ADVFN PLC

ANNUAL REPORT

2004

ADVFN PLC

Annual Report
For the year ended 30 June 2004

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Directors, Officers and Advisers

Directors
Michael Hodges (Chairman)
Clement 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
642a Lea Bridge Road, Leyton, London, E10 6AP

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

Nominated Adviser and Broker
Canaccord Capital (Europe) Limited, 1st Floor, Brook House, 27 Upper Brook Street, London, W1K 7QF

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

Company number: 2374988

ADVFN PLC

Annual Report
For the year ended 30 June 2004

Highlights

- **Close to break even – net loss after tax reduced by 91% to £79K (2003: £914K)**
- **EBITDA profits up 111% to £852K (2003: £404K)**
- **Net loss per ordinary share reduced by 93% to 0.019p (2003: 0.26p loss)**
- **Net loss before tax reduced by 93% to £86K (2003: £1.2M)**
- **Revenues up by 30% to £3.0 million (2003: £2.3M)**
- **User numbers up nearly 50% to 370,000 (2003: 250,000)**

Clement Chambers, Managing Director of ADVFN commented:

"Our results for the year are very encouraging having virtually broken even and more than doubled our EBITDA profit. Our expansion into other world markets leaves us well positioned to exploit any improvement in the general market conditions."

ADVFN PLC

Chairman's Statement

ADVFN has continued to make good progress in all areas of its business. We are now not only the UK's leading supplier of stock market data to the private investor via the Internet but can now also claim to be Europe's leading supplier. We have increased our EBITDA profit by 111% from £404K (2003) to £825K (2004) and grown our user base from 250,000 (2003) to 370,000 (2004) - an increase of 50%. Furthermore, since the year-end we have broken through the significant 400,000 barrier.

We continue to develop ADVFN's core offering by continually adding more information, tools and stock market feeds from around the World. In addition we are extending and diversifying the service to include features such as weather and news, all with the aim of providing our users with the highest quality and range of tools and information available. The development process has continued at great pace since during 2004. As well as the front-end additions and enhancements, the ADVFN service has been extensively upgraded behind the scenes. This means we are now able to provide stock market data 24 hours a day – we are already offering FOREX data around the clock - and we will be able to open up new and exciting markets in Asia and the Far East to our users.

I could list all of the features and tools within the site, which would run for many pages. However as this is about our year-end results and as we believe that the ADVFN Website is the best advertisement for the company, I recommend that you continue to view www.advfn.com and see for yourself as a shareholder what we have added in the past 12 months.

The improvements in all of the year's figures have been achieved because of the dedication, long hours and hard work that all of the ADVFN team have put in. They have strived to ensure that we have the best service possible. I thank everyone at ADVFN for their efforts.

Michael J Hodges
Chairman
29 September 2004

Managing Director's Review

Operating Review

Turnover for the year to the end of June 2004 was £3.0M up from £2.3M for the previous year - a 30 % growth in income. Net losses before tax were almost eliminated having been reduced by 93% to £86K from £1.2M last year and loss per ordinary share similarly reduced by 93% to 0.019p from 0.26p.

Our EBITDA has improved very strongly more than doubling (up 111%) to £852K from last year's £404K, as can be seen from the table below:

EBITDA – Earnings before interest, tax, depreciation, amortisation and exceptional items	**2004 £'000**	**2003 £'000**
Loss before tax – per financial statements	**(86)**	**(1,218)**
Amortisation	260	329
Depreciation	690	944
Exceptional item – Impairment	0	352
Net interest	(12)	(3)
EBITDA	**852**	**404**

ADVFN PLC

Managing Director's Review

These results are very encouraging, especially considering the investment we have made in growing our platform. We continue to report very strong growth in our user numbers - up nearly 50% from 250,000 at June 2003 to over 370,000 at June 2004. This increase in our user base and market share had a direct impact on our appeal to advertisers, which in turn contributed towards the impressive 32% growth in our advertising revenues for the year, which now nearly equal our subscription revenues.

The year to June 2004 was a solid year of growth for ADVFN. We have consolidated our position as Europe's leading stocks and shares website and established a robust platform for global expansion. The brand has enjoyed further penetration in the UK and is gaining profile in the US as well as the rest of the World. In this period we have once again expanded our offerings, introducing many new international markets including Germany, Russia, Denmark, Ireland, Greece, Canada, Finland as well as COMEX and NYMEX, the World's leading commodities exchange; UK managed funds, Crest shorting data, derivative markets, news feeds and a plethora of other new functions. We have introduced numerous new tools and other products including the highly acclaimed US financial data on all US listed companies. This addition is expected to accelerate the growth of our US subscribers.

