All IPO Plc

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2018

Registered Number: 03230460 (England and Wales)

CONTENTS OF THE FINANCIAL STATEMENTS

DIRECTORS, OFFICERS AND ADVISERS

Directors

Michael Hodges (Chairman)

Christopher Newland (Chief Operating Officer)

Clement Chambers (Chief Executive Officer)

Secretary

Michael Hodges

Registered Office

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

Independent Auditor

MHA MacIntyre Hudson LLP, New Bridge Street House, 30-34 New Bridge St, London EC4V 6BJ

Company number: 03230460

STRATEGIC REPORT

Principal activities

The principal activities during the year ended 30 June 2018 of the Company were the development and exploitation of Regulatory Technology (RegTech), Corporate Broking, and Retail Stock Broking services. During the year ended 30 June 2018 the Company decided to discontinue the provision of Online IPO services due to several years of difficulty in sourcing quality IPOs - there was no activity and no income earned from this service line during the year ended 30 June 2018 (2017: £nil).

Future developments

The firm is continuing research and development into RegTech and is also exploring potential products and services in the blockchain space.

Results

During the year ended 30 June 2018 the focus of activity has been on the development of RegTech and the Online IPO Service offering has been discontinued.

The profit for the year ended 30 June 2018 was £33,000 (2017: £221,000 (restated)). The fall in profitability is as a result of turnover decreasing from £572,000 in the year ended 30 June 2017 to £247,000 in the year ended 30 June 2018. Turnover was significantly improved in 2017 by the completion of a successful corporate finance transaction, however, this level of activity was not repeated in the current year and turnover and profit have fallen back as a result.

The directors do not recommend the payment of a dividend for the year ended 30 June 2018 (2017: £nil)

Non-Financial Key Performance Indicators for the financial year to 30 June 2018

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

Principal risks and uncertainties

The Company is looking closely at the effect that the United Kingdom 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, to raise finance for the Company's operations.

There were no undrawn committed overdraft facilities or borrowings at 30 June 2018 or 30 June 2017.

The principal risks affecting the Company are credit and liquidity risk.

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.

Credit risk

Credit risk is the risk that the Company will not be reimbursed for amounts that it is owed. The Company's exposure to credit risk arises from its cash balances and receivables. Cash balances are held at a highly rated banking institution based in the UK. The significant receivables at the date of the Statement of financial position are due from related parties. The directors seek prompt payment of the amounts owed to the Company to mitigate the risk.

STRATEGIC REPORT (continued)

Market risks (price, interest and foreign exchange risks), regulatory risk, legal risk and operational risk are considered not to have a significant impact on the Company.

For example, in relation to 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.

Christopher Newland
Director
25 September 2018

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of All IPO Plc (the "Company") for the year ended 30 June 2018.

Dividends

The directors do not recommend the payment of a dividend for the year ended 30 June 2018 (2017: £nil)

Directors

The directors who held office during the year ended 30 June 2018 and up to the date of approval of this report were:

Michael Hodges
Christopher Newland
Clement Chambers

Research and development

Research and development is carried on constantly to improve and expand the on-line experience available to subscribers to the Company's services. Expenditure during the year ended 30 June 2018 on research and development was £92,000 (2017: £102,000) which has all been capitalised.

Going concern

The financial statements have been prepared on the going concern basis. 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, ADVFN Plc, that sufficient financial support will be provided, if necessary, for a period of at least one year from the date of approval of these financial statements so that the Company can meet its liabilities as they fall due within that period. 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.

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 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 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.

Disclosure of information to the auditor

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.

Independent Auditor

MHA MacIntyre Hudson were appointed as auditor during the year ended 30 June 2018. In accordance with section 489(4) of the Companies Act 2006, a resolution proposing the reappointment of MHA MacIntyre Hudson will be put to the members at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

Michael Hodges
Chairman
25 September 2018

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALL IPO PLC

Opinion

We have audited the financial statements of All IPO Plc (the 'Company') for the year ended 30 June 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2018, and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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.

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 Strategic report and the Directors' report. 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 have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALL IPO PLC (continued)

Matters on which we are required to report by exception
In the light of our 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 and the Directors' report.

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

- adequate accounting records have not been kept, 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.

Responsibilities of directors
As explained more fully in the statement of directors' responsibilities, 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: https://www.frc.org.uk/auditors/audit-assurance. This description forms part of our auditor's report.

