

All IPO Plc

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017**

Registered Number: 03230460 (England and Wales)

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DIRECTORS, OFFICERS AND ADVISERS

Directors

Michael Hodges (Chairman)

Christopher Newland (Chief Executive Officer)

Clement Chambers

Robert Emmet (resigned 17 May 2017)

Secretary

Michael Hodges

Registered Office

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

Independent Auditor

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

Company number: 03230460

STRATEGIC REPORT

The principal activities of the company are the development and exploitation of on-line IPO services and Stock Broking services.

This year we have significantly increased our profit through the completion of a successful corporate finance transaction. This represents the culmination of more than a year of effort from our corporate and back-office teams and we will be looking to build upon this success by identifying similar opportunities in the small companies natural resources sector. There has also been a small increase in activity in our retail stockbroking business.

The profit for the financial year amounted to £245,000 (2016: £39,000). The directors are unable to propose the payment of a dividend. Turnover has increased significantly to £572,000 (2016: £238,000).

Non-Financial Key Performance Indicators for the financial year 2017-2018

Metric	2016-2017 Financial Year	Target Value 2017-2018
Employee turnover	1	0
Customer complaints received	0	0
Compliance breaches	0	0

Principal risks and uncertainties

The company is looking closely at the effect that Britain leaving the EU ("Brexit") will have on the rules and regulations to which it is subject, and how this may affect our corporate clients and their access to capital markets.

Financial risk management

The company uses financial instruments, comprising cash balances, trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

There were no undrawn committed overdraft facilities or borrowings at 30 June 2017 or 30 June 2016.

Liquidity risk

Liquidity risk is the risk that the company will have insufficient funds to meet its liabilities as they fall due. The directors monitor cash flow on a daily basis and at monthly board meetings in the context of their expectations for the business to ensure sufficient liquidity is available to meet foreseeable needs.

The European Capital Requirements Directive introduced consistent capital adequacy standards and an associated supervisory framework in the EU based on the Basel II rules. The Directive was introduced into the UK by the Financial Conduct Authority ("FCA"). Pillar 3 introduces public disclosure of qualitative and quantitative information and is designed to promote market discipline by providing market participants with key information on a firm's risk exposures and risk management processes. Full details of how the company complies with Pillar 3 are available on the company's website <http://www.allipo.com/terms>.

Interest rate risk

The directors do not consider that the business is exposed to material interest rate risk. The company finances its operations through cash reserves and the cash reserves held by the company during the year have negated the need to use interest bearing borrowings. The majority of the cash balances, including funds held on behalf of clients, are periodically placed on deposit at a fixed rate of interest. Where money is held for clients the client does not have the right to interest. There is no material difference between the fair value and book value of the financial assets. The benchmark rate for determining interest receipts is the prevailing rate available on the market.

Future Development

In view of the uncertain nature of corporate finance revenue, the firm is looking at ways to commercialise its in-house regulatory and IT expertise through the development of Regulatory Technology (RegTech) products and services. The intention is to create commercial solutions for other regulated firms that will be sold on a subscription basis to create a recurring revenue stream.



Michael Hodges
Chairman
12 October 2017

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 30 June 2017.

Principal activities

The principal activities of the company are the development and exploitation of on-line IPO services and stock broking services.

Results

The profit for the financial year amounted to £245,000 (2016: £39,000). The directors are unable to propose the payment of a dividend (2016: £nil).

Directors

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

Michael Hodges
Christopher Newland
Clement Chambers
Robert Emmet (resigned 17 May 2017)

Donations

There were no charitable or political donations.

Research and development

Research and development is carried on constantly to improve and expand the on-line experience available to subscribers to All IPO's services. Expenditure during the year amounted to £102,000 (2016: £86,000) which has all been capitalised.

Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue in existence for the foreseeable future. The directors have considered the latest company forecasts together with the cash resources available to it. Further, they have received confirmation from the company's ultimate parent undertaking that financial support will be provided, if necessary, for a period of at least one year from the date of approval of these financial statements. The directors, after satisfying themselves that ADVFN plc has sufficient resources available to it to provide such support have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

Strategic report

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

REPORT OF THE DIRECTORS (continued)

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS101, 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 Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

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

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

AUDITOR

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

ON BEHALF OF THE BOARD



Michael Hodges
Chairman
12 October 2017

Independent auditor's report to the members of All IPO Plc

Opinion

We have audited the financial statements of All IPO plc (the 'company') for the year ended 30 June 2017 which comprises the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101; Reduced Disclosure Framework.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Who we are reporting to

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report and Director's Report set out on pages 3 to 5, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Independent auditor's report to the members of All IPO Plc