ADVFN's subscription base has grown hand in hand with these developments and this has run in tandem with an increase in the rate of user acquisition that accelerated at the beginning of 2004 with the introduction of several successful marketing initiatives.

Current Trading

The ADVFN brand is becoming increasingly known and recognised globally, and we continue, with our marketing, to further develop our market profile. From registrations it appears that ADVFN is making good progress overseas, which is now responsible for more than 50% of our sign ups. We are now generating significant income from Rest Of World advertisers, particularly in the US and we are confident that our burgeoning sign-ups from this area will convert into subscriptions in due course.

As with many online services, ADVFN subscribers have a fairly long gestation between free users and premium subscribers. We have been building our user base at a significantly faster rate than in the past, suggesting that we have a sound pipeline of subscriptions to look forward to. Our figures show that our user base is very loyal and will over time buy a number of products. The summer saw our subscription levels running around all time highs, with new advertising highs expected after the summer recess.

Prospects

2004 has seen ADVFN re-engineer itself to be a 24-hour service, so that the site can now run uninterrupted in all world markets. Our plan is to continue to roll out new products and offerings to the world market, with an eye to capturing the world's private investor community. We will continue to expand our offering in our core UK market and will be doing this in conjunction with our expansion in the US, where our marketing initiative with the Nasdaq is expected to begin bearing fruit in the near future.

In 2003 we announced that we had bought an IPO platform known as EO. Subsequently a new company has been formed called ALLIPO, which has been set up to take the concept forward. We feel there are significant synergies between ADVFN and ALLIPO and the best way ahead for ALLIPO is as a separate, dedicated, independently financed company. A further announcement will be made in due course concerning this transaction.

I would like to take this opportunity once again to thank the staff of ADVFN, as our progress continues to be the result of their hard work.

Clement Chambers
Managing Director
29 September 2004

ADVFN PLC

Report of the Directors

The Directors submit their report and financial statements for the year ended 30 June 2004.

Principal activities and business review

The principal activity of the group is the development and provision of financial information via the internet. A review of the past year and future developments is contained in the Managing Director's Review.

Results

The loss for the financial year amounted to £79,000 (2003: £914,000). The directors are unable to propose the payment of a dividend.

Directors

The directors holding office during the year are set out below.

M J Hodges
D J Crump
C H Chambers
J B Mullins
R J Negus
R A Emmet

J B Mullins and R J Negus retire by rotation and being eligible, offer themselves for re-election.

The directors' interests in the shares of the company are shown in a table in the Remuneration Report.

Biographic details

Michael Hodges, *Chairman*
Michael Hodges has 21 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 Akaei plc. He is currently Chairman of On-line plc, ADVFN plc and a director of Akaei plc.

Clement Chambers, *Managing Director*
Co-founder of On-line, Clement Chambers has been involved in the software industry for 23 years, primarily as a publisher of computer games entertainment software. He is a director of On-line plc and a director of Akaei plc.

David Crump, *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 and Akaei plc.

Jonathan Mullins, *Technical Director*
Jonathan Mullins has been involved in the development of a wide variety of on-line and internet services for over eight 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, *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.

Directors (continued)

Robert Emmet, *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 seven years he has worked in recruitment, and is currently with Edward Hunter Associates Limited, an executive search consultancy.

Substantial shareholdings

At 17 September 2004 the following had notified the company of a disclosable interest of 3% or more of the nominal value of the company's shares:

	Shareholding	**%**
On-line plc	114,300,000	28.1%
Peter O'Reilly	33,220,000	8.2%

Charitable and political contributions

There were no charitable or political contributions made in the year.

Creditors' payment policy and practice

The company's policy is to settle the terms of payment with suppliers when agreeing the terms of the transaction, ensuring suppliers are made aware of the terms of payment and to abide by such terms of payment. The number of creditor days as at 30 June 2004 was 36 days (2003: 47 days).

Corporate governance

The Board of Directors is responsible to the shareholders for the Group's management and internal control systems. Board meetings are usually held at least six times a year. All key managers serve on the Board, accordingly no defined schedule of matters reserved to the Board's discretion has been codified.

