reporting periods beginning on or after 1 January 2009)
This amendment affects the presentation of owner changes in equity and introduces a statement of comprehensive income. Preparers will have the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of other comprehensive income). This amendment does not affect the financial position or results of the Group but will give rise to additional disclosures. Management is currently assessing the detailed impact of this amendment on the Group's financial statements.

IAS 23 (Revised) Borrowing Costs (effective for accounting periods beginning on or after 1 January 2009)
The option to recognise immediately as an expense the borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale is removed. All borrowing costs thus arising must therefore be capitalised.

Amendment to IAS 27 Consolidated and Separate Financial Statements (Revised 2008) (effective 1 July 2009)
IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. They will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in profit or loss.

Amendment to IFRS 2 Share based payment – Vesting Conditions and Cancellations (effective 1 January 2009)
This amendment to IFRS 2, 'Share-based payment ' clarifies that only service conditions and performance conditions are vesting conditions. All other features need to be included in the grant date fair value and do not impact the number of awards expected to vest or the valuation subsequent to grant date. The amendment also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment and this will impact among others the accounting for SAYE and matching share plans.

IFRS 3 (Revised) Business combinations (effective for combinations on or after 1 January 2009)
The revised Standard introduces significant changes to the accounting requirements for business combinations, transactions with non-controlling interests (i.e. minority interest) and the loss of control of a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (continued)

IFRS 8 Operating segments (effective for reporting periods beginning on or after 1 January 2009)
This IFRS specifies how an entity should report information about its operating segments in its financial statements. Generally, financial information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. Implementation of this standard is expected to increase the number of reportable segments as well as the manner in which the segments are reported i.e. in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. As goodwill is allocated to groups of cash generating units based on segment level, the change will also require the reallocation of goodwill to the newly identified operating segments. Management does not anticipate that this will result in any material impairment of goodwill.

Management anticipate that all the above pronouncements will be adopted in the Group's financial statements for the period beginning 1 July 2009.

The following standards and interpretations are in issue but are not relevant to the Group or Company's financial statements:

IFRIC 11 – IFRS 2 Group and Treasury share transactions (effective 1 March 2007)

IFRIC 12 – Service concession arrangements (effective 1 January 2008)

IFRIC 13 – Customer Loyalty Programmes (effective 1 July 2008)

IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective 1 January 2008)

IFRIC 15 – Agreements for the Construction of Real Estate (effective 1 January 2009)

IFRIC 16 – Hedges of a Net Investment in a Foreign Operation (effective 1 October 2008)

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (continued)

Consolidation

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of over one half of the voting rights. 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 the asset transferred) on transactions between Group companies are eliminated.

Business combinations

The Group uses the purchase method of accounting for the acquisition of a subsidiary. The cost of an acquisition is measured by the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. 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 minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired the difference is recognised directly in the income statement.

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the acquisition, after reassessment, is recognised immediately in profit or loss.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (continued)

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 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 and;
- On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to a separate component of equity. Post transition exchange differences are recycled to the income statement upon disposal of the foreign operation.

Income and expense recognition

Revenue is the fair value of the total amount receivable by the group for supplies of products as principal and for services. Subscription and advertising income is recognised over the period in which the service is provided. VAT or similar local taxes and trade discounts are excluded.

Interest income and expenditure are reported on an accruals basis. Dividends received, other than those from investments in associates, are recognised at the time of their distribution. 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 the income statement in the period in which the related employee services were provided.

Intangible assets

- Licences

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

- Goodwill

Goodwill is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. It is capitalised as an intangible asset and allocated to cash generating units (with separately identifiable cash flows) and is subject to impairment testing on an annual basis or more frequently if circumstances indicate that the asset may have been impaired.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (continued)

- Internally generated intangible assets
An internally generated intangible asset 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 the income statement 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.

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 and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date. All intangible assets acquired through business combination are amortised over their useful lives estimated at 10 years.

Subsequent to initial recognition, intangible assets acquired in a business combination 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
Computer equipment	33% per annum
Office equipment	20% per annum

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (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, other intangible assets with an indefinite useful life 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. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Financial assets
Financial assets consist of cash, loans and receivables, other financial assets available for sale and financial instruments at fair value through profit or loss. Financial assets are assigned to their different categories by management on initial recognition, depending on the purpose for which the investment was acquired.

Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that a trade receivable is impaired. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within administrative expenses. When a trade receivable is uncollectible it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

Investments
Current asset investments are classified as 'available for sale' as they are held for short term investment only and are intended to be realised within one year of the balance sheet date. They are measured at fair value with gains and losses arising on their fair value being included directly in equity. Listed investments are stated at bid prices.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each balance sheet date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Interest and other cash flows resulting from holding financial assets are recognised in profit and loss when received, regardless of how the related carrying amount of financial assets is measured.

Financial liabilities
The group's financial liabilities include trade and other payables.

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

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

Dividend distributions to shareholders are included when the dividends are approved by the shareholder's meeting.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (continued)

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

Payments under operating leases are charged to the income statement on a straight line basis over the lease term.

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

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.

Cash and cash equivalents
Cash and cash equivalents include cash at bank and in hand.

Provisions, contingent liabilities and contingent assets
Other 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (continued)

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.

Shares to be issued
Shares to be issued consist of shares potentially issuable under the deferred consideration payable for the acquisition of Equity Holdings Ltd.

Merger reserve
The merger reserve results from shares issued on the acquisition of Equity Holdings Ltd.

