

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

Interim Report

Aeorema Communications plc, the AIM-traded live events agency, announces its results for the six months ended 31 December 2016.

Overview

- Pre-tax profits of £77,180 on a turnover of £1,575,470
- Awards wins in film and events
- Robust cash position of £1,151,766

Chairman's Statement

During the period, we maintained our position as a leading London based live events agency with award wins and home and abroad.

Despite this, the trading environment in the events sector has been uncertain, in part due to the post-Brexit market uncertainty, causing clients to be more hesitant in their event planning budgets and resulting in some contracts to be either postponed or cancelled. Against this background, Aeorema traded in line with management expectations for the first half of the year and maintained its strong cash position, but the second half remains challenging as previously reported.

However, we believe that these are short-term challenges and in the longer term we remain confident that our strategy and strong market reputation in the delivery of creative and diverse live events will see Aeorema prosper. As such, we continue to differentiate ourselves in the market with our distinct skill-set, working with several blue-chip corporations and attracting a pipeline of potential quality business.

Our robust balance sheet with £1,151,766 cash in the bank and revenue generation of £1,575,470 is something we are proud of. During the six months, we achieved a pre-tax profit of £77,180 and operational costs were £699,836.

Aeorema is powered by the hard work and commitment of all our employees; I would like to thank them for their efforts and dedication, as well as our shareholders for their continued support.

M Hale

Chairman

20 January 2017

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AEOREMA COMMUNICATIONS PLC
CONDENSED CONSOLIDATED INCOME STATEMENT
For the period ended 31 December 2016

		Unaudited 6 Months to 31 December 2016	Unaudited 6 Months to 31 December 2015	Audited Year to 30 June 2016
	Notes	£	£	£
Continuing Operations				
Revenue		1,575,470	1,591,114	4,583,050
Cost of sales		(798,814)	(795,832)	(2,779,903)
Gross profit		776,656	795,282	1,803,147
Administrative expenses		(699,836)	(715,202)	(1,463,899)
Operating profit		76,820	80,080	339,248
Finance income		360	396	917
Profit before taxation		77,180	80,476	340,165
Taxation	5	(24,847)	(16,565)	(66,663)
Profit for the period from continuing operations		52,333	63,911	273,502
Basic and diluted earnings per share from continuing operations				
Basic (pence)	6	0.57823	0.70616	3.02195
Diluted (pence)	6	0.55968	0.68350	2.92500

There are no other comprehensive income items

AEOREMA COMMUNICATIONS PLC
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the period ended 31 December 2016

	Unaudited 6 Months to 31 December 2016	Unaudited 6 Months to 31 December 2015	Audited Year to 30 June 2016
	£	£	£
Non-current assets			
Intangible assets	365,154	365,154	365,154
Property, plant and equipment	50,958	99,560	60,259
Deferred taxation	-	-	6,075
	416,112	464,714	431,488
Current assets			
Trade and other receivables	651,502	747,770	1,174,337
Cash and cash equivalents	1,151,766	1,372,589	1,427,723
	1,803,268	2,120,359	2,602,060
Total assets	2,219,380	2,585,073	3,033,548
Current liabilities			
Trade and other payables	636,320	839,868	1,340,583
Current tax payable	83,205	57,000	66,043
	719,525	896,868	1,406,626
Non-current liabilities			
Deferred taxation	1,610	4,322	-
	1,610	4,322	-
Net assets	1,498,245	1,683,883	1,626,922
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
Capital contribution reserve	257,812	257,812	257,812
Retained earnings	85,407	271,045	214,084
Total equity	1,498,245	1,683,883	1,626,922

AEOREMA COMMUNICATIONS PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 December 2016