The Board discharges its responsibility for internal control through the following procedures:

- a clear division of responsibilities amongst the Executive Directors;
- a system of financial reporting, budgeting and forecasting via the Financial Director;
- the presentation of financial statements to all attendees of Board meetings.

International Financial Reporting Standards ("IFRS")

Reporting under IFRS will be mandatory for the Group for the year ending 30 June 2007 onwards and it is optional for the year ending 30 June 2006, although consideration will also need to be given to the 2005 results due to the requirement for comparatives on the implementation of IFRS. A project team will be set up to manage the Group's transition from UK GAAP to IFRS and to ensure successful implementation within the required timeframe.

ADVFN PLC

Report of the Directors

Statement of directors' responsibilities

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. 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 United Kingdom Accounting Standards 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 group will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the directors report and other information included in the annual report is prepared in accordance with United Kingdom company law.

The maintenance and integrity of the company's website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Auditors

On 1 July 2004, the Grant Thornton partnership transferred its business to a limited liability partnership, Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the directors consented to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

By Order of the Board

David J Crump
Company Secretary
29 September 2004

ADVFN PLC

Directors Remuneration Report

STATUTORY INFORMATION

Directors' detailed emoluments

Details of individual directors' emoluments for the year are as follows:

		Salary £'000	Benefits £'000	2004 Total £'000	2003 Total £'000
Executive	M J Hodges	79	1	80	53
	D J Crump	98	1	99	55
	C H Chambers	113	-	113	96
	J B Mullins	91	-	91	82
	R J Negus	105	-	105	64
Non-executive	R A Emmet	16	-	16	15
		502	2	504	365

In addition R J Negus made gains on exercise of share options of £9,000 in the year.

Directors' share options

The interests of the directors in the options of the company at 30 June 2004 were:

	At 1 July 2003 Number	Granted Number	Exercised during the year Number	At 30 June 2004 Number	Exercise price	Exercisable in the 7 years up to
M J Hodges	1,000,000	-	-	1,000,000	2.5p	10 March 2007
	1,000,000	-	-	1,000,000	2.5p	13 June 2008
	1,000,000	-	-	1,000,000	1.75p	10 June 2009
	1,000,000	-	-	1,000,000	1.25p	18 February 2010
	-	1,000,000	-	1,000,000	4.75p	27 January 2011
D J Crump	1,000,000	-	-	1,000,000	2.5p	10 March 2007
	1,000,000	-	-	1,000,000	2.5p	13 June 2008
	1,000,000	-	-	1,000,000	1.75p	10 June 2009
	1,000,000	-	-	1,000,000	1.25p	18 February 2010
	-	1,000,000	-	1,000,000	4.75p	27 January 2011
C H Chambers	1,000,000	-	-	1,000,000	2.5p	10 March 2007
	1,000,000	-	-	1,000,000	2.5p	13 June 2008
	4,000,000	-	-	4,000,000	1.75p	10 June 2009
	1,000,000	-	-	1,000,000	1.25p	18 February 2010
	-	1,500,000	-	1,500,000	4.75p	27 January 2011
J B Mullins	4,000,000	-	-	4,000,000	2.5p	10 March 2007
	1,500,000	-	-	1,500,000	2.5p	13 June 2008
	500,000	-	-	500,000	1.75p	10 June 2009
	1,000,000	-	-	1,000,000	1.25p	18 February 2010
	-	1,000,000	-	1,000,000	4.75p	27 January 2011
R J Negus	100,000	-	-	100,000	5.0p	10 July 2008
	1,000,000	-	(333,333)	666,667	1.75p	10 June 2009
	1,000,000	-	-	1,000,000	1.25p	18 February 2010
	-	1,000,000	-	1,000,000	4.75p	27 January 2011
R A Emmet	500,000	-	-	500,000	2.5p	13 June 2008
	1,000,000	-	-	1,000,000	1.75p	10 June 2009
	1,000,000		-	1,000,000	1.25p	18 February 2010
	-	1,000,000	-	1,000,000	4.75p	27 January 2011
	26,600,000	6,500,000	(333,333)	32,766,667		

The market price of the ordinary shares at 30 June 2004 was 3.45p and the range during the year was 1.6p to 6.875p.

ADVFN PLC

Directors Remuneration Report

NON-STATUTORY INFORMATION

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.

Service contracts

The executive directors have contracts with a rolling six months notice period on either side.