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

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

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

Dividends

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

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

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 research and 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 (Note 13).
b) Judgement is required in determining the provision for income taxes. There are many transactions and calculations whose ultimate tax treatment is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes are likely to be due. The Group recognises deferred tax assets and liabilities based on estimates of future taxable income and recoverability. Where a change in circumstance occurs, or the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax balances in the year in which that change or outcome is known.
c) 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 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of significant accounting policies (continued)

Sources of estimation uncertainty

a) Depreciation rates are based on estimates of the useful lives and residual values of the assets involved. The carrying value of 'Property, plant and equipment' is £187,000 (Note 11).
b) Estimates of future profitability for the decision whether or not to create a deferred tax asset.
c) Estimates as to asset carrying values and impairment charges.
d) Determining whether goodwill and related intangible assets are impaired requires an estimation of the value in use of the cash generating unit to which the goodwill or intangible assets have been allocated. This value in use calculation requires 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.
e) On acquisition of subsidiaries, the Group recognises intangible assets. This requires estimates to be made regarding the valuation methodology, expected useful life and discount rates to be applied. In addition, a number of estimates are used in calculating fair value and amortisation charges in respect of these assets.

3. Segmental analysis

The Group has a single class of business; that of developing and providing financial information primarily via the internet. The directors therefore consider that the Group's primary format for reporting segmental information is geographical by location of assets as this is the dominant source of the Group's risks and rewards. The group also provides segmental information by the geographical location of its customers.

2008 **Segmental analysis by location of assets**	UK	The Americas	Rest of the World	Total
	£'000	£'000	£'000	£'000
	Continuing	Continuing	Discontinued	
Revenue from external customers (rendering of services)	6,410	521	-	6,931
Loss for the period	(466)	(248)	(168)	(882)
Assets	6,531	2,032	-	8,563
Liabilities	1,827	453	-	2,280
Capital expenditure	880	33	-	913
Depreciation of property, plant and equipment	110	63	-	173
Amortisation of intangibles	935	152	-	1,087
Share of results of associates	(221)	-	(168)	(389)
Aggregate investment in associates	1,187	-	-	1,187

2007 **Segmental analysis by location of assets**	UK	The Americas	Rest of the World	Total
	£'000	£'000	£'000	£'000
	Continuing	Continuing	Discontinued	
Revenue from external customers (rendering of services)	5,633	389	-	6,022
Loss for the period	(1,017)	(51)	(314)	(1,382)
Assets	6,680	2,173	208	9,061
Liabilities	1,632	535	-	2,167
Capital expenditure	947	38	-	985
Depreciation of property, plant and equipment	163	17	-	180
Amortisation of intangibles	812	114	-	926
Share of results of associates	(418)	-	(314)	(732)
Aggregate investment in associates	1,387	-	208	1,595

Discontinued operations relate solely to ADVFN Japan K.K., an associated entity. The Group's interest in ADVFN Japan was sold during the year as set out in note 15.

NOTES TO THE FINANCIAL STATEMENTS

The following geographical segments are based on an analysis of revenue by the location of the Group's customers:

Revenue	2008 £'000	2007 £'000
UK - Continuing	5,141	4,857
The Americas - Continuing	1,486	876
Rest of the world - Discontinued	304	289
	6,931	6,022

4. Operating loss

Operating loss has been arrived at after charging / (crediting):	2008 £'000	2007 £'000
Foreign exchange gain	18	18
Depreciation and amortisation:		
Depreciation of property plant and equipment:		
Owned	130	137
Held under finance leases	43	43
Amortisation of intangible assets	1,087	926
Employee costs (Note 6)	3,162	2,750
Lease payments on land and buildings held under operating leases	222	245
Audit and non-audit services:		
Fees payable to the company's auditor for the audit of the Company's annual accounts	34	26
Fees payable to the Company's auditor and its associates for other services:		
For the audit of the company's subsidiaries pursuant to legislation	16	15
Other services pursuant to legislation	37	24
For tax services	8	8

5. Remuneration of key senior management

Key senior management comprises only directors.	2008 £'000	2007 £'000
Emoluments	779	562
Share based payments	62	117
Pension costs – defined contribution plans	36	36
	877	715

Details of the director's emoluments, together with other related information, are set out on pages 9 and 10.

NOTES TO THE FINANCIAL STATEMENTS

6. Employees

	2008 £'000	2007 £'000
Employee costs (including directors):		
Wages and salaries	2,747	2,293
Social security costs	281	243
Pension costs	44	45
Share based payments	90	169
	3,162	2,750

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

	2008	2007
Development	39	39
Sales and Administration	15	15
	54	54

7. Finance income

	2008 £'000	2007 £'000
Interest receivable on bank deposits	57	43
	57	43

8. Finance costs

	2008 £'000	2007 £'000
Interest expense on overdrafts and loans	2	-
Finance charges on finance leases	15	15
	17	15

NOTES TO THE FINANCIAL STATEMENTS

9. Income tax expense

	2008 £'000	2007 £'000
Current Tax:		
UK corporation tax on the result for the year	(169)	(23)
Adjustments in respect of prior periods	(510)	(255)
Total current taxation	(679)	(278)
Deferred tax	(96)	(57)
Taxation	(775)	(335)

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:

	2008 £'000	2007 £'000
Loss before tax	(1,657)	(1,717)
Loss before tax multiplied by the respective standard rate of corporation tax applicable in the UK (29.5%) (2007: 30%)	(489)	(515)
Effects of:		
Utilisation of losses	(40)	-
Non-deductible expenses	189	162
Enhanced Research & Development expenditure	(130)	-
Surrender of tax losses for R & D tax credit	143	-
Schedule 23 deduction	(2)	-
Unprovided deferred tax resulting from:		
-the origination and reversal of temporary differences	(1)	1
-tax losses arising in the period	29	242
-depreciation in excess of capital allowances	36	30
Adjustments in respect of prior periods	(510)	(255)
Tax credit for the year	(775)	(335)