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

David King

David King (senior statutory auditor)
For and on behalf of MHA MacIntyre Hudson, Statutory Auditor
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

27 September 2018

Statement of comprehensive income
For the year ended 30 June 2018

	Note	2018 £'000	2017 (restated) £'000
Turnover	3	247	585
Cost of sales		(13)	(13)
Gross profit		234	572
Amortisation of intangible assets	9	(90)	(91)
Other administrative expenses	5	(111)	(266)
Total administrative expenses		(201)	(357)
Profit before tax	6	33	215
Taxation	8	-	6
Profit and total comprehensive income for the year attributable to shareholders of the parent		33	221

All amounts are in respect of continuing activities. No revenue has been generated in the last two years from the Online IPO Service which has been discontinued in the year ended 30 June 2018.

There were no items of other comprehensive income for the current or prior year other than those included in the Statement of comprehensive income shown above.

The accompanying accounting policies and notes on pages 12-21 form an integral part of these financial statements.

Statement of financial position
As at 30 June 2018

	Note	2018 £'000	2017 (restated) £'000
Fixed assets			
Intangible assets	9	230	228
Current assets			
Debtors	10	349	239
Cash at bank		31	131
		380	370
Total assets		610	598
Capital and reserves			
Called up share capital	11	1,164	1,164
Share premium account		3,145	3,145
Merger reserve		3,600	3,600
Retained earnings		(7,374)	(7,407)
Total Shareholders' funds		535	502
Creditors: amounts falling due within one year	12	75	96
Total capital and reserves and creditors		610	598

The financial statements on pages 9 to 11 were authorised for issue by the Board of Directors on 25 September 2018 and were signed on its behalf by:

Michael Hodges
Chairman

Company number: 03230460

The accompanying accounting policies and notes on pages 12-21 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 1 July 2016	1,164	3,145	3,600	(7,628)	281
Comprehensive income for the year					
Profit for the period after tax	-	-	-	245	245
Prior year adjustment (note 4)				(24)	(24)
Total comprehensive income for the year (restated)	-	-	-	221	221
At 30 June 2017 (restated)	1,164	3,145	3,600	(7,407)	502
Comprehensive income for the year					
Profit for the period after tax	-	-	-	33	33
Total comprehensive income for the year	-	-	-	33	33
At 30 June 2018	1,164	3,145	3,600	(7,374)	535

The accompanying accounting policies and notes on pages 12-20 form an integral part of these financial statements.

Notes to the financial statements

1. General information

All IPO Plc is a public limited company incorporated and domiciled in England and Wales.

The address of the Company's registered office is Suite 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA and its place of business is 26, Throgmorton Street, London EC2N 2AN.

2. Summary of significant accounting policies

Basis of preparation

These financial statements were prepared in accordance with the historical cost convention, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework. and the Companies Act 2006.

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. 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, ADVFN Plc, that *sufficient financial support will be provided, if necessary, for a* period of at least one year from the date of approval of these financial statements so that the Company can meet its liabilities as they fall due within that period. 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.

Summary of significant accounting policies (continued)

Standards and amendments to existing standards adopted in these financial statements
The standards and amendments adopted in these financial statements had no material effect on the financial statements.

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 2018 financial statements

- IFRS 15: Revenue from contracts with customers – The standard is effective for periods commencing on or after 1 January 2018 and will therefore be adopted no later than the period commencing 1 July 2018. The standard defines a new five step model to recognise revenue from customers and replaces IAS 18 'Revenue', IAS 11 'Construction contracts', IFRIC 13 'Customer loyalty programmes', IFRIC 15 'Agreements for the construction of real estate'. IFRIC 18 'Transfer of assets from customers' and SIC-3 'Revenue - Barter transactions involving advertising services'.

  The 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. The Directors have reviewed the standard and its potential effects in the context of the Company's policy and have concluded that, on adoption, there will not be a significant impact on the Company's revenue.

- IFRS 16: Leases – The standard is effective for periods commencing on or after 1 January 2019 and will therefore be adopted no later than the period commencing 1 July 2019. The standard replaces IAS 17 and introduces a single lessee accounting model. Under the provisions of the new standard most leases, including the majority of those previously classified as operating leases, will be brought onto the financial position statement as a right-of-use asset and as an offsetting lease liability. Both asset and liability are based on present values of the lease payments due over the term of the lease with the asset being depreciated in accordance with IAS 16 'Property, plant and equipment' and the liability increased by the addition of interest and reduced as lease payments are made.