Directors' interests

The interests of the Directors holding office at the year end in the ordinary 1p shares of the company, at 1 July 2003 and 30 June 2004 were as shown below:

	2004 Number	**2003 Number**
M J Hodges	-	-
D J Crump	110,000	110,000
C H Chambers	6,253,846	6,253,846
J B Mullins	464,444	464,444
R J Negus	333,333	-
R A Emmet	225,000	225,000

On Behalf of the Board

Michael J Hodges
29 September 2004

ADVFN PLC

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ADVFN PLC

We have audited the financial statements of ADVFN plc for the year ended 30 June 2004, which comprise the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement, the accounting policies and notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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 opinion we have formed.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the group is not disclosed.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Directors, the Chairman's Statement, the Managing Director's review and the Directors' Remuneration Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the 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 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 30 June 2004 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton UK LLP

Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
Gatwick
29 September 2004

ADVFN PLC

Consolidated Profit and Loss Account for the year ended 30 June 2004

	Notes		2004 £'000		2003 £'000
Turnover	1		2,951		2,264
Cost of sales			(128)		(74)
Gross profit			2,823		2,190
Administrative expenses					
Exceptional item - impairment loss		-		(352)	
Other administrative expenses		(2,969)		(2,921)	
Total administrative expenses			(2,969)		(3,273)
Operating loss	2		(146)		(1,083)
Profit on sale of /(amounts written off investments)	10		48		(138)
			(98)		(1,221)
Net interest	4		12		3
Loss on ordinary activities before taxation			(86)		(1,218)
Tax on loss on ordinary activities	5		7		304
Loss on ordinary activities after taxation	7,15,16		(79)		(914)
Loss per ordinary share	6		(0.019p)		(0.26p)

All operations are continuing.

There were no recognised gains or losses other than the loss for the financial year.

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

ADVFN PLC

Balance Sheets
at 30 June 2004

	Notes	Group and company 2004 £'000	Group and company 2003 £'000
Fixed assets			
Intangible assets	8	541	801
Tangible assets	9	1,412	854
Investments	10	-	62
		1,953	1,717
Current assets			
Debtors	11	544	710
Cash at bank and in hand		530	621
		1,074	1,331
Creditors: amounts falling due within one year	12	(667)	(627)
Net current assets		407	704
Total assets less current liabilities		2,360	2,421
Capital and reserves			
Called up share capital	14	4,070	4,059
Share premium account	15	3,933	3,926
Profit and loss account	15	(5,643)	(5,564)
Shareholders' funds - equity	16	2,360	2,421

The financial statements were approved by the Board of Directors on 29th September 2004

Michael Hodges)
) DIRECTORS
David Crump)

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

ADVFN PLC

Consolidated Cash Flow Statement
for the year ended 30 June 2004

	Notes	2004 £'000	2003 £'000
Net cash inflow from operating activities	17	706	593
Returns on investment and servicing of finance			
Interest received		13	8
Interest paid		(1)	(5)
		12	3
Taxation		311	-
Capital expenditure			
Payments to acquire tangible fixed assets		(1,248)	(804)
Proceeds from disposal of fixed asset investment		110	-
		(1,138)	(804)
Net cash outflow before financing		(109)	(208)
Financing			
Issue of ordinary share capital		18	626
Share issue costs		-	(52)
Capital element of finance leases and hire purchase contracts repaid		-	(6)
Net cash inflow from financing		18	568
(Decrease)/increase in cash	18	(91)	360

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

ADVFN PLC

Accounting Policies
for the year ended 30 June 2004

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and under the historical cost convention. The principal accounting policies are set out below and have remained unchanged since the previous year.

(a) *Group financial statements*

The group financial statements consolidate those of the company and its subsidiary undertakings drawn up to 30 June 2004. All intra-group transactions are eliminated on consolidation.

Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its expected useful economic life of five years.

(b) *Turnover*

Turnover is the total amount receivable in the ordinary course of business from outside customers for goods supplied as a principal and for services provided, excluding VAT. Subscription and advertising income is recognised over the period that the service is provided.

(c) *Intangible fixed assets*

Licences and intellectual property are being amortised over their expected useful economic life of five years.

(d) *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 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.

(e) *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.

(f) *Investments*

Investments are included at cost less amounts written off.

Accounting Policies
for the year ended 30 June 2004

(g) Leased assets

Assets held under finance leases 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 term.

(h) Defined contribution pension costs

Pension costs are charged in the year in which they are incurred.

(i) 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. All differences are dealt with through the profit and loss account.