NOTES TO THE FINANCIAL STATEMENTS

10. Loss per share

From continuing operations:	12 months to 30 June 2008 £'000	12 months to 30 June 2007 £'000
Loss for the year attributable to equity shareholders	(882)	(1,382)
Adjustments to exclude loss for the period from discontinued operations	168	314
Loss for the year from continuing operations attributable to equity shareholders	(714)	(1,068)
Loss per share from continuing operations		
Basic loss per share (pence)	(0.12)	(0.19)
Diluted loss per share (pence)	(0.12)	(0.19)
Loss per share from discontinued operations		
Basic loss per share (pence)	(0.03)	(0.06)
Diluted loss per share (pence)	(0.03)	(0.06)
	Shares	Shares
Issued ordinary shares at start of the year	586,979,000	479,805,000
Ordinary shares issued in the year (Note 23)	6,213,000	107,174,000
Issued ordinary shares at end of the year	593,192,000	586,979,000
Weighted average number of shares in issue for the year.	591,468,000	565,331,000
Dilutive effect of options	-	-
Weighted average shares for diluted earnings per share	591,468,000	565,331,000

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

11. Property, plant and equipment

	Leasehold property improvements £'000	Computer equipment £'000	Office equipment £'000	Total £'000
Cost				
At 1 July 2006	68	743	118	929
Acquisitions	-	4	4	8
Additions	-	149	9	158
At 1 July 2007	68	896	131	1,095
Additions	-	93	9	102
At 30 June 2008	68	989	140	1,197
Depreciation				
At 1 July 2006	30	535	92	657
Charge for the year	10	150	20	180
At 1 July 2007	40	685	112	837
Charge for the year	12	152	9	173
At 30 June 2008	52	837	121	1,010
Net book value				
At 30 June 2008	16	152	19	187
At 30 June 2007	28	211	19	258

The cost of property, plant and equipment held under finance leases is £125,000 (2007: £71,000); accumulated depreciation is £78,000 (2007: £36,000) giving a net book value of £47,000 (2007: £35,000). Finance charges included in lease payments made during the year amounted to £15,000 (2007: £15,000).

NOTES TO THE FINANCIAL STATEMENTS

12. Goodwill

	£'000
At 1 July 2006	853
Additions	657
At 1 July 2007	1,510
Additions	80
At 30 June 2008	1,590

The goodwill carried in the balance sheet can be attributed to the following business combinations:

	£'000
InvestorsHub.com Inc.	657
Equity Holdings Ltd	933
	1,590

During the year the group increased its estimate of the total amount of consideration remaining to be paid to the former shareholders of Equity Holdings Ltd by £80,000. The final payment of £249,000 will be satisfied by the issue of Ordinary share capital and is reflected within the 'shares to be issued' reserve as set out within the Statement of Changes in Equity. The Group tests goodwill annually for impairment or more frequently if there are indications that it might be impaired. The recoverable amounts are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding discount rates, growth rates and expected changes to selling prices and direct costs during the period.

For the purposes of the impairment testing of goodwill the directors have recognised two cash generating units (CGUs) in InvestorsHub.com Inc and Equity Holdings Limited. The recoverable amount for the CGUs was determined based on a value in use calculation, based upon management forecasts for the trading results of those entities for the two years ended 30 June 2010, extended to reflect the remaining useful economic life of the goodwill presented above which is approximately 7.5 and 8.25 years for Equity Holdings Limited and InvestorsHub.com Inc. respectively. The directors consider that the remaining useful economic lives remain appropriate. Cash flows beyond the period covered by management forecasts have been estimated by assuming a growth rate of 5.8% and nil for Equity Holdings Limited and InvestorsHub.com Inc. respectively. A discount rate of 10% has been used for both income generating units which reflects the Groups estimated weighted average cost of capital. Within the value in use model utilised for InvestorHub.com Inc. an average exchange rate of $1.75/£ has been assumed. The value in use calculations indicate that InvestorHub.com Limited has a recoverable amount which is £1,301,000 greater than its carrying amount. The exchange rate utilised within the forecasts would have to rise to $3.21/£ to reduce the recoverable amount to its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

13. Other intangible assets

	Licences	Brands & subscriber lists	Website development costs	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 July 2006	1,300	-	2,198	3,498
Acquisition	-	1,522	-	1,522
Additions	-	-	827	827
At 1 July 2007	1,300	1,522	3,025	5,847
Additions	-	-	811	811
At 30 June 2008	1,300	1,522	3,836	6,658
Amortisation				
At 1 July 2006	1,279	-	789	2,068
Charge for the year	21	114	791	926
At 1 July 2007	1,300	114	1,580	2,994
Charge for the year	-	152	935	1,087
At 30 June 2008	1,300	266	2,515	4,081
Net book value				
At 30 June 2008	-	1,256	1,321	2,577
At 30 June 2007	-	1,408	1,445	2,853

Brands and subscriber lists intangible assets are allocated to the InvestorsHub.com Limited CGU and subjected to an annual impairment review as set out in note 12 above. Website development costs are internally generated and primarily consist of capitalised wages and salaries expense.

14. Subsidiary companies consolidated in these accounts

	Country of incorporation	% interest in ordinary shares at 30 June 2008	Principal activity
Equity Holdings limited	England & Wales	100%	Holding Company
Equity Development Limited	England & Wales	100%	Research services
Cupid Bay Limited	England & Wales	100%	Internet dating web site
Fotothing Limited	England & Wales	100%	Dormant
InvestorsHub.com Limited	USA	100%	Financial information web site
ADVFN Brazil Limited	England & Wales	100%	Dormant
E O Management Limited	England & Wales	100%	Dormant
Throgmorton Street Capital Limited	England & Wales	100%	Dormant

NOTES TO THE FINANCIAL STATEMENTS

15. Investments in associates

	Country of incorporation	% interest in ordinary shares at 30 June 2008	Principal activity
ALL IPO Plc	England & Wales	40.4%	IPO information web site

	£'000
At 1 July 2006	2,402
Share of associate's losses	(738)
Foreign exchange losses	(69)
At 1 July 2007	1,595
Share of associate's losses	(297)
Disposal of ADVFN Japan K.K.	(111)
At 30 June 2008	1,187

On 30 November 2007 ADVFN Japan K.K., a company incorporated in Japan ceased trading and was liquidated. During the year to the date of closure the Group's share of the loss attributable to ADVFN Japan K.K. amounted to £76,000. The Group received £132,000 and made no gain or loss on the closure of ADVFN Japan K.K.

