



Immedia Group PLC - IME
Unaudited Half-Year Results
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immedia
GROUP PLC

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Immedia Group PLC
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The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

STRICTLY EMBARGOED UNTIL 7:00 AM

DATE: 27 SEPTEMBER 2017

IMMEDIA GROUP PLC

("Immedia" or the "Company" or the "Group")

UNAUDITED HALF-YEAR RESULTS

Immedia (AIM:IME), a supplier of multi-media content and digital audience engagement solutions for leading brands and global businesses, announces its unaudited half-year results for the six months ended 30 June 2017.

Commenting on the performance, Immedia's CEO Bruno Brookes said:

"Immedia Group now offers a broader set of products and services across a wide range of sectors.

Levels of new and existing client engagement have never been higher and we look forward to updating our stakeholders when these opportunities convert to a contractual arrangement. Our key sectors for growth will be new business opportunities across the four pillars of retail, sport, education and workforce.

Whilst the first half of 2017 provided a challenge as we reshaped and integrated our acquisition in AVC Media and meant that the Group made an increased loss on the same period last year, we are very well placed to move forward with our overall Group

strategy and further develop our business growth. Under the new Chairmanship of Tim Hipperson and with our strengthened management team, the Board remains confident that the outlook for the Group is positive."

KHI HIGHLIGHTS

- 75% increase in revenue to £1,845,278 - including a first full six months contribution from AVC Media (HY1 2016: £1,055,464)
- AVC Media (acquired in 2016) contributed 30% of revenue in the period
- The take-up of SUBWAY® Radio exceeded our expectations and is now in six European territories (including the UK and Republic of Ireland)
- Ongoing focus on refining operational efficiencies
- Significant new client engagement that will flow through in late 2017 and 2018
- Post the period end:
 - Service trial with major UK financial services institution has been successful and has been extended to additional branches
 - Completion of a successful trial with a major UK retailer which is expected to proceed to full rollout in 2018
 - Continued expansion of the JD-X service to JD Sports
 - Further skills added to the Board - Tim Hipperson appointed Non-executive Chairman to drive the corporate development strategy

KEY FINANCIALS

	Unaudited Half year to 30 June 2017	Unaudited Half year to 30 June 2016	Audited Year to 31 Dec 2016
Revenue	£1,845,278	£1,055,464	£2,610,121
EBITDA*	£(104,382)	£15,671	£(83,025)
Results from operating activities	£(188,146)	£(14,513)	£(183,842)
Loss before income tax	£(188,225)	£(11,575)	£(184,372)
Net fair value loss on available for sale assets	£(34,500)	£(82,500)	£(90,000)
Total comprehensive loss for the period	£(222,725)	£(94,075)	£(279,065)
Loss per share - basic (pence)	(1.37)	(0.08)	(1.38)
Loss per share - diluted (pence)	(1.37)	(0.08)	(1.38)
Net Cash and cash equivalents	£82,138	£338,101	£125,886

**Profit/(Loss) before interest, tax, depreciation, amortisation, impairment charges and other exceptional income*

FULL STATEMENT ATTACHED

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About **Immedia Group plc**

www.immediapl.com

Immedia's Group is a multi-media content and digital solutions provider to global businesses and organisations investing in internal and/or Brand communications. Our interactive audio channels deliver original and relevant content, via **Immedia's** Dreamstream platform, to a client's workforce and/or customer base. Each channel is supported with powerful data analytics, which monitor audience activity and provide data to enable **Immedia** to enhance audience engagement. The Group also creates original video, 3D & 4D animation, app and web content, as well as supplying and installing audio visual equipment.

Immedia's clients include: BP, FIFA, HSBC, JD Sports Fashion, O2, Shell, Subway Europe, Superdrug and IKEA.

IMMEDIA GROUP PLC

Unaudited Half-Year Results for the six months ended 30 June 2017

CHIEF EXECUTIVE'S REVIEW

INTRODUCTION

The first half of 2017 proved more difficult for the Group than expected. Whilst we generated significantly more revenue than in the corresponding period in 2016, our costs were higher than envisaged primarily because of the need to reshape and support our 2016 acquisition of AVC Media, now trading as AVC Immedia. The full benefit of cost reduction initiatives will be seen in 2018.

Despite this, the Group has progressed substantially, generating healthy revenues from AVC Immedia and initiating a significant number of new business opportunities that we are optimistic will come to fruition over the next 18 months, all supported by the Group's strengthened operational and financial management team.

FINANCIAL RESULTS

Revenue in the period being reported increased 75% to £1,845,278 (HY1 2016: £1,055,464), a significant improvement over the corresponding period in 2016; the increase includes the first full HY1 trading of AVC Immedia, which contributed 30% of total revenue, as well as further business development with JD Sports, Subway, Superdrug and other clients.