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime

Responsibilities of directors for the financial statements

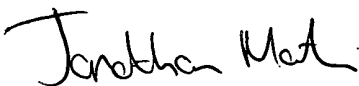
As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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



Jonathan Maile BSc (Hons) FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Crawley

Date: 12 October 2017

Statement of comprehensive income


		12 months to 30 June 2017 £'000	12 months to 30 June 2016 £'000
	Note		
Turnover	3	572	238
Amortisation of intangible assets	7	(91)	(91)
Other administrative expenses		(242)	(110)
Total administrative expenses		(333)	(201)
Profit before tax	4	239	37
Taxation	6	6	2
Profit and total comprehensive income for the period attributable to shareholders of the parent		245	39

The accompanying accounting policies and notes on pages 11-18 form an integral part of these financial statements.

Statement of financial position

		30 June 2017 £'000	30 June 2016 £'000
Fixed assets			
Intangible assets	7	228	217
		228	217
Current assets			
Debtors	8	239	155
Cash at bank and in hand		131	26
		370	181
Total assets		598	398
Capital and reserves			
Called up share capital	9	1,164	1,164
Share premium account		3,145	3,145
Merger reserve		3,600	3,600
Profit and loss account		(7,383)	(7,628)
Total Shareholders' funds		526	281
Creditors: amounts falling due within one year	10	72	117
Total capital & reserves and creditors		598	398

The financial statements on pages 8 to 18 were authorised for issue by the Board of Directors on 12 October 2017 and were signed on its behalf by:



Michael Hodges
Chairman

Company number: 03230460

The accompanying accounting policies and notes on pages 11-18 form an integral part of these financial statements.

Statement of changes in equity

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
At 30 June 2015	1,164	3,145	3,600	(7,667)	242
Profit for the period after tax	-	-	-	39	39
Total comprehensive income for the year	-	-	-	39	39
At 30 June 2016	1,164	3,145	3,600	(7,628)	281
Profit for the period after tax	-	-	-	245	245
Total comprehensive income for the year	-	-	-	245	245
At 30 June 2017	1,164	3,145	3,600	(7,383)	526

The accompanying accounting policies and notes on pages 11-18 form an integral part of these financial statements.

Notes to the financial statements

1. General information

The principal activities of the company are the development and exploitation of on-line IPO services and broking services.

The address of the registered office is Suite 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA.

The company is regulated in England and Wales and the registered number of the company is 03230460.

2. Summary of significant accounting policies

Basis of preparation

These financial statements were prepared in accordance United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework. They are presented in Sterling.

In summary those disclosure exemptions adopted are:

- The requirements of IFRS 7 Financial Instruments: Disclosures, as equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated
- The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1 (share capital);
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- The requirements of paragraphs 10(d) and 111 (statement of cash flows), 134 to 136 (managing capital), and 16 (statement of compliance with IFRS) of IAS 1 Presentation of Financial Statements.
- The requirements of IAS 7 Statement of Cash Flows.
- The requirements of paragraph 17 of IAS 24 Related Party Disclosures.
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

The parent of the group is ADVFN Plc. ADVFN Plc produce consolidated financial statements within which All IPO Plc are consolidated. 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, Cardiff, CF14 3UZ.

www.companieshouse.gov.uk

and from the ADVFN plc website:

www.ADVFN.com

Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue in existence for the foreseeable future. The directors have considered the latest company forecasts together with the cash resources available to it. Further, they have received confirmation from the company's ultimate parent undertaking that financial support will be provided, if necessary, for a period of at least one year from the date of approval of these financial statements. The directors, after satisfying themselves that ADVFN plc has sufficient resources available to it to provide such support have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Standards and amendments to existing standards adopted in these accounts

The following standards, amendments and interpretations became effective and were applied for the first time this year:

- Amendment to IFRS 11: Accounting for acquisitions of interests in joint operations – The amendment requires business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business.
- Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation – The amendments restrict the use of revenue based amortisation for intangible assets.
- Amendments to IAS 16 and IAS 41: Agricultural: bearer plants – Bearer plants are now within the scope of IAS 16: Property, Plant and Equipment for measurement and disclosure purposes. A company can elect to measure bearer plants at cost instead of fair value.
- Amendments to IAS 27: Equity method in separate financial statements - The amendments allow the use of the equity method in separate financial statements, and apply to the accounting not only for associates and joint ventures, but also for subsidiaries.
- Annual improvements to IFRSs 2012 - 2014 cycle – the annual improvement cycle contains amendments which are usually clarifications. In this cycle, there are changes as follows:
 - IFRS 5: Non-current assets held for disposal and discontinued operations – changes to disposal methods
 - IFRS 7: Financial instruments: disclosure – changes to rules for use of 'continuing involvement' for servicing contracts and for offsetting disclosures in condensed interim financial statements.
 - IAS 19: Employee benefits – discount rate in a regional market sharing the same currency such as the Eurozone
 - IAS 34: Interim financial reporting: disclosure of information elsewhere in the interim financial report

