

Vitesse Media Plc

Unaudited interim results for the six months ended 31st July 2014; acquisition of Carduus Capital; issue of loan stock

Highlights:

- Revenues for the period up 4% on H1'13
- Significant reduction in pre-tax losses down by 48% to £72k (H1'13 loss £137k) and loss before depreciation, amortisation and share options more than halved to £45k (H1'13 loss £97k)
- Revenue from events up by 41%
- Development of the crowd funding platform continues apace
- Issue of £60k loan stock completed
- Acquisition of Carduus Capital, an FCA regulated business

For further information:

Vitesse Media plc

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About Vitesse Media plc

Vitesse Media plc is a leading b2b media business, specialising in technology, SME business and high-net worth investment through events, digital activities, data and research. The business is developing a crowd-funding and peer-to-peer lending platform to leverage its existing client and readership base. Vitesse Media plc is quoted on AIM.

Comment on the results for the six months to 31 July 2014

Revenues for the six months ended July 2014 were ahead by 4% over the corresponding prior year period. The Group achieved a significant reduction in pre-tax losses, down by 48% to £72k and a corresponding reduction in the loss before depreciation, amortisation and share options, which was more than halved to £45k. In addition, the Group completed the issue of a £60k loan stock and secured for a nominal sum the acquisition of Carduus Capital, an FCA regulated business, in order to accelerate the regulatory approval of its crowd funding business.

Events revenues were up by 41% for the period, achieved mainly by winning contracts for managed events, but also the launch of SDX Symposium and Tech Invest North. Four further new events will be launched during the next twelve months.

Revenues from investment products rose by 3%, with online revenues increasing over 40%, which is the first increase seen in this segment in four years. Notably, the What Investment web site achieved a 76 % increase in unique users, with page views up 72% to over 600,000.

Trading in the first half for our SME websites was disappointing, although the transition towards non-advertising revenues continued, with an increase of 59% in revenues attributable to the small business club, guides and bespoke projects.

Information Age, our technology title, saw revenues for its events doubled in the period and a steady increases in online revenues and lead generation, whilst we reduced the overheads for the brand by 40%.

Development of the alternative finance platform

Development of the crowd-funding platform continues on timetable. The scoping of technical aspects is now complete and coding has begun. The group is developing marketing strategies that leverage synergies across the Vitesse client and readership base.

Carduus Capital

In order to accelerate the process of securing regulation for the Group's crowdfunding business ahead of its launch, Vitesse has acquired for the sum of £10,000 Carduus Capital from Derek Stewart, a former director and continuing shareholder of Vitesse Media plc, and his partner Scott MacDonald. The acquisition will accelerate the regulation of the Group's crowdfunding platform.

Issue of loan stock

The board decided that, in view of the development of its new business strategy, and the wish to accelerate the investment in the upgrading of our technology platforms, that it would be prudent to secure new financing for the business. Five shareholders (Andrew Brode, Greenhill LLC, Alan Mearns, David Smith and Sara Williams) have provided £60k of funding through subscription to an issue of loan stock.

The loan is a related party transaction for the purposes of the AIM Rules. Accordingly, as required by the AIM Rules, the independent directors of the Company, being for the purposes of the loan Niki Baker and Keith Willey, having consulted with the Company's nominated adviser, Westhouse Securities Limited, consider that the terms of the transaction are fair and reasonable in so far as the Company's shareholders are concerned.

Outlook

I am pleased to report that, despite certain challenges that remain ahead, the outlook for the group is positive for the year and the board expects year on year improvement once again.

Consolidated statement of comprehensive income

For the six months ended	31 July 2014	31 July 2014	
	6 months ended 31 July 2014 (unaudited) £'000	6 months ended 31 July 2013 (unaudited) £'000	Year ended 31 January 2014 (audited) £'000
Revenue	1,042	1,002	2,110
	1,042	1,002	2,110
Cost of sales	(344)	(277)	(572)
Gross profit	698	725	1,538