  The Company does not currently have any lease agreements as either lessee or lessor and the standard will not have any impact in the foreseeable future.

- IFRS 9: Financial instruments – The standard is effective for periods commencing on or after 1 January 2019 and will therefore be adopted no later than the period commencing 1 July 2019. The standard is a replacement for IAS 39 'Financial Instruments'. The Company's financial assets consist of receivables and the liabilities consist of payables. There are no material borrowings.

  Under the provisions of the standard the treatment of any doubtful receivables will change to reflect an expected credit loss rather than an incurred credit loss. The Company will need to apply an expected credit loss model when calculating impairment losses on its trade and other receivables (both current and non-current). This will result in increased impairment provisions and greater judgement due to the need to factor in forward looking information when estimating the appropriate amount of provisions. In applying IFRS 9 the Company must consider the probability of a default occurring over the contractual life of its trade receivables and contracts asset balances on initial recognition of those assets. The directors are in the process of reviewing the potential effects of adopting this standard.
  Classification of financial assets and liabilities will change under the new standard however, the result will not impact the income statement.

  Changes to rules covering hedge accounting will not apply as the Company does not use hedge accounting.

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 recognition
Revenues from the provision of broking services are recognised when the service is provided. Revenues from Corporate Finance transactions are recognised once the right to receive the revenue has been earned which is on completion of a transaction or when it is probable that future economic benefits will flow to the Company and the revenue can be reliably measured. *Turnover is measured as the fair value of the consideration received or receivable, excluding discounts,* rebates, value added tax and other sales taxes.

Expense recognition
Expenses 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 the development (or the development phase) of an internal project is recognised if, and only if, all of the following have been demonstrated:

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

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

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

Internally generated intangible assets are amortised over five years.

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

Impairment of non-financial assets

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.

Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

Summary of significant accounting policies (continued)

Financial assets
The Company's financial assets consist of trade and receivables that are categorised as being debt instruments measured at amortised cost and cash balances. Trade and other receivables are measured initially at transaction price and thereafter at the amount of cash or other consideration expected to be received less any impairment. Any impairment loss is recognised in the Statement of comprehensive income.
Cash is represented by deposits with institutions repayable without penalty on notice of more than 24 hours

Financial assets are derecognised when contractual rights to the cash flow from the financial asset expires or is settled or when substantially all the risk and rewards of ownership have been transferred.

Impairment of financial assets
An impairment loss is measured as the difference between an assets carrying value and the amount expected to be received for the asset if it was sold at the reporting date.

Financial liabilities
The Company's financial liabilities include trade and other payables, measured at amortised cost. These are initially measured at transaction price and thereafter at the amount of cash or other consideration expected to be paid.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current labilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting
Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

Notes to the financial statements (continued)

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.

Merger reserve

The merger reserve results from the shares issued on the acquisition of Equity Holdings Limited, in the year ended 30 June 2005.

Retained earnings

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

Foreign currency translation

The functional and presentation currency is Pounds Sterling ("Sterling"), being the currency of the primary economic environment in which the Company operates.

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the Statement of financial position date. Transactions in foreign currencies are translated into Sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Statement of comprehensive income.

Judgements in applying accounting policies and key sources of estimation uncertainty

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.

Critical judgement in applying the entities accounting policies

The Company has not been required to apply any critical judgements in applying the accounting policies.

Information about 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

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 8). 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

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

Turnover is attributable to the principal activities of the Company and originated wholly in the United Kingdom to customers and clients based in the United Kingdom.

4. Prior year adjustment

In the prior year ended 30 June 2017, fees of £24,424 for audit services were not accrued.

The effect, including tax, of the restatements is, as at 30 June 2017 to increase creditors by £24,424 and to decrease the profit for the year ended 30 June 2017 by £24,424. The effect on taxes is to increase the taxable losses carried forward by £24,424.

5. Expenses by nature

	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Commission expenses		7		3
Regulatory costs		15		13
Legal and professional fees		37		36
Insurance costs		12		12
Staff costs	125		291	
Less: staff cost capitalised	(92)		(102)	
		33		189
Other expenses		7		13
		111		266

6. Profit before tax

Operating profit/(loss) has been arrived at after charging:	2018 £'000	2017 £'000
Amortisation of intangible assets	90	91
Employee costs (Note 6)	125	291
Audit and other services:		
Fees payable to the company's auditor for the audit of the Company's annual financial statements	9	14
Other services pursuant to legislation	5	15

ADVFN plc is a related party of the Company as it is the Company's parent company and controlling party. During the years ended 30 June 2018 and 30 June 2017 the Company's tax compliance fees were borne by ADVFN Plc.