The adoption of these standards had no impact on the company's accounting policies or financial statement disclosure.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company in the 30 June 2017 financial statements

- IFRS 15: Revenue from contracts with customers – the standard establishes the principles that an entity will apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Effective for periods beginning on or after 1 January 2018.
- IFRS 16: Leases – this standard establishes the principles for the recognition, measurement, presentation and disclosure of leases with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. Effective for periods beginning on or after 1 January 2018 but not yet endorsed.
- IFRS 9: Financial instruments – this standard replaces IAS 39 Financial Instruments: Recognition and measurement. The standard requires that all financial instruments are initially measured at fair value through profit or loss. Subsequently, financial assets can be measured at either amortised cost or at fair value (where movements in fair value can be made through either profit or loss or other comprehensive income). Financial liabilities are normally expected to be at fair value through other comprehensive income, equity is normally expected to be at fair value through profit or loss. Effective for periods beginning on or after 1 January 2018 but not yet endorsed.

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

Income and expense recognition

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

The Company derives its revenues from the provision of broking services, which are recognised as the service is provided. Corporate Finance revenues are recognised once the right to receive the revenue has been earned. This is normally on completion of a transaction.

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

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Intangible assets

- *Internally generated intangible assets*

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

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

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

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

Internally generated intangible assets are amortised over three years.

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

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.

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

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

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Financial assets

Financial assets consist of loans and receivables. Financial assets are assigned to their different categories by management on initial recognition, depending on the characteristics of the asset.

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 Company 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 Statement of comprehensive income 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.

Financial liabilities

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

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

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

Income taxes

Current income tax assets and liabilities comprise those obligations to fiscal authorities in the countries in which the Company 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 Statement of comprehensive income unless the tax relates to an item taken directly to equity in which case the tax is also taken directly to equity. Tax relating to items recognised in other comprehensive income is recognised in other comprehensive income.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. In addition, tax losses available to be carried forward as well as other income tax credits to the Company 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 date of the Statement of financial position.

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.

Merger reserve

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

Retained earnings

The retained earnings include all current and prior period results for the Company as determined by the Statement of comprehensive income.

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Use of key accounting estimates and judgements

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

Judgements in applying accounting policies

- a) Capitalisation of development costs in accordance with IAS 38 requires analysis of the technical feasibility and commercial viability of the project in the future. This in turn requires a long term judgement to be made about the development of the industry in which the development will be marketed (Note 7). Where the directors consider that sufficient evidence exists surrounding the technical feasibility and commercial viability of the project, which indicates that the costs incurred will be recovered, they are capitalised within intangible fixed assets. Where insufficient evidence exists, the costs are expensed to the Statement of comprehensive income.

Sources of estimation uncertainty

- a) Determining whether intangible assets are impaired requires an estimation of the value in use of the cash generating unit to which the 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.

3. Turnover

The turnover and profit before taxation were attributable to the principal activity of the company, the development and exploitation of on-line IPO services and originated wholly in the United Kingdom.

4. Profit before tax

	2017 £'000	2016 £'000
Operating profit/(loss) has been arrived at after charging:		
Amortisation of intangible assets	91	91
Employee costs (Note 5)	291	101
Audit and other services:		
Fees payable to the company's auditor for the audit of the Company's annual accounts	13	13
Other services pursuant to legislation	15	4

Tax compliance fees are borne by ADVFN Plc, the parent company.

Notes to the financial statements (continued)

5. Employees

	2017 £'000	2016 £'000
Employee costs (including directors):		
Wages and salaries	278	91
Social security costs	13	10
	<u>291</u>	<u>101</u>

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

	2017	2016
Development	1	1
Sales and Administration	1	1
	<u>2</u>	<u>2</u>

Remuneration in respect of directors was as follows:

	2017 £'000	2016 £'000
Aggregate emoluments	<u>254</u>	<u>74</u>

6. Taxation

	2017 £'000	2016 £'000
Current Tax:		
UK corporation tax on profit/(loss) for the year	-	-
Adjustments in respect of prior periods	<u>(6)</u>	<u>(2)</u>
Total current taxation	(6)	(2)
Deferred tax	<u>-</u>	<u>-</u>
Taxation	<u>(6)</u>	<u>(2)</u>