A reconciliation of the Group's share of the results from associates is shown below:

	2008 £'000	2007 £'000
ALL IPO Plc	221	418
ADVFN Japan	76	314
Reversal of foreign exchange difference relating to ADVFN Japan	92	-
At 30 June 2008	389	732

Interests in associates at net book value include:

	2008 £'000	2007 £'000
Listed investments	1,187	1,387
Listed investments at market value	155	1,013

Summarised information for ALL IPO plc is set out below:

	2008 £'000	2007 £'000
Revenues	181	54
Loss for the period	(523)	(978)
Total assets	3,035	3,756
Total liabilities	(95)	(322)
At 30 June 2008	2,940	3,434

The directors have considered the carrying value of the investment in ALLIPO plc in light of the market value of the Group's interest in its share capital at 30 June 2008 by calculating the investment's recoverable amount. The recoverable amount has been determined from value in use calculations which have regard to future trading results and cash generation of the company. The directors are satisfied that the recoverable amount is in excess of the carrying amount of the investment in ALLIPO plc and accordingly no impairment has been recognised against its carrying value.

NOTES TO THE FINANCIAL STATEMENTS

16. Deferred income tax

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

	Intangible assets	Website development costs	US tax losses	UK tax losses	Total
	£'000	£'000	£'000	£'000	£'000
At 1 July 2006	-	(423)	-	423	-
Acquisition of InvestorsHub.com	(578)	-	-	-	(578)
Credit/(charge) to income statement	42	18	15	(18)	57
At 1 July 2007	(536)	(405)	15	405	(521)
Credit/(charge) to income statement	40	35	56	(35)	96
At 30 June 2008	(496)	(370)	71	370	(425)

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:

	2008	2007
	£'000	£'000
Deferred tax liabilities	(866)	(941)
Deferred tax assets	441	420
	(425)	(521)

At the balance sheet date the Group had unused tax losses of £6,208,000 (2007: £5,768,000) available for offset against future profits. A deferred tax asset has been recognised in respect of £1,498,000 (2007: £1,484,000) of such losses. No deferred tax asset has been recognised in respect of the remaining £4,710,000 (2007: £4,284,000) due to the unpredictability of future profit streams. The vast majority of the losses may be carried forward indefinitely.

17. Trade and other receivables

	2008	2007
	£'000	£'000
Non-current assets		
Other receivables	182	206
Current assets		
Trade receivables	600	587
Other receivables	41	12
Prepayments and accrued income	378	343
	1,019	942

NOTES TO THE FINANCIAL STATEMENTS

18. Credit quality of financial assets

As of 30 June 2008, trade receivables of £182,000 (2007: £235,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these overdue trade receivables is as follows:

	2008 £'000	2007 £'000
Trade receivables		
Not more than 3 months	160	224
More than 3 months but not more than 6 months	8	11
More than 6 months but not more than 1 year	14	-
	182	235

Impaired receivables

	2008 £'000	2007 £'000
At 1 July	49	25
Utilised during the year	(57)	(23)
Released	(7)	-
Created during the year	58	47
At 30 June	43	49

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

	2008 £'000	2007 £'000
Sterling	660	666
Euro	26	4
US dollar	137	135
	823	805

19. Financial instruments

Categories of financial instrument

	2008 £'000	2007 £'000
Financial assets		
Loans and receivables	2,414	2,163
Financial assets available for sale	67	59
Derivative instrument – at fair value through profit or loss	-	13
Financial liabilities		
Borrowings – finance lease liabilities	84	84
Amortised cost	1,055	846

Financial assets which are available for sale relate to listed investments which are stated at their market value at 30 June 2008. The directors consider that the fair value of the other financial assets and liabilities is not materially different from the value set out in the table above due to their short term nature.

20. Cash and cash equivalents

	2008 £'000	2007 £'000
Cash at bank and in hand	1,355	390
Short term bank deposits	236	968
Cash and cash equivalents per cashflow	1,591	1,358

NOTES TO THE FINANCIAL STATEMENTS

21. Trade and other payables

	2008 £'000	2007 £'000
Trade payables	956	837
Social security and other taxes	377	313
Other payables	23	9
Accrued expenses and deferred income	415	403
	1,771	1,562

22. Finance leases

Finance lease liabilities mature as follows:

	2008 £'000	2007 £'000
Finance lease minimum payments		
Less than 1 year	60	70
Between 2 and 5 years	50	39
Total minimum lease payments	110	109
Future finance charges	(26)	(25)
Present value of finance leases	84	84
Present value of finance leases		
Less than 1 year	53	64
Between 2 and 5 years	31	20
	84	84

23. Share capital

		Shares	£'000
Authorised share capital			
Ordinary shares of £0.01 each			
1 July 2007 and 30 June 2008		1,000,000,000	10,000
Issued, called up and fully paid Ordinary shares of £0.01 each			
At 1 July 2006		479,805,463	4,798
11 August 2006	Options exercised	83,333	1
8 September 2006	Acquisition of subsidiary	32,833,333	328
11 September 2006	Acquisition of subsidiary	68,847,466	688
13 October 2006	Deferred consideration on acquisition of Equity Holdings Ltd	5,259,708	53
21 November 2006	Options exercised	150,002	2
At 1 July 2007		586,979,305	5,870
9 October 2007	Deferred consideration on acquisition of Equity Holdings Ltd	5,713,131	57
2 November 2007	Options exercised	416,666	4
14 December 2007	Options exercised	83,333	1
At 30 June 2008		593,192,435	5,932

Share price

The market value of the shares at 30 June 2008 was 2.65p (2007: 2.95p) and the range during the year was 2.13p to 3.35p (2007: 2.4p to 3.6p).