(j) Financial instruments

Financial assets are recognised in the balance sheet at the lower of cost and net realisable value. Provision is made for diminution in value where appropriate. Income and expenditure arising on financial instruments is recognised on the accruals basis and credited or charged to the profit and loss account in the financial period to which it relates.

Notes to the Financial Statements
for the year ended 30 June 2004

1. Turnover and loss on ordinary activities before taxation

The turnover and loss before taxation are attributable to the principal activities of the group as defined in the report of the directors. All turnover originated in the UK.

2. Operating loss

Operating loss is arrived at after charging the following items:

	2004 **£'000**	**2003** **£'000**
Exceptional item - impairment loss	-	352
Amortisation of intangible fixed assets	260	329
Depreciation:		
Tangible owned fixed assets	690	932
Tangible fixed assets held under finance leases and hire purchase contracts	-	12
Auditors' remuneration - audit fees	14	14
- other services	3	10
Lease payments - land and buildings	151	148

The other services provided by the auditors were for tax compliance work.

Notes to the Financial Statements for the year ended 30 June 2004

3. Staff numbers and costs

The average monthly number of persons (including directors) employed by the group during the year was:

	2004 Number	2003 Number
By activity		
Development	18	13
Sales and administration	8	8
	26	21

	2004 £'000	2003 £'000
Staff costs		
Wages and salaries	1,109	826
Social security costs	116	75
Pension costs	-	-
	1,225	901

Details of emoluments paid to directors and directors options are contained within the Directors' Remuneration Report.

4. Net interest

	2004 £'000	2003 £'000
Bank interest receivable	13	8
Other interest	(1)	(5)
	12	3

5. Tax credit on profit/(loss) on ordinary activities

	2004 £'000	2003 £'000
UK Corporation tax credit at 30%	-	100
Under accrual of tax credit in prior year	7	204
	7	304

The company has unused trading losses not included in the deferred tax account of approximately £3,200,000 (2003: £3,232,000) to carry forward against profits of the same trade which will be recovered once the company makes a profit.

The tax credit in the year is due to losses incurred by the group, which are not currently being recognized, together with the availability of research and development credits. The credit can be reconciled as follows:

	2004 £'000	2003 £'000
Loss on ordinary activities before tax	(86)	(1,218)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%.	(26)	(365)
Effect of:		
Expenses not deductible for tax purposes	68	328
Capital allowances for the period in excess of depreciation	4	11
(Decrease)/increase in tax losses	-	26
Income not taxed	(1)	-
Research and development uplift	(45)	-
Research and development tax credits receivable	-	(100)
Prior year research and development tax credits receivable	(7)	(204)
Current tax credit for year	(7)	(304)

6. Loss per ordinary share

	2004 Loss £'000	2004 Number of shares '000	2004 Loss per share p	2003 Loss £'000	2003 Number of shares '000	2003 Loss per share p
Loss for the year	(79)			(914)		
Weighted average number of shares		406,304			350,253	
Loss per share			(0.019p)			(0.26p)

The options are anti-dilutive so there is no diluted loss per share.

7. Loss for the year

The company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The parent company's loss for the year was £79,000 (2003: £693,000).

8. Intangible fixed assets

	Group and company Licences and intellectual property £'000	Group Goodwill on consolidation £'000	Group Total £'000
Cost			
At 1 July 2003 and 30 June 2004	1,300	346	1,646
Amortisation			
At 1 July 2003	499	346	845
Charge for the year	260	-	260
At 30 June 2004	759	346	1,105
Net book amounts			
At 30 June 2004	541	-	541
At 30 June 2003	801	-	801

9. Tangible fixed assets

Company and Group	Leasehold improvements £'000	Computer equipment £'000	Office equipment £'000	Website development costs £'000	Total £'000
Cost					
At 1 July 2003	48	326	73	3,713	4,160
Additions	-	128	-	1,120	1,248
At 30 June 2004	48	454	73	4,833	5,408
Depreciation					
At 1 July 2003	13	246	38	3,009	3,306
Charge for the year	5	72	14	599	690
At 30 June 2004	18	318	52	3,608	3,996
Net book amounts					
At 30 June 2004	30	136	21	1,225	1,412
At 30 June 2003	35	80	35	704	854

10. Fixed asset investments

	Company Subsidiary undertakings £'000	Group and Company Other fixed asset investments - listed £'000	Company Total £'000
Cost			
At 1 July 2003	350	200	550
Disposals	-	(200)	(200)
At 30 June 2004	350	-	350
Provision			
At 1 July 2003	350	138	488
Disposals	-	(138)	(138)
At 30 June 2004	350	-	350
Net book amounts			
At 30 June 2004	-	-	-
At 30 June 2003	-	62	62

The market value of the listed investments at 30 June 2003 was £62,000 for the group and the company. This investment was sold during the year realising a profit on carrying value of £48,000.