Notes to the financial statements (continued)

7. Employees

	2018 £'000	2017 £'000
Employee costs (including directors):		
Wages and salaries	111	278
Social security costs	13	13
Pension costs	1	1
	125	292

During the year ended 30 June 2018 £91,000 of staff costs were capitalised (2017: £102,000) as this expenditure relates to the development of software.

The average number of employees during the year ended 30 June 2018 was as follows:

Development	1	1
Sales and Administration	1	1
	2	2

Remuneration in respect of directors during the year ended 30 June 2018 was as follows:	2018 £'000	2017 £'000
Aggregate emoluments	89	254

Remuneration in respect of the highest paid director during the year ended 30 June 2018 was as follows:	2018 £'000	2017 £'000
Aggregate emoluments	89	165

Notes to the financial statements (continued)

8. Taxation

	2018 £'000	2017 £'000
Current Tax:		
UK corporation tax on profit/(loss) for the year	-	-
Adjustments in respect of prior periods	-	(6)
Total current taxation	-	(6)
Deferred tax	-	-
Taxation	-	(6)

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:

	2018 £'000	2017 £'000
Profit/(loss) before tax	33	239
Profit/(loss) before tax multiplied by the respective standard rate of corporation tax applicable in the UK (19.75%) (2017: 19.75%)	7	47
Effects of:		
Additional deduction for R&D expenditure	(34)	(47)
Deferred tax – difference between opening rate and current year rate	3	-
Deferred tax not recognised – tax losses	24	(18)
Deferred tax not recognised – accelerated capital allowances	-	18
Adjustments in respect of prior periods	-	(6)
Tax credit for the year	-	(6)

The Company has unused trading losses of approximately £1,607,000 (2017: £1,461,000 (restated)) 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 £273,000 (2017: £248,000 (restated)) at 17% (2017: 17%) which has not been recognised due to the uncertainty over its recoverability.

The Company has a deferred tax liability of £39,000 (2017: £30,000) in relation to accelerated capital allowances. This liability has not been recognised as it will be offset in future periods against the unrecognised deferred tax asset in relation to unused trading losses.

Notes to the financial statements (continued)

9. Intangible assets

	Website development £'000	Software £'000	Total £'000
Cost			
At 1 July 2017	4,895	102	4,997
Additions	-	92	92
At 30 June 2018	4,895	194	5,089
Amortisation			
At 1 July 2017	4,759	10	4,769
Charge for the year	59	31	90
At 30 June 2018	4,818	41	4,859
Net book value			
At 30 June 2018	77	153	230
At 1 July 2017	136	92	228

Impairment testing
Intangible assets allocated to All IPO Plc have been subjected to an impairment review as described below.

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 2020 extended to 30 June 2023 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.

No impairment was identified by the Company.

10. Debtors

	2018 £'000	2017 £'000
Current assets		
Trade receivables	-	30
Prepayments and accrued income	14	13
Amounts owed by Group undertakings	335	196
	349	239

Amounts due by Group undertakings are interest free and repayable on demand.

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

No trade receivables were overdue at 30 June 2018 (2017: £30,000).

	2018 £'000	2017 £'000
Overdue trade receivables		
Up to 3 months	-	3
3 to 6 months	-	3
6 to 12 months	-	6
Over 12 months	-	18
	-	30

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

Notes to the financial statements (continued)

11. Called up share capital

	Shares	£'000
At 1 July 2017		
Ordinary shares of 1p each	71,716,017	717
Deferred shares of 49p each	911,500	447
	72,627,517	1,164
At 30 June 2018		
Ordinary shares of 1p each	71,716,017	717
Deferred shares of 49p each	911,500	447
	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.

12. Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade payables	18	17
Social security and other taxes	9	10
Accrued expenses and deferred income	45	69
Amounts owed to Group undertakings	3	-
	75	96

Amounts due to Group undertakings are interest free and repayable on demand.

13. Immediate and ultimate controlling party

The Company's immediate 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 included, can be obtained from the Company's registered office.

ADVFN plc's shares are listed on the Alternative Investment Market and hence the Company ultimate controlling party are individuals and companies holding ADVFN plc's shares.