NOTES TO THE FINANCIAL STATEMENTS

24. Share based payments

The Group uses share options as remuneration for services of employees. The Group issued the following share options during 2008:

Date of issue	Number issued	Weighted average share price (pence)	Weighted average exercise price (pence)	Expected volatility %	Expected life years	Risk free rate %	Weighted average fair value at grant (pence)
11 December 2007	906,000	2.25	2.25	39.00	7	5	1.13
20 December 2007	402,000	2.33	2.33	39.00	7	5	1.16

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

	2008 WAEP		2007 WAEP	
	Number	Price (pence)	Number	Price (pence)
Outstanding at the beginning of the year	45,391,000	3.19	42,078,335	3.07
Granted during the year	1,308,000	3.28	11,001,000	3.24
Exercised during the year	(499,999)	1.42	(233,335)	1.25
Forfeited during the year	(500,000)	4.69	(450,000)	4.70
Expired during the year	(5,056,490)	2.50	(7,005,000)	2.50
Outstanding at the year end	40,642,511	3.19	45,391,000	3.19
Exercisable at the year end	32,000,510	3.29	31,508,333	3.05

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
- 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

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

Expiry date	Exercise Price (p)	2008 Share options	2008 Remaining life	2007 Share options	2007 Remaining life
1 July 2007	5.000			56,490	1
13 June 2008	2.500			5,000,000	1
10 July 2008	4.750	140,000	1	140,000	2
10 June 2009	1.750	7,116,668	1	7,283,334	2
18 February 2010	1.250	5,231,845	2	5,565,178	3
27 January 2011	4.750	7,400,000	3	7,700,000	4
7 July 2011	3.375	295,000	4	295,000	5
27 January 2012	4.600	8,149,998	4	8,349,998	5
6 September 2013	3.300	10,150,000	6	10,150,000	7
10 April 2014	2.550	851,000	6	851,000	7
11 December 2014	2.250	906,000	7		
20 December 2014	2.325	402,000	7		
		40,642,511	4	45,391,000	4

499,999 options were exercised during the year, the weighted average share price at the date of exercise was 2.66p.

The total expense recognised during the year by the Group, for all schemes, was £90,000 (2007: £169,000).

NOTES TO THE FINANCIAL STATEMENTS

25. Operating lease commitments

The following payments are due to be made on operating lease commitments:

Land & buildings	2008 £'000	2007 £'000
Within one year	175	214
Two to five years	351	503
	526	717

26. Financial risk management

The Group'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. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the Board and their policies are outlined below.

a) Market risk

Foreign exchange risk

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

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

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

	2008		2007	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
US Dollars	409	247	393	179
Euros	45	27	39	18
Yen	5	19	208	19
	459	293	639	217

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 both profit and equity of strengthening or weakening of the US dollar in relation to sterling by 10% would result in a movement of £15,000 (2007: £19,000).

Interest rate risk

As the Group carries no borrowings other than finance leases at fixed rates of interest the directors consider that there is no significant interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

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.

Provision of services by members of the Group results in trade receivables which the management consider to be of low risk, other receivables include subscription monies from shareholders and 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. No trade or other receivables have been impaired.

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 substantial 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.

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 order to provide returns for shareholders and benefits for other members. The Group will also seek to minimise the cost of capital and attempt to optimise the capital structure. Currently no dividends are paid to shareholders and capital for further development of the Group's activities is achieved by share issues. The Group does not carry significant debt.

27. Capital commitments

At 30 June 2008 the Group had no capital commitments (2007: £nil).

28. Related party transactions

The Company paid management charges of £41,400 (2007: £41,400) to On-line plc during the year. On-line plc is related by virtue of having common directors, M J Hodges, C H Chambers, D J Crump and J B Mullins and as On-line holds approximately 19.5% of the shares in the company. In addition, advertising recharges were paid amounting to £84,000 (2007: £nil).

During the year Edward Hunter Associates Limited, a company in which R A Emmet was a director, received fees of £4,700 (2007: £9,500) for recruiting staff for the company.

The company received rent of £nil (2007: £24,000) from ALL IPO for the year. ALL IPO is related by virtue of having common directors, M J Hodges and C H Chambers, and additionally because the Company holds 40.4% of the shares.

There were no other related party transactions.

NOTES TO THE FINANCIAL STATEMENTS

29. UK GAAP to IFRS transition adjustments

An explanation of how the transition from UK GAAP to IFRS has affected the Group's financial position, financial performance and cash flows is set out below.

IFRS 1 'First time adoption of IFRS'
The presentation and recognition requirements of this standard demand that the element of debtors which is over one year must be shown in the 'Non-current assets' heading and not, as previously presented under UK GAAP, under the overall Debtors heading within 'Current assets'.

IFRS 3 'Business combinations' and IAS 12 'Income taxes'.
By claiming the exemption from applying the standard retrospectively the Group will stop amortising positive goodwill at the transition date and, instead, it becomes the subject of regular impairment tests. In addition, the separable intangibles recognised on acquisitions after the transition date will be shown under the intangible assets heading and amortised in line with the Group accounting policy. Deferred tax is recognised on the separable intangible assets resulting from the acquisition and a deferred tax liability has resulted under IAS 12 'Income taxes'.

IAS 21 'The effects of foreign exchange differences'
Cumulative translation differences which exist at the date of transition can be transferred into retained earnings and the foreign exchange reserve therefore only shows differences arising after transition. Upon disposal, pre-transition foreign exchange differences will not be recycled (IFRS 1 'First time adoption of IFRS').

