

26 January 2016

Aeorema Communications plc ('Aeorema' or 'the Company')

Interim Results

Aeorema Communications plc, the AIM-traded live events agency, announces its results for the six months ended 31 December 2015.

Overview

- Pre-tax profits of £80,476 on a turnover of £1,591,114
- Stronger second half anticipated, consistent with previous years
- Robust cash position of £1,372,589

Chairman's Statement

As a provider of live events, we continue to focus on developing a strong pipeline of future revenue opportunities, whilst improving operational efficiency under a single brand, Cheerful Twentyfirst.

As we stated in our Annual Accounts, the marketplace remains competitive and the results for the first six months of the current trading year reflect this environment. Notwithstanding this, given the market position of the Cheerful Twentyfirst brand, we continue to believe that the second half of the year to 30 June 2016 should be stronger than the first half. The efforts of our management teams continue to be directed to delivering the pipeline of opportunities that the Company currently has for the second half.

Our strategy has been to focus on what is within our power to manage or influence and to create a resilient company that is well positioned for growth once the economy inevitably picks up again. We are therefore keeping costs down, and doing what we do best: innovate. This has been the lifeblood of the Company since its inception 20 years ago and is the reason business and industry leaders turn to us.

We are pleased to be working with some new clients but existing clients have, in some cases, lowered budgets or cancelled events. The new website is opening up opportunities and we are embracing social media as a marketing tool, with good results.

We have a robust balance sheet with £1,372,589 cash in the bank and revenue generation of £1,591,114. During the six months we achieved a pre-tax profit of £80,476. Operational costs were £715,202.

Overall, the team deserve our thanks for their achievements during a tough period. We are encouraged both by our business opportunities and the start we have made to the current year but, given the economic environment, we remain cautious in respect of profit growth.

M Hale
Chairman

AEOREMA COMMUNICATIONS PLC
CONDENSED CONSOLIDATED INCOME STATEMENT
For the period ended 31 December 2015

		Unaudited 6 Months to 31 December 2015	Unaudited 6 Months to 31 December 2014	Audited Year to 30 June 2015
	Notes	£	£	£
Continuing Operations				
Revenue		1,591,114	1,658,315	4,934,560
Cost of sales		(795,832)	(855,113)	(3,017,634)
Gross profit		795,282	803,202	1,916,926
Administrative expenses		(715,202)	(702,238)	(1,534,471)
Operating profit		80,080	100,964	382,455
Finance income		396	352	761
Profit before taxation		80,476	101,316	383,216
Taxation	5	(16,565)	(6,664)	(67,979)
Profit for the period from continuing operations		63,911	94,652	315,237
Basic and diluted earnings per share from continuing operations				
Basic (pence)	6	0.70616	1.06751	3.51904
Diluted (pence)	6	0.68350	1.01227	3.37134

There are no other comprehensive income items

AEOREMA COMMUNICATIONS PLC
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the period ended 31 December 2015

	Unaudited 6 Months to 31 December 2015	Unaudited 6 Months to 31 December 2014	Audited Year to 30 June 2015
	£	£	£
Non-current assets			
Intangible assets	365,154	365,154	365,154
Property, plant and equipment	99,560	57,008	65,135
Deferred taxation	-	17,481	6,404
	464,714	439,643	436,693
Current assets			
Inventories	-	2,674	-
Trade and other receivables	747,770	939,962	1,352,398
Cash and cash equivalents	1,372,589	1,219,527	1,558,453
	2,120,359	2,162,163	2,910,851
Total assets	2,585,073	2,601,806	3,347,544
Current liabilities			
Trade and other payables	(896,868)	(945,796)	(1,463,504)
	(896,868)	(945,796)	(1,463,504)
Non-current liabilities			
Deferred taxation	(4,322)	-	-
	(4,322)	-	-
Net assets	1,683,883	1,656,010	1,884,040
Equity attributable to equity holder:			
Share capital	1,131,313	1,131,313	1,131,313
Share premium	7,063	7,063	7,063
Merger reserve	16,650	16,650	16,650
Share based payment reserve	-	118,411	-
Capital contribution reserve	257,812	257,812	257,812
Retained earnings	271,045	124,761	471,202
Total equity	1,683,883	1,656,010	1,884,040