The subsidiary undertakings, Success Events Limited, UK Invest.com Limited and EO Securities Limited were all dormant in the period and wholly owned and incorporated in England and Wales.

11. Debtors

	Group and company 2004 £'000	Group and company 2003 £'000
Trade debtors	204	108
Prepayments and accrued income	154	121
Corporation tax recoverable	-	304
Other debtors	186	177
	544	710

12. Creditors: amounts falling due within one year

	Group and company 2004 £'000	Group and company 2003 £'000
Trade creditors	435	306
Other taxation and social security costs	150	145
Accruals and deferred income	77	155
Other creditors	2	14
Amounts owed to related companies	3	7
	667	627

13. Financial risk management

The group 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 group's operations.

There were no group borrowings at 30 June 2004 or 30 June 2003. The fair value of the financial assets and liabilities is not significantly different to the amount included in the financial statements.

Short term debtors and creditors have been excluded except for the currency risk disclosures below.

The group operates in overseas markets and is subject to currency exposures on transactions undertaken during the year. The group does not hedge any transactions, and foreign exchange differences on retranslation of foreign assets and liabilities are taken to profit and loss account.

At 30 June 2004 the group had £16,000 (2003: £2,000) held in US Dollars or Euros. The group had undrawn committed overdraft facilities at 30th June 2004 of £nil (2003: £30,000).

Liquidity risk
Liquidity risk is the risk that the group 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.

Interest rate risk
The directors do not consider that the business is exposed to material interest rate risk. The group finances its operations through cash reserves. The cash reserves held by the group during the year have negated the need to use interest bearing borrowings.

14. **Called up share capital**

	2004 Number	2003 Number	2004 £'000	2003 £'000
Authorised				
Ordinary shares of 1p each	1,000,000,000	1,000,000,000	10,000	10,000
Allotted, called up and fully paid				
Ordinary shares of 1p each	407,033,176	405,899,847	4,070	4,059

Allotments in the year

The company made allotments of 1,133,329 ordinary 1p shares by way of issue of shares for cash during the year as follows:

Date of issue	Number of shares	Average price pence	Consideration £	Aggregate nominal value £
22 January 2004	83,333	1.75	1,458	833
23 January 2004	499,999	1.75	8,750	5,000
6 February 2004	83,333	1.75	1,458	833
1 March 2004	216,665	1.25	2,708	2,167
7 April 2004	166,666	1.25	2,084	1,667
8 June 2004	83,333	1.25	1,042	833
	1,133,329		17,500	11,333

The difference between the consideration of £17,500 and the nominal value of £11,333 has been credited to the share premium account. On 7 July 2004 the company issued 295,000 ordinary shares of 1p each for cash.

Contingent rights to the allotment of shares

The company has granted options to certain directors and employees as follows:

At 1 July 2003 Number	Granted Number	Options Exercised Number	Options Lapsed Number	At 30 June 2004 Number	Exercise Price	Exercisable in the 7 years up to
100,000	-	-	(100,000)	-	10p	10 March 2007
7,000,000	-	-	-	7,000,000	2.5p	10 March 2007
5,000	-	-	-	5,000	5p	20 March 2007
56,490	-	-	-	56,490	5p	1 August 2007
5,000,000	-	-	-	5,000,000	2.5p	13 June 2008
180,000	-	-	(40,000)	140,000	4.75p	10 July 2008
250,000	-	-	-	250,000	5p	16 October 2008
10,200,000	-	(666,665)	(250,000)	9,283,335	1.75p	10 June 2009
10,058,510	-	(466,664)	(510,000)	9,081,846	1.25p	18 February 2010
-	9,110,000	-	-	9,110,000	4.75p	27 January 2011
32,850,000	9,110,000	(1,133,329)	(900,000)	39,926,671		

Options can only be exercised as to 33% on the 1st anniversary of granting, as to a further 33% on the 2nd anniversary and over all of the ordinary shares subject to option on the 3rd anniversary. The company has outstanding warrants to a shareholder to subscribe for 294,288 ordinary shares at an exercise price of 2.085p in the 3 years ending 24 January 2005.