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

	2017 £'000	2016 £'000
Profit/(loss) before tax	239	37
Profit/(loss) before tax multiplied by the respective standard rate of corporation tax applicable in the UK (19.75%) (2016: 20.00%)	47	7
Effects of:		
Fixed asset differences	-	7
Non-deductible expenses	-	3
Additional deduction for R&D expenditure	(47)	(22)
Group relief	-	11
Deferred tax – difference between opening rate and current year rate	-	27
Deferred tax not recognised – tax losses	(18)	(33)
Deferred tax not recognised – accelerated capital allowances	18	-
Adjustments in respect of prior periods	<u>(6)</u>	<u>(2)</u>
Tax credit for the year	<u>(6)</u>	<u>(2)</u>

The company has unused trading losses of approximately £1,437,000 (2016: £1,531,000) to carry forward against profits of the same trade which will be recovered once the company makes profits. This represents an unprovided deferred tax asset of £244,000 (2016: £246,000) at 17% (2016: 18%) which has not been recognised due to the uncertainty over its recoverability.

Notes to the financial statements (continued)

7. Intangible assets

	Website development £'000	Software £'000	Total £'000
Cost			
At 1 July 2016	4,895	-	4,895
Additions	-	102	102
At 30 June 2017	4,895	102	4,997
Amortisation			
At 1 July 2016	4,678	-	4,678
Charge for the year	81	10	91
At 30 June 2017	4,759	10	4,769
Net book value			
At 30 June 2017	136	92	228
At 1 July 2016	217	-	217

Impairment testing

Intangible assets allocated to All IPO Plc have been subjected to an impairment review as described below. No impairment was identified by the Company.

The assets of All IPO Plc were tested as it had made a loss in 4 out of the last 5 years. The recoverable amount for the cash generating unit (CGU) was determined using a value in use calculation based upon management forecasts for the trading results for the two years ending 30 June 2019 extended to 30 June 2022 without growth in the extended period. A discount rate of 10% has been used and the key assumptions utilised within the forecast model relates to the level of future sales, which have been estimated based upon the director's expectations, current trading and recent actual trading performance.

8. Debtors

	2017 £'000	2016 £'000
Current assets		
Trade receivables	30	19
Prepayments and accrued income	13	13
Amounts owed by Group undertakings	196	123
	239	155

The Company endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored.

Trade receivables amounting to £30,000 were overdue (2016: £18,000) as follows:

Up to 3 months	£ 3,000
3 to 6 months	£ 3,000
6 to 12 months	£ 6,000
Over 12 months	£ 18,000

No receivables have been impaired and no allowance account has been created. All receivables are due in Sterling.

Notes to the financial statements (continued)

9. Called up share capital

	Shares	£'000
At 1 July 2016		
Ordinary shares of 1p each	71,716,017	717
Deferred shares of 49p each	911,500	447
	<hr/>	<hr/>
	72,627,517	1,164
At 30 June 2017		
Ordinary shares of 1p each	71,716,017	717
Deferred shares of 49p each	911,500	447
	<hr/>	<hr/>
	72,627,517	1,164

The Deferred Shares do not entitle the holders thereof to receive any dividend or other distribution nor to receive notice of or to attend or vote at any General Meeting of the Company. On a return of capital on a winding up the holders of Deferred Shares are only entitled to receive the amount paid up on such shares after the holders of the Ordinary Shares have received the sum of £100,000 for each Ordinary Share held by them and shall have no other right to participate in the assets of the company.

10. Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Trade payables	17	4
Social security and other taxes	10	9
Accrued expenses and deferred income	45	59
Amounts owed to Group undertakings	-	45
	<hr/>	<hr/>
	72	117

11. Capital commitments

At 30 June 2017, the Company had no capital commitments (2016: £nil).

12. Related party transactions

Mr Robert Emmet, who retired as a director of All IPO Plc, on 17 May 2017, received payments totalling £165,000 (2016: £17,000) for consultancy services provided during the year. Certain services were supplied by All IPO Plc to On-Line plc free of charge which amounted to £23,000 for the year (2016: £23,000). On-line plc is related to All IPO Plc, by virtue of On-line plc's investment in ADVFN plc and common directorships.

14. Events after the date of the Statement of financial position

There were no significant events to report occurring after the date of the Statement of financial position.

15. Ultimate Controlling Party

The ultimate parent undertaking is ADVFN plc, a company registered in England and Wales, which owns 100% of the issued share capital of the company. The consolidated financial statements of ADVFN plc, within which the company is consolidated, can be obtained from the company's registered office.