AEOREMA COMMUNICATIONS PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 December 2015

	Share capital	Share Premium	Merger reserve	Other reserve	Share-based payment reserve	Capital contribution reserve	Retained earnings	Total equity
	£	£	£	£	£	£	£	£
At 1 July 2014	1,079,688	-	16,650	19,500	110,972	257,812	482,609	1,967,231
Issue of shares	51,625	7,063	-	(19,500)	-	-	-	39,188
Payment of dividends	-	-	-	-	-	-	(452,500)	(452,500)
Comprehensive income for the period	-	-	-	-	-	-	94,652	94,652
Share based payment	-	-	-	-	7,439	-	-	7,439
At 31 December 2014	1,131,313	7,063	16,650	-	118,411	257,812	124,761	1,656,010
At 1 January 2015	1,131,313	7,063	16,650	-	118,411	257,812	124,761	1,656,010
Comprehensive income for the period	-	-	-	-	-	-	220,585	220,585
Share based payment	-	-	-	-	7,445	-	-	7,445
Transfer	-	-	-	-	(125,856)	-	125,856	-
At 30 June 2015	1,131,313	7,063	16,650	-	-	257,812	471,202	1,884,040
At 1 July 2015	1,131,313	7,063	16,650	-	-	257,812	471,202	1,884,040
Payment of dividends	-	-	-	-	-	-	(271,515)	(271,515)
Comprehensive income for the period	-	-	-	-	-	-	63,911	63,911
Share based payment	-	-	-	-	-	-	7,447	7,447
At 31 December 2015	1,131,313	7,063	16,650	-	-	257,812	271,045	1,683,883

AEOREMA COMMUNICATIONS PLC
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 31 December 2015

	Unaudited 6 Months to 31 December 2015 £	Unaudited 6 Months to 31 December 2014 £	Audited Year to 30 June 2015 £
Cash flow from operating activities			
Profit before taxation	80,476	101,316	383,216
Adjustments for:			
Depreciation of property, plant and equipment	26,031	18,627	30,708
Loss on disposal of property, plant and equipment	-	5,389	5,389
Share based payment expense	7,447	7,439	14,884
Finance income	(396)	(352)	(761)
	<hr/> 113,558	<hr/> 132,419	<hr/> 433,436
Operating cash flow before movement in working capital			
Increase/(decrease) in trade and other payables	(572,475)	(643,211)	(132,788)
(Increase)/decrease in trade and other receivables	604,629	535,959	123,523
(Increase)/decrease in inventories	-	-	2,674
Cash generated / (used) in operating activities	<hr/> 145,712	<hr/> 25,167	<hr/> 426,845
Taxation paid	-	-	(42,951)
Cash flow from investing activities			
Finance income	396	352	761
Purchase of property, plant and equipment	(60,457)	(23,575)	(43,785)
Proceeds from the sale of property, plant and equipment	-	10,000	10,000
Net cash used in investing activities	<hr/> (60,061)	<hr/> (13,223)	<hr/> (33,024)
Cash flow from financing activities			
Income from share issue	-	39,188	39,188
Dividends paid	(271,515)	(452,500)	(452,500)
Net cash used in financing activities	<hr/> (271,515)	<hr/> (413,312)	<hr/> (413,312)
Net increase / (decrease) in cash and cash equivalents	<hr/> (185,864)	<hr/> (401,368)	<hr/> (62,442)
Cash and cash equivalents at beginning of period	1,558,453	1,620,895	1,620,895
Cash and cash equivalents at end of period	<hr/> 1,372,589	<hr/> 1,219,527	<hr/> 1,558,453

AEOREMA COMMUNICATIONS PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the period ended 31 December 2015

1. General information

Aeorema Communications plc is a public limited company incorporated within the United Kingdom. The company is domiciled in the United Kingdom and its principal place of business is 23-31 Great Titchfield Street, London, W1W 7PA. The Company's ordinary shares are traded on AIM market of the London Stock Exchange.