Notes to the Financial Statements for the year ended 30 June 2004

15. Reserves

	Group and company Profit and loss account £'000	Group and company Share premium account £'000
At 1 July 2003	(5,564)	3,926
Loss transferred to reserves	(79)	-
Premium on allotment during the year	-	7
At 30 June 2004	(5,643)	3,933

16. Reconciliation of movements in shareholders' funds

	2004 £'000	2003 £'000
Loss for the financial year	(79)	(914)
Net receipts from issues of shares	18	924
Net (decrease)/increase in shareholders' funds	(61)	10
Shareholders' funds at 1 July 2003	2,421	2,411
Shareholders' funds at 30 June 2004	2,360	2,421

17. Reconciliation of operating loss to net cash inflow from operating activities

	2004 £'000	2003 £'000
Operating loss	(146)	(1,083)
Exchange differences	-	44
Exceptional item - impairment loss	-	352
Amortisation	260	329
Depreciation	690	944
(Increase)/decrease in debtors	(138)	44
Increase/(decrease) in creditors	40	(37)
Net cash inflow from operating activities	706	593

18. Reconciliation of net cash flow to movement in net funds

	2004 £'000	2003 £'000
(Decrease)/increase in cash for the year	(91)	360
Cash outflow from capital repayments of hire purchase agreements	-	6
Movement in net cash in the year	(91)	366
Net funds at 1 July 2003	621	255
Net funds at 30 June 2004	530	621

19. Analysis of movements in net funds

	At 1 July 2003 £'000	Cash flow £'000	At 30 June 2004 £'000
Cash in hand and at bank	621	(91)	530

20. Commitments under operating leases

Amounts payable under lease agreements within the next year are as follows:

	Group and company 2004 £'000	Group and company 2003 £'000
Land and buildings		
Leases expiring:		
Within one year	28	-
After five years	148	148
	176	148

21. Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at 30 June 2004 or 30 June 2003.

22. Related party transactions

a At 30 June 2004 the company owed £3,060 to On-line plc (2003: £7,122). The company paid management charges of £31,200 (2003: £32,950) to On-line plc for the year. On-line plc is related by virtue of having common directors.

b. During the year Edward Hunter Associates Limited, a company in which R A Emmet was a director received fees of £26,499 (2003: £5,758) for recruiting staff for the company. £3,936 was owed at 30 June 2004 (2003: £991).

ADVFN PLC

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of ADVFN PLC (company number 2374988) will be held at 3rd Floor, 26 Throgmorton Street, London, EC2N 2AN on Wednesday 17th November 2004 at 11.00 a.m. for the following purposes:

Ordinary Business

1 To receive and adopt the Report of the Directors and the audited accounts of the Company for the year ended 30 June 2004.

2 To re-elect Mr. J B Mullins as a director of the Company, who will retire by rotation in accordance with the Company's Articles of Association and offers himself for re-election.

3 To re-elect Mr. R J Negus as a director of the Company, who will retire by rotation in accordance with the Company's Articles of Association and offers himself for re-election.

4 To re-elect Grant Thornton UK LLP as auditors to hold office until the next Annual General Meeting and to authorise the directors to fix their remuneration.

Special Business

5 To consider, and if thought fit, to pass the following as an Ordinary resolution:-
That the Directors be and are hereby generally and unconditionally authorised pursuant to and in accordance with Section 80 of the Companies Act 1985 to exercise for a period from the date of the passing of this Resolution until the conclusion of the next Annual General Meeting of the Company all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal value of £2,035,165.88 and to make offers or agreements which would or might require relevant securities to be allotted after the expiry of the said period and the Directors may allot relevant securities in pursuance of such offers or agreements as if the authority had not expired.

6 To consider, and if thought fit, to pass the following as a Special Resolution:-
That the Directors be and are hereby authorised to make offers and agreements to allot equity securities (within the meaning of Section 94(2) of the Companies Act 1985) pursuant to the authority contained in paragraph 5 above as if Section 89(1) of the Companies Act 1985 did not apply to any such allotments and that the Company may at any time prior to the expiry of such authority make an offer or agreement which would or might require equity securities to be allotted after the expiry of such authority and the Directors may allot equity securities in pursuance of such an offer or agreement as if the authority had not expired provided that such authority shall expire at the conclusion of the next Annual General Meeting of the Company and be limited to:

(i) allotments of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to holders of ordinary shares made in proportion (or as nearly as may be) to their existing holdings of Ordinary Shares subject to the Directors having a right to make such exclusions or other arrangements in connection with such offering as they may deem necessary or expedient:-

(a) to deal with equity securities representing fractional entitlements; and
(b) to deal with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory; and

(ii) to other allotments (otherwise than pursuant to sub-paragraph (i) above) of equity securities for cash up to an aggregate nominal amount equal to £2,035,165.88.