IAS 38 'Intangible assets'
Computer software and web site development costs are capitalised as a tangible asset under UK GAAP, however, under IFRS:

i) if the software is separate from the computer and its immediate operating system it must be regarded as a stand alone asset and recognised as an intangible asset and,
ii) the web site development costs are capitalised as an intangible asset under IFRS if they are recognised as such under IAS 38.

IAS 39 'Financial instruments, recognition and measurement'
Under UK GAAP current asset investments were carried at cost and the treatment under IFRS requires that the asset be recognised under one of four types, in this case 'available for sale', and that they be carried at fair value (in this case market value). The adjustment to fair value is taken directly to equity.

Detailed reconciliations between UK GAAP and IFRS of both equity and profit are shown below.

NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of equity as at 1 July 2006

	UK GAAP £'000	IFRS 1 £'000	IFRS 3 £'000	IAS 38 £'000	IAS 39 £'000	IFRS £'000
Assets						
Non-current assets						
Property, plant and equipment	1,681			(1,409)		272
Goodwill	853					853
Intangible assets	21			1,409		1,430
Investments in associates	2,402					2,402
Trade and other receivables	-	203				203
Total non-current assets	4,957	203		-		5,160
Current assets						
Trade and other receivables	938	(203)				735
Financial assets (available for sale)	48				(6)	42
Cash and cash equivalent	938					938
Total current assets	1,924	(203)			(6)	1,715
Total assets	**6,881**	-			(6)	**6,875**
Equity and liabilities						
Equity						
Issued capital	4,798					4,798
Share premium	5,634					5,634
Shares to be issued	498					498
Merger reserve	221					221
Share based payments reserve	174					174
Retained earnings	(5,984)				(6)	(5,990)
Total equity	5,341				(6)	5,335
Non-current liabilities						
Deferred tax	-					
Obligations under finance leases	28					28
Total non-current liabilities	28					28
Current liabilities						
Trade and other payables	1,512					1,512
Total current liabilities	1,512					1,512
Total liabilities	1,540					1,540
Total equity and liabilities	**6,881**				(6)	**6,875**

NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of equity as at 30 June 2007

	UK GAAP £'000	IFRS 1 £'000	IFRS 3 £'000	IAS 38 £'000	IAS 39 £'000	IFRS £'000
Assets						
Non-current assets						
Property, plant and equipment	1,703			(1,445)		258
Goodwill	2,280		(770)			1,510
Intangible assets	-		1,408	1,445		2,853
Investments in associates	1,595					1,595
Trade and other receivables	-	206				206
Total non-current assets	5,578	206	638	-	-	6,422
Current assets						
Trade and other receivables	1,415	(206)				1,209
Financial assets (available for sale)	65				(6)	59
Other short term financial assets	13					13
Cash and cash equivalent	1,358					1,358
Total current assets	2,851	(206)			(6)	2,639
Total assets	**8,429**	-	638	-	(6)	**9,061**
Equity and liabilities						
Equity						
Issued capital	5,870					5,870
Share premium	7,600					7,600
Shares to be issued	332					332
Merger reserve	221					221
Share based payments reserve	335					335
Foreign exchange reserve	(92)					(92)
Retained earnings	(7,483)		117		(6)	(7,372)
Total equity	6,783		117		(6)	6,894
Non-current liabilities						
Deferred tax			521			521
Obligations under finance leases	20					20
Total non-current liabilities	20		521			541
Current liabilities						
Trade and other payables	1,626					1,626
Total current liabilities	1,626					1,626
Total liabilities	1,646		521			2,167
Total equity and liabilities	**8,429**		638		(6)	**9,061**

NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of profit for the year ended 30 June 2007

	UK GAAP £'000	IFRS 3 £'000	IAS 38 £'000	IFRS £'000
Revenue	6,022			6,022
Cost of sales	(513)			(513)
Gross profit	5,509			5,509
Share based payment	(169)			(169)
Amortisation of intangible assets	(174)	60	(812)	(926)
Impairment				
Other administrative expenses	(6,239)		812	(5,427)
Operating loss	(1,073)	60	-	(1,013)
Finance income	43			43
Finance expense	(15)			(15)
Result from associates after taxation	(732)			(732)
Loss before tax	(1,777)	60		(1,717)
Taxation	278	57		335
Loss for the period	(1,499)	117	-	(1,382)

Cashflow
As a result of the transition to IFRS the following changes have resulted in the cashflow statement.

Under UK GAAP payments to acquire property, plant and equipment were classified as part of 'Capital expenditure and financial investment' whilst under IFRS such payments have been reclassified as part of 'Investing activities'.

There are no other material differences between the cashflow statement presented under IFRS and that presented under UK GAAP.

DIRECTORS' RESPONSIBILITIES FOR THE COMPANY FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with the applicable law and regulation.

Company law requires the directors to prepare parent company financial statements for each financial year. Under that law the directors have elected to prepare parent company financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The parent company financial statements are required by law to give a true and fair view of the state of affairs of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and company will continue in business.

The directors confirm they have complied with the above requirements in preparing the Company financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all reasonable steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are 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.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ADVFN PLC

We have audited the parent company financial statements of ADVFN plc for the year ended 30 June 2008 which comprise the company balance sheet and notes 1 to 17. These parent company financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the group financial statements of ADVFN plc for the year ended 30 June 2008.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the parent company financial statements in accordance with United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the parent company financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the parent company financial statements give a true and fair view and whether the parent company financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Report of the Director's is consistent with the parent company financial statements. The information given in the Report of the Director's includes that specific information presented in the Chief Executives Statement that is cross referred from the Business Review section of the Report of the Directors.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited parent company financial statements. This other information comprises only the Report of the Director's and the Chief Executives Statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the parent company financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the parent company financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the parent company financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the parent company financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the parent company financial statements.