These condensed consolidated interim financial statements for the period ending 31 December 2015 (including comparatives for the periods ended 31 December 2014 and 30 June 2015) were approved by the board of directors on 25 January 2016.

The financial information set out in this interim report does not constitute statutory accounts for the purposes of section 434 of the Companies Act (2006). The Group's statutory financial statements for the year ended 30 June 2015, prepared under International Financial Reporting Standards (IFRS), have been filed with the Registrar of Companies. The auditor's report for those financial statements was unqualified and did not contain a statement under section 498 (2) or section 498 (3) of the Companies Act (2006).

The interim financial statements have been prepared using the accounting policies set out in the Group's 2014 statutory accounts and have not been audited.

Copies of the annual statutory financial statements and the interim report can be found on our website at www.aeorema.com or can be requested from the Company Secretary at the Company's registered office: 64 New Cavendish Street, London, W1G 8TB.

2. Basis of preparation

These condensed consolidated interim financial statements for the period ended 31 December 2015 have been prepared in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2015, which have been prepared in accordance with IFRS as adopted by the European Union

3. Summary of significant accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 June 2015, as described in those annual financial statements. There has been no impact on the Group's financial position or performance from new and amended IFRS and IFRIC interpretations mandatory as of 1 July 2015.

4. Revenue and segmental results

The Company uses several factors in identifying and analysing reportable segments, including the basis of organisation such as differences in products and geographical areas. The Board of Directors, being the chief operating decision makers, have determined that for the period ended 31 December 2015 there is only one reportable operating segment.

5. Income tax charge

Income period tax is accrued based on the estimated average annual effective income tax rate of 20 percent (2014: 21 percent).

6. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit attributable to ordinary owners of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would have been issued on the conversion of all dilutive potential ordinary shares in ordinary shares.

The following reflects the income and share data used and dilutive earnings per share computations:

	Unaudited 6 Months to 31 December 2015	Unaudited 6 Months to 31 December 2014	Audited Year to 30 June 2015
Earnings per share attributable to owners of parent	63,911	94,652	315,237
Number of shares			
Basic weighted average number of shares	9,050,500	8,866,598	8,958,044
Effect of dilutive share options	300,000	483,902	392,456
Diluted weighted average number of shares	9,350,500	9,350,500	9,350,500

7. Dividends

During the interim period a dividend of 3 pence (2014: 5 pence) per share was paid to holders of the Company's ordinary shares.

8. Related party transactions

The Group has a related party relationship with its subsidiaries and its directors. Transactions between Group companies, which are related parties, have been eliminated on consolidation and are therefore not included in these consolidated interim financial statements.

	Unaudited 6 months to 31 December 2015 £	Unaudited 6 months to 31 December 2014 £
Subsidiaries		
Amounts owed by/(to) subsidiaries	400,973	317,743
Amounts owed by/(to) subsidiaries	400,973	317,743

Harris & Trotter LLP is a firm in which S Haffner and S Garbutta are members. The following was charged to the Group in respect of professional services.

	Unaudited 6 Months to 31 December 2015 £	Unaudited 6 Months to 31 December 2014 £
Harris & Trotter LLP		
Aeorema Communications plc	6,000	12,160
Aeorema Limited	1,900	23,435
	7,900	35,595

Fees charged to Aeorema Communications plc include £5,000 (2014: £3,750) for the services of Stephen Garbutta and Stephen Haffner as non-executive directors of that company.

The compensation of key management (including directors) of the Group is as follows:

	Unaudited 6 Months to 31 December 2015 £	Unaudited 6 Months to 31 December 2014 £
Short-term employee benefits	109,810	156,131
Post-employment benefits	31,708	43,494
	141,518	199,625

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For further information visit www.aeorema.com or contact:

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