By order of the Board
David J Crump
Company Secretary

29th September 2004

Registered Office:
642A Lea Bridge Road
Leyton
London
E10 6AP

Notes:

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. The proxy need not also be a member of the company.

2. To be effective Forms of Proxy must be duly completed and returned so as to reach the registered office not less than 48 hours before the time appointed for the holding of the Meeting. Depositing a form of proxy shall not preclude a member from attending and voting in person at the meeting or any adjournment thereof instead of the proxy.

3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 the Company specifies that only those shareholders registered in the register of members of the Company as at 11.00 a.m. on 15th November 2004 shall be entitled to attend and vote at the meeting. Changes to entries on the relevant securities register after 11.00 a.m. on 15th November 2004 shall be disregarded in determining the rights of any person to attend and vote at the meeting.

ADVFN PLC

FORM OF PROXY

To:
The Directors
ADVFN PLC (the Company)
c/o Capita Registrars (Proxies)
P. O. Box 25
Beckenham
Kent
BR3 4BR

Dear Sirs,

I/We...

of..

being a member of the Company hereby appoint...

of..

or failing him, the Chairman of the Meeting...
as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday 17th November 2004 at 11.00 a.m and at any adjournment thereof.

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

Resolutions		For	Against
1.	To adopt the Report and Accounts for the year ended 30 June 2004		
2.	To re-elect Mr. J. B. Mullins as a director of the Company		
3.	To re-elect Mr. R. J. Negus as a director of the Company		
4.	To re-elect Grant Thornton UK LLP as the Company's auditors		
5.	To authorise the directors to allot relevant securities pursuant to Section 80 of the Companies Act 1985		
6.	To authorise the directors to allot equity securities for cash under Section 95 of the Companies Act 1985		

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

Notes :

1. Please indicate with an "X" in the appropriate space how you wish your votes to be cast. If no indication is given your proxy will vote or abstain from voting at his discretion.

2. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority, must arrive at the address shown above not less than 48 hours before the time appointed for the Meeting.

3. This form of proxy, if completed by a corporation, should be executed under the Common Seal of that corporation or be signed by an officer or attorney duly authorised to do so, whose capacity should be stated.

4. A member wishing to appoint as his proxy a person other than the Chairman of the Meeting, should insert in block capitals the full name of the person of his choice where indicated, and delete the words "the Chairman of the Meeting". All alterations should be initialled.

SECOND FOLD

BUSINESS REPLY SERVICE
Licence No. MB 122

1

Capita Registrars (Proxies)
PO Box 25
Beckenham
Kent
BR3 4BR

FIRST FOLD

THIRD FOLD

ADVFN

Summary of ADVFN services

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- **Quote - real-time LSE, OFEX, 24 hour FOREX price information**
  Also includes intraday and customisable one-year charts, news and links to related discussions on the bulletin boards and company data in the case of London Stock Exchange and OFEX.

- **Charts - Static and streaming real-time and historic charts**
  These charts allow you to overlay multiple stocks, indices and studies. Fully customisable charts can display stock information in line, bar and candlestick modes also includes TickScope tool.

- **Monitor - Allows you to display multiple real-time quotes**
  Add up to 110 stocks per monitor and as many monitors as you like. Price information fields are fully customisable.

- **News - Regulatory, Non-Regulatory (RNS), AFX and World Headlines**
  The above news services plus ADVFN's NEW World News Headlines service - a 'keywords' search facility for current and historical news articles. In addition, news monitor service, streaming news and news phrases search.

- **Financials - some of the best available company information**
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- **NEW free exchanges include:** COMEX, NYMEX, CME, Deutsche Borse, Xetra, Toronto Stock Exchange, Toronto Venture Exchange, ASE (Athens Stock Exchange), RTS (Russian Trading System), Irish Stock Exchange, Swiss, Helsinki, Johannesburg and Copenhagen.

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- **Irish Level 2**
- **Trading signal systems** - Tradequant, Nasquant and iQuant
- **Real-time Futures & Options**
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