	Share capital £	Share Premium £	Merger reserve £	Capital contribution reserve £	Retained earnings £	Total equity £
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
At 1 January 2016	1,131,313	7,063	16,650	257,812	271,045	1,683,883
Payment of dividends	-	-	-	-	(271,515)	(271,515)
Comprehensive income for the period	-	-	-	-	209,591	209,591
Share based payment	-	-	-	-	4,963	4,963
At 30 June 2016	1,131,313	7,063	16,650	257,812	214,084	1,626,922
At 1 July 2016	1,131,313	7,063	16,650	257,812	214,084	1,626,922
Payment of dividends	-	-	-	-	(181,010)	(181,010)
Comprehensive income for the period	-	-	-	-	52,333	52,333
At 31 December 2016	1,131,313	7,063	16,650	257,812	85,407	1,498,245

AEOREMA COMMUNICATIONS PLC
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 31 December 2016

	Unaudited 6 Months to 31 December 2016 £	Unaudited 6 Months to 31 December 2015 £	Audited Year to 30 June 2016 £
Cash flow from operating activities			
Profit before taxation	77,180	80,476	340,165
Adjustments for:			
Depreciation of property, plant and equipment	25,235	26,031	44,101
Share based payment expense	-	7,447	12,410
Finance income	(360)	(396)	(917)
Operating cash flow before movement in working capital	102,055	113,558	395,759
Decrease in trade and other payables	(704,264)	(572,475)	(71,760)
Decrease in trade and other receivables	522,835	604,629	178,061
Cash (used) in / generated from operating activities	(79,374)	145,712	502,060
Taxation paid	-	-	(51,452)
Cash flow from investing activities			
Finance income	360	396	917
Purchase of property, plant and equipment	(15,933)	(60,457)	(39,225)
Net cash used in investing activities	(15,573)	(60,061)	(38,308)
Cash flow from financing activities			
Dividends paid	(181,010)	(271,515)	(543,030)
Net cash used in financing activities	(181,010)	(271,515)	(543,030)
Net decrease in cash and cash equivalents	(275,957)	(185,864)	(130,730)
Cash and cash equivalents at beginning of period	1,427,723	1,558,453	1,558,453
Cash and cash equivalents at end of period	1,151,766	1,372,589	1,427,723

AEOREMA COMMUNICATIONS PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the period ended 31 December 2016

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 2016 (including comparatives for the periods ended 31 December 2015 and 30 June 2016) were approved by the board of directors on 20 January 2017.

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 2016, 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 2016 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 2016 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 2016, 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 2016, 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 2016.

AEOREMA COMMUNICATIONS PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the period ended 31 December 2016

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 2016 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 (2015: 20 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 2016	Unaudited 6 Months to 31 December 2015	Audited Year to 30 June 2016
Earnings per share attributable to owners of parent	52,333	63,911	273,502
Number of shares			
Basic weighted average number of shares	9,050,500	9,050,500	9,050,500
Effect of dilutive share options	300,000	300,000	300,000
Diluted weighted average number of shares	9,350,500	9,350,500	9,350,500

7. Dividends

During the interim period a dividend of 2 pence (2015: 3 pence) per share was paid to holders of the Company's ordinary shares.

AEOREMA COMMUNICATIONS PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the period ended 31 December 2016

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 2016 £	Unaudited 6 months to 31 December 2015 £
Subsidiaries		
Amounts owed by/(to) subsidiaries	504,015	400,973
Amounts owed by/(to) subsidiaries	504,015	400,973

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 2016 £	Unaudited 6 Months to 31 December 2015 £
Harris & Trotter LLP		
Aeorema Communications plc	7,500	6,000
Aeorema Limited	2,450	1,900
	9,950	7,900

Fees charged to Aeorema Communications plc include £7,500 (2015: £5,000) for the services of Stephen Haffner (2015: Stephen Garbutta) as a non-executive director of that company.

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

	Unaudited 6 Months to 31 December 2016 £	Unaudited 6 Months to 31 December 2015 £
Short-term employee benefits	112,000	109,810
Post-employment benefits	20,496	31,708
	132,496	141,518