Administrative expenses	(761)	(858)	(1,708)
Operating loss	(63)	(133)	(170)
Finance costs	(9)	(4)	(8)
Finance income		-	0
Loss before tax	(72)	(137)	(178)
Tax expense	-	-	-
Loss for the period attributable to owners of the parent	(72)	(137)	(178)
Loss per share			
Basic	(0.14p)	(0.4p)	(0.47p)
Diluted	(0.14p)	(0.4p)	(0.47p)

Consolidated statement of financial position

As at 31 July 2014

	6 months ended 31 July 2014 (unaudited) £'000	6 months ended 31 July 2013 (unaudited) £'000	Year ended 31 January 2014 (audited) £'000
ASSETS			
Non-current assets			
Goodwill	729	729	729
Other intangible assets	1,414	1,378	1,368
Property, plant and equipment	3	5	3
Trade and other receivables	-	21	-
	2,146	2,133	2,100
Current assets			
Inventories	16	18	16
Trade and other receivables	341	414	319
Cash and cash equivalents	177	19	227
	534	451	562
Total assets	2,680	2,584	2,662

EQUITY AND LIABILITIES

Equity			
Share capital	2,805	2,684	2,779
Share premium account	3,239	3,095	3,209
Share option reserve	133	144	133
Other reserves	104	104	104
Retained earnings	(4,749)	(4,638)	(4,677)
Total equity attributable to owners of the parent	1,532	1,389	1,548
Current liabilities			
Trade and other payables	827	974	816
Borrowings	211	221	188
	1038	1,195	1,004
Non- current liabilities			
Borrowings	110	-	110
Total liabilities	1148	1,195	1,114
Total equity and liabilities	2,680	2,584	2,662

Consolidated statement of cash flows

	6 months ended 31 July 2014 (unaudited) £'000	6 months ended 31 July 2013 (unaudited) £'000	Year ended 31 January 2014 (audited) £'000
Cash flows from operating activities			
Loss before taxation	(72)	(137)	(178)
Adjustments			
Finance cost	9	4	8
Amortisation	23	27	52
Depreciation of property, plant and equipment	1	2	4
Share-based payment charge	-	12	2
Operating cash flows before movements in working capital	(39)	(92)	(112)
Decrease/(increase) in inventories	-	1	3
(Increase)/decrease in receivables	(22)	(81)	36
Increase/(decrease) in payables	11	186	27
Cash flows from (used in) operating activities	(50)	13	(46)
Interest received		-	-

Interest paid	(9)	(4)	(8)
Net Cash from/(used in) operating activities	(59)	9	(54)
Investing Activities			
Purchases of property, plant and equipment	-	(4)	(4)
Purchases of intangible assets	(70)	(13)	(28)
Net cash used in investing activities	(70)	(17)	(32)
Financing Activities			
Proceeds from issue of share capital	56	-	209
Share issue costs	-	-	-
Short term loan	23	55	55
Drawdown on invoice discounting facility	0	(3)	(36)
Proceeds from long-term borrowings			110
Net cash (used in)/generated from financing activities	79	52	338
Net increase in cash and cash equivalents	(50)	44	253
Cash and cash equivalents at beginning of period	227	(25)	(25)
Cash and cash equivalents at end of period	177	19	227

Consolidated Statement of changes in equity

6 months ended 31 July 2014	Share capital £ '000	Share premium Account £ '000	Share options reserve £ '000	Other reserves £ '000	Retained earnings £ '000	Total £ '000
ATTRIBUTABLE TO OWNERS OF PARENT						
As at 1 st February 2014	2,779	3,209	133	104	(4,677)	1,548
Profit for the period	-	-	-	-	(72)	(72)
Total comprehensive income for the period	-	-	-	-	(72)	(72)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Issue of share capital	26	30	-	-	-	56
Issue costs	-	-	-	-	-	-
TOTAL TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	-	-	-	-	-	-