Opinion

In our opinion:

- the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2008;
- the parent company financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
GATWICK
28 October 2008

COMPANY BALANCE SHEET

	Note	At 30 June 2008 £'000	At 30 June 2007 £'000
Fixed assets			
Tangible assets	4	**1,456**	1,510
Investments	5	**2,760**	2,692
		4,216	4,202
Current assets			
Debtors	6	**1,752**	1,681
Investments	7	**29**	29
Cash at bank and in hand		**1,305**	1,161
		3,086	2,871
Creditors: amounts falling due within one year	8	**(1,434)**	(1,274)
Net current assets		**1,652**	1,597
Total assets less current liabilities		**5,868**	5,799
Creditors: amounts falling due after more than one year	9	**(32)**	(20)
Net assets		**5,836**	5,779
Capital and reserves			
Called up share capital	10	**5,932**	5,870
Share premium account	11	**7,710**	7,600
Option valuation reserve	11	**421**	343
Merger reserve	11	**221**	221
Shares to be issued	11	**249**	332
Profit and loss account	11	**(8,697)**	(8,587)
Shareholders' funds	12	**5,836**	5,779

The financial statements on pages 43 to 53 were authorised for issue by the Board of Directors on 28 October 2008 and were signed on its behalf:

Clem Chambers
Managing Director

The accompanying accounting policies and notes form an integral part of these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Accounting convention
The parent company financial statements have been prepared under United Kingdom Generally Accepted Accounting Practice using the historical cost convention as modified by the revaluation of certain financial instruments and in accordance with the Companies Act 1985 and applicable accounting standards. The particular accounting policies adopted by the directors are described below and are considered suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates in accordance with FRS 18.

Intangible fixed assets
Intangible fixed assets are included at cost net of amortisation. Licences are being amortised over their expected useful economic life of five years.

Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. No depreciation is charged during the period of construction. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful economic lives. The rates generally applicable are:

Leasehold improvements	over the period of the lease
Computer equipment	33%
Office equipment	20%
Website development costs	see below

Website development costs
Website development costs represent the design and content cost associated with the development of financial software. They are capitalised only to the extent that they lead to the creation of an enduring asset delivering benefits at least equal to the amount capitalised. They are recorded in the balance sheet in the year in which they are incurred, in accordance with FRS 15 'Tangible fixed assets' and UITF 29 'Website development costs'. Such costs are amortised over their useful economic life of two, three or five years as appropriate.

Deferred taxation
Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are not discounted.

Investments
Fixed asset investments are included at cost less amounts written off. Current asset investments are included at market value where they are traded on an active market. Unrealised gains and losses on current asset investments are recognised in the statement of total recognised gains and losses. Profit or loss on disposal of current asset investments is the difference between sale proceeds and carrying value.

Leased assets
Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful economic lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease. All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease tem.

Defined contribution pension costs
Pension costs are charged in the year in which they are incurred.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (continued)

Foreign currencies
Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are taken to reserves. All other exchange differences are dealt with through the profit and loss account.

Financial instruments
Classification as equity or financial liability
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability.

An equity instrument is any contract that evidences a residual interest in the assets of the group/company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

Share based payments
The Company recognises a charge to the profit and loss account for all applicable share based payments, including share options. The Company has equity-settled share based payments but no cash-settled share based payments. All share based payments awards granted after 7 November 2002 which had not vested prior to 1 July 2006 are recognised in the financial statements at their fair value at the date of grant.

As vesting periods and non-market based vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. All equity-settled share based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to the option valuation reserve.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

2. COMPANY PROFIT AND LOSS ACCOUNT

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss after taxation for the financial year was £110,000 (2007: loss of £503,000). The auditors' remuneration for the statutory audit was £23,000 (2007: £22,000)

3. STAFF COSTS

Employee costs including directors:

	Year to 30 June 2008 £'000	Year to 30 June 2007 £'000
Wages and salaries	2175	1797
Social security costs	228	190
Pension	36	36
Share based payments	78	169
	2,517	2,192

For details of directors' remuneration, see the Remuneration Report on pages 9 and 10.

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

	Year to 30 June 2008	Year to 30 June 2007
Development	31	31
Sales and Administration	12	12
	43	43

NOTES TO THE COMPANY FINANCIAL STATEMENTS

4. TANGIBLE FIXED ASSETS

	Leasehold property improvements £'000	Computer equipment £'000	Office equipment £'000	Website development costs £'000	Total £'000
Cost					
At 1 July 2006	48	741	103	1,838	2,730
Additions	-	106	3	828	937
At 1 July 2007	48	847	106	2,666	3,667
Additions	-	77	-	817	894
At 30 June 2008	48	924	106	3,483	4,561
Depreciation					
At 1 July 2006	28	535	91	669	1,323
Charge for the year	4	144	15	671	834
At 1 July 2007	32	679	106	1,340	2,157
Charge for the year	5	128	-	815	948
At 30 June 2008	37	807	106	2,155	3,105
Net book value					
At 30 June 2008	11	117	-	1,328	1,456
At 30 June 2007	16	168	-	1,326	1,510

The cost of property, plant and equipment held under finance leases is £125,000 (2007: £71,000); accumulated depreciation is £78,000 (2007: £36,000) giving a net book value of £47,000 (2007: £35,000). Finance charges included in lease payments made during the year amounted to £15,000 (2007: £15,000).

NOTES TO THE COMPANY FINANCIAL STATEMENTS

5. FIXED ASSET INVESTMENTS

	£'000
Subsidiary and associated undertakings	
At 1 July 2006	1,055
Additions	1,637
At 1 July 2007	2,692
Additions	88
Disposals	(20)
At 30 June 2008	2,760

The additions in the year to 30 June 2007 derive from the purchase, on 25 September 2006, of the entire share capital of InvestorsHub.com Inc., a business incorporated within the United States of America which encompassed 100% of the interests of SI Holdings LLC at the date of acquisition.