Immedia benefited from one-off installation revenues as part of a successful service trial with a major UK financial services institution. We anticipate a further substantive rollout from this institution, but cannot be sure if this will commence in HY2 2017 or in 2018. A further announcement will be made at the appropriate time.

However, as a result of continuing support and restructuring of AVC Immedia which as above has taken longer than expected to integrate, together with one-off costs and short-term working capital requirements, EBITDA recorded a loss of £104,382 (HY1 2016 : profit £15,671). For this reason cash balances were lower than H1 2016 and those at 31 December 2016. The Group continues to be virtually debt free.

As in previous years, Immedia's investment in AudioBoom Group plc, the leading spoken-word audio platform (AIM: BOOM), showed significant fluctuations in value during the period. In accordance with our IFRS accounting regime, a loss on revaluation of investments of £34,500 has been reported in the first half (HY1 2016: loss of £82,500). Cumulatively, the Group remains in profit on its investment.

OPERATIONS

The business overall has performed solidly in the period.

New business won in the last 18 months continue to perform well. For example SUBWAY® Radio supplied by Immedia is performing ahead of our expectations; currently the service has been taken up in more than 2,800 sites, in six European territories. We are currently discussing plans to provide a further service for the remaining countries in Europe in which SUBWAY® operates.

AVC Immedia

This part of our business was acquired in 2016 and since then has performed well. AVC Immedia continues to work with a wide range of high profile customers including Shell, PGA, FIFA, GE, SKY, and BBC. Further examples include:

- A range of filming and post-production services at the Under 20 World Cup in South Korea for FIFA
- Video content work with BP Angola, Global Energy Group, National Hyperbaric Centre, Aberdeen University and Sparrows have proven to be long term, repeat business for content creation
- A bespoke training tool for The Wood Group called 'Sales Board' has been built and supplied to the client with a global rollout of the tool now underway. The TrainR App for global offshore training specialists OPITO has also been developed by AVC Immedia

AVC Immedia's highlight of the year to date is the national tender win to supply the 3D external and internal animations for the new £50 million Aberdeen Exhibition and Conference Centre (see <https://vimeo.com/234993953>).

The 3D animation offering also included a variety of work for Group clients including Halliburton, Oceaneering and TOTAL as well as Texas based SAFWAY, resulting in projects in asset integrity and development scenarios for construction and subsea environments.

Post Period End

The JD-X project for JD Sports continues to expand and later this year will see a major upgrade of the Apple and Android applications. There are also plans to increase the amount of live programming and number of distribution channels. The in-store service rollout has begun; all JD stores will receive Immedia's JD-X service by the end of March 2018.

Immedia has recently completed a successful trial with another major UK retailer which is expected to proceed to full rollout during 2018. Further details will be made available in due course.

We are also delighted to report that Immedia's trial with a major UK financial services institution has been extended to additional branches. Immedia is providing a mixture of services including live presenter led radio in high street locations together with equipment supply and installation.

PEOPLE

We have 31 employees in the business and we thank them for their continued dedication and contribution to the model we are developing.

As we have previously indicated, we have further strengthened the Senior Team. COO Steve King and recently appointed Group Financial Controller Snehal (Sam) Lakhani have brought about significant operational improvements throughout the business. These initiatives underpin the confidence we have that our business is in excellent operational shape.

Recent Board appointments include Simon Leathers as a Non-executive director and Chair of the Audit Committee and Tim Hipperson as Non-executive Chairman. Tim has extensive media experience having previously held CEO positions within WPP, Interpublic Group and Publicis Group. He will guide Immedia's newly formulated corporate development strategy whilst the business team develops new business opportunities across the four pillars of retail, sport, education and workforce.

OUTLOOK

The revenue growth in Immedia and stringent cost management of a restructured AVC Immedia now bode well for the future. Whilst we have financially supported the integration and restructure costs of AVC Immedia, together with investment for equipment upgrades and a continuous marketing programme, we now possess a more flexible and resilient AVC Immedia business that is already seeing the benefits of the Group's ongoing strategy. We see a clear path on how we can build our Aberdeen based business across a national and international client base, with some positive early results.

We have a clear focus for our journey ahead. Immedia was established as an in store radio company in 2003 and has developed its reputation as a specialist provider of entertainment and audience communications to large brand led audiences. Now, we are successfully expanding our reach to 'bricks and clicks'.

Our opportunities in mobile are vast and provide a platform to expand our in app entertainment services across our four pillars in retail, sport, education and workforce. In the same way we have established entertainment and communication channels in 'bricks', we are well down the path of providing the same for brands who attract vast numbers of customers to their mobile apps. Soon, we will be launching a shopping first for an existing client, where Immedia will integrate a 'live' and interactive, multi-channel entertainment experience for fans whilst they shop on their mobiles. We are working on a number of possibilities to expand audience reach for our clients. This is the age when brands are becoming media owners and Immedia Group is well positioned to advise and develop their aspirations.