Recognition of share-based payments	-	-	-	-	-	-
Share options lapsed	-	-	-	-	-	-
As at 31 July 2013	2,805	3,239	133	104	(4,749)	1,532
12 months ended 31 January 2014						
ATTRIBUTABLE TO OWNERS OF PARENT						
As at 1 February 2013	2,684	3,095	132	104	(4,501)	1,514
Profit for the year	-	-	-	-	(178)	(178)
Total comprehensive income for the period	-	-	-	-	(178)	(178)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Issue of share capital						
Issue costs	95	114	-	-	-	209
	-	-	-	-	-	-
TOTAL TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	95	114	-	-	-	209
Recognition of share-based payments						
Share options lapsed	-	-	2	-	-	2
As at 31 January 2014	-	-	(1)	-	1	-
	2,779	3,209	133	104	(4,677)	1,548
6 months ended 31 July 2013						
ATTRIBUTABLE TO OWNERS OF PARENT						
As at 1 st February 2013	2,684	3,095	132	104	(4,501)	1,514
Profit for the period	-	-	-	-	(137)	(137)
Total comprehensive income for the period	-	-	-	-	(137)	(137)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Issue of share capital						
Issue costs	-	-	-	-	-	-
	-	-	-	-	-	-
TOTAL TRANSACTIONS WITH						

OWNERS IN THEIR CAPACITY AS OWNERS

	-	-	-	-	-	-
Recognition of share-based payments						
Share options lapsed	-	-	12	-	-	12
As at 31 July 2013	-	-	-	-	-	-
	2,684	3,095	144	104	(4,638)	1,389

Notes to the Interim Results

1. Basis of preparation

These unaudited condensed consolidated interim financial statements are for the six months ended 31 July 2014. They have been prepared in accordance with recognition and measurement principles of International Financial Reporting Standards (IFRS) as adopted by the European Union. This report should be read in conjunction with the annual financial statements for the year ended 31 January 2014, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and International Financial Reporting Interpretations Committee ('IFRIC') Interpretations and the Companies Act 2006, as applicable to companies reporting under IFRS.

The financial information in this interim announcement does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The unaudited interim financial statements were approved by the Board on 03 September 2014.

The comparative financial information for the year ended 31 January 2014 does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The statutory accounts of Vitesse Media plc for the year ended 31 January 2014 have been reported on by the Company's auditor, Baker Tilly UK Audit LLP, and have been delivered to the Registrar of Companies.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 January 2014.

These financial statements have been prepared under the historical cost convention.

The financial information for the six months ended 31 July 2014 is unaudited.

Nature of operations and general information

Vitesse Media plc and subsidiaries' ('the Group') principal activities include the provision of online, print publishing and events, specialising in growing businesses. The Group provides a network for CEOs and other directors, their investors, advisers and suppliers.

Vitesse Media plc is the Group's ultimate parent company. It is incorporated and domiciled in Great Britain. The address of Vitesse Media plc's registered office is Floor 6, St. Andrew Street, London, EC1Y 8ST. Vitesse Media plc's shares are listed on the AIM Market of the London Stock Exchange.

Vitesse Media plc's consolidated interim financial statements are presented in Pounds Sterling (£), which is also the functional currency of the parent company.

2. Segmental information

Since the end of the financial year, 31 January 2013, we report our income segments as Events, SME, Investment and Technology, dropping the segmental information on business and investment as no longer being relevant to the management of the business.

	Events £'000	SME £'000	Investment £'000	Technology £'000	Total £'000
6 months ended 31 July 2014					
Segmental revenue - continuing	325	250	221	246	1,042
Total segmental revenue	325	250	221	246	1,042
Segment result	325	250	221	246	1,042
6 months ended 31 July 2013					
Segmental revenue - continuing	258	277	224	242	1,001
Total segmental revenue	258	277	224	242	1,001
Segment result	258	277	224	242	1,001
12 months ended 31 January 2014					
Segmental revenue - continuing	696	572	426	415	2,109
Total segmental revenue	696	572	426	415	2,109
Segment result	696	572	426	415	2,109

3. Earnings/(loss) per share

The calculation of loss per share is based on the following losses and numbers of shares. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options.

	6 months to 31 July 2013 (Unaudited) £'000	6 months to 31 July 2013 (Unaudited) £'000	Period end 31 January 2014 (audited) £'000
Earnings/(loss) for the period	(72)	(137)	(178)
	No.	No.	No.
Weighted average number of shares	49,772,912	34,903,715	38,076,241

4. Dividends

No dividend is proposed for the six months ended 31 July 2014.

5. Copies of Interim Results

Copies of the Interim Results will be available from www.vitessemedia.co.uk