The additions in the year to 30 June 2008 relate primarily to additional purchase consideration in respect of Equity Holdings Limited. During the year the directors revised their estimate of the total amount remaining to be paid to the former shareholders of Equity Holdings Limited by £80,000. The final payment of £249,000 will be satisfied by the issue of Ordinary share capital and is reflected within the 'Shares to be issued' reserve as set out in note 11.

Disposals consist of the 29.1% holding in ADVFN Japan K.K. for the sum of £132,000.

Included within fixed asset investments at the balance sheet date are the following companies:

	Country of incorporation	% interest in ordinary shares at 30 June 2008	Activity
Equity Holdings limited	England & Wales	100.0%	Holding company
Equity Development Limited	England & Wales	100.0%	Research services
Cupid Bay Limited	England & Wales	100.0%	Internet dating website
Fotothing limited	England & Wales	100.0%	Dormant
InvestorsHub.com Limited	USA	100.0%	Financial information website
ADVFN Brazil Limited	England & Wales	100.0%	Dormant
E O Management Limited	England & Wales	100.0%	Dormant
Throgmorton Street Capital Limited	England & Wales	100.0%	Dormant
ALL IPO Plc (associate undertaking)	England & Wales	40.4%	Internet financial information

NOTES TO THE COMPANY FINANCIAL STATEMENTS

6. DEBTORS

	2008 £'000	2007 £'000
Trade debtors	325	401
Amounts owed by group companies	738	527
Other debtors	182	184
Recoverable corporation tax	163	267
Prepayments and accrued income	344	302
	1,752	1,681

Included within debtors is an amount of £182,000 (2007: £184,000) which is due after more than one year. The amounts due from Group undertakings are due after more than one year.

7. CURRENT ASSET INVESTMENTS

	At 30 June 2008 £'000	At 30 June 2007 £'000
Listed investments	29	29
Listed investments at market value	29	23

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	At 30 June 2008 £'000	At 30 June 2007 £'000
Trade creditors	882	789
Other tax and social security	334	271
Accruals and deferred income	163	146
Other creditors	1	3
Hire purchase and finance leases	53	64
Amounts owed to Group undertakings	1	1
	1,434	1,274

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	At 30 June 2008 £'000	At 30 June 2007 £'000
Hire purchase and finance leases	85	84
Maturity of finance lease obligations		
Between 1 and 2 years	53	64
Between 2 and 5 years	32	20
	85	84

NOTES TO THE COMPANY FINANCIAL STATEMENTS

10. SHARE CAPITAL

		Shares	£'000
Authorised share capital			
Ordinary shares of £0.01 each			
1 July 2007 and 30 June 2008		1,000,000,000	10,000
Issued, called up and fully paid Ordinary shares of £0.01 each			
At 1 July 2006		479,805,463	4,798
11 August 2006	Options exercised	83,333	1
8 September 2006	Acquisition of subsidiary	32,833,333	328
11 September 2006	Acquisition of subsidiary	68,847,466	688
13 October 2006	Deferred consideration on acquisition of Equity Holdings Ltd	5,259,708	53
21 November 2006	Options exercised	150,002	2
At 1 July 2007		586,979,305	5,870
9 October 2007	Deferred consideration on acquisition of Equity Holdings Ltd	5,713,131	57
2 November 2007	Options exercised	416,666	4
14 December 2007	Options exercised	83,333	1
At 30 June 2008		593,192,435	5,932

The difference between the consideration of £172,000 and the nominal value of the shares issued during the year of £110,000 has been credited to the share premium account.

11. RESERVES

	Share premium account £'000	Merger reserve £'000	Shares to be issued £'000	Option reserve £'000	Profit and loss account £'000
At 1 July 2007	7,600	221	332	343	(8,587)
Share option charge				78	
Loss for the year					(110)
Share issues	110				
Additional contingent consideration*			(83)		
At 30 June 2008	**7,710**	**221**	**249**	**421**	**(8,697)**

*Additional contingent consideration relates to the acquisition of Equity Holdings Limited which was acquired in the year ended 30 June 2006.

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2008 £'000	2007 £'000
Loss for the financial year	(110)	(503)
Issue of shares	172	3,038
Additional contingent consideration to acquire subsidiary	(83)	(166)
Share option charge	78	169
Net increase in shareholders' funds	57	2,538
Shareholders' funds at 1 July	5,779	3,241
Shareholders' funds at 30 June	5,836	5,779

NOTES TO THE COMPANY FINANCIAL STATEMENTS

13. RELATED PARTY TRANSACTIONS

The company paid management charges of £41,400 (2007: £41,400) to On-line plc for the year. On-line plc is related by virtue of having common directors, M J Hodges, C H Chambers, D J Crump and J B Mullins and as On-line holds approximately 19.5% of the shares in the company. In addition, advertising recharges were paid amounting to £84,000 (2007: £nil).

During the year Edward Hunter Associates Limited, a company in which R A Emmet was a director, received fees of £4,700 (2007: £9,500) for recruiting staff for the company.

The company received rent of £nil (2007: £24,000) from ALL IPO for the year. ALL IPO is related by virtue of having common directors, M J Hodges and C H Chambers, and additionally because the Company holds 40.4% of the shares.

There were no other related party transactions.

14. CAPITAL COMMITMENTS

The company had no capital commitments at 30 June 2008 or 30 June 2007.

15. SHARE BASED PAYMENTS

The ADVFN Plc equity settled share based payment scheme is fully disclosed in note 24 to the Group consolidated accounts above.

16. OPERATING LEASE COMMITMENTS

At 30 June 2008 the Company had annual commitments under non-cancellable operating leases expiring as follows:

Land & buildings	2008 £'000	2007 £'000
Within one year	14	6
Two to five years	148	148
	162	154

17. ACCOUNTS

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

www.companieshouse.gov.uk

and from the ADVFN plc website:

www.ADVFN.com