Bruno Brookes, CEO
On behalf of **Immedia Group plc**
26 September 2017

Consolidated statement of profit and loss

	notes	Unaudited Half-year ended 30 June 2017 £	Unaudited Half-year ended 30 June 2016 £	Audited Year ended 31 December 2016 £
Revenue		1,845,278	1,055,464	2,610,121
Cost of sales		(851,256)	(528,074)	(1,285,369)
Gross profit		994,022	527,390	1,324,752
Administrative expenses		(1,182,168)	(541,903)	(1,525,719)
Other exceptional income			-	17,125
Loss from operations		(188,146)	(14,513)	(183,842)
Finance income		109	3,444	2,540
Finance cost		(188)	(506)	(3,070)
Loss before tax		(188,225)	(11,575)	(184,372)
Tax expense		-	-	(4,693)
Loss for the period		(188,225)	(11,575)	(189,065)
Earnings per share (pence)				
Basic	7	(1.37)	(0.08)	(1.38)
Diluted	7	(1.37)	(0.08)	(1.38)

Consolidated statement of profit or loss and other comprehensive income

	notes	Unaudited Half-year ended 30 June 2017 £	Unaudited Half-year ended 30 June 2016 £	Audited Year ended 31 December 2016 £
Loss for the period		(188,225)	(11,575)	(189,065)
Items that may be reclassified subsequently to profit or loss				
Net fair value loss on available for sale assets during the period		(34,500)	(82,500)	(90,000)
Total comprehensive loss for the period		(222,725)	(94,075)	(279,065)

Consolidated balance sheet

	notes	Unaudited Half-year At 30 June 2017 £	Unaudited Half-year At 30 June 2016 £	Audited At 31 December 2016 £
Assets				
Non-current assets				
Property, plant and equipment		260,960	184,393	303,929
Intangible assets		395,541	201,045	425,044
Deferred tax assets		13,150	60,700	13,150
Available for sale assets		130,500	172,500	165,000
Total non-current assets		800,151	618,638	907,123
Current assets				
Inventories		147,582	54,147	98,353
Trade and other receivables		639,363	944,793	807,506
Pre-payments		175,136	124,539	87,014
Cash and cash equivalents	5	82,138	338,101	125,886
Total current assets		1,044,219	1,461,580	1,118,759
TOTAL ASSETS		1,844,370	2,080,218	2,025,882
Equity				
Share capital	6	1,455,684	1,455,684	1,455,684
Share premium		3,586,541	3,586,541	3,586,541
Merger reserve		2,245,333	2,245,333	2,245,333
Share-based payment reserve		4,578	4,578	4,578
Investment valuation reserve		40,500	82,500	75,000
Retained losses		(6,716,151)	(6,350,436)	(6,527,926)
Total equity		616,485	1,024,200	839,210
Liabilities				
Non-current liabilities				
Finance leases		5,063	-	5,796
Trade and other payables		-	34,449	-
Provisions		42,500	14,063	42,500
Total non-current liabilities		47,563	48,512	48,296
Current liabilities				
Finance leases		2,495	-	4,987
Trade and other payables		1,083,275	897,453	944,841
Deferred income		94,552	110,053	188,548
Total current liabilities		1,180,322	1,007,506	1,138,376
Total liabilities		1,227,885	1,056,018	1,186,672
Total equity and liabilities		1,844,370	2,080,218	2,025,882

Consolidated statement of changes in equity
Attributable to equity shareholders in the Company

Total equity at 30 June 2017 (unaudited)	Share capital £	Share premium account £	Merger Reserve £	Share- based payment reserve £	Investment revaluation reserve £	Retained losses £	Total Equity £
Balance as at 1 January 2017	1,455,684	3,586,541	2,245,333	4,578	75,000	(6,527,926)	839,210
Loss for the year	-	-	-	-	-	(188,225)	(188,225)
Other Comprehensive Income for the period:							
Net fair value loss on available for sale financial assets	-	-	-	-	(34,500)	-	(34,500)
Total comprehensive loss for the year	-	-	-	-	(34,500)	(188,225)	(222,725)
Balance at 30 June 2017	1,455,684	3,586,541	2,245,333	4,578	40,500	(6,716,151)	616,485

Total equity at 30 June 2016 (unaudited)	Share capital £	Share premium account £	Merger Reserve £	Share-based payment reserve £	Investment revaluation reserve £	Retained losses £	Total Equity £
Balance at 1 January 2016	1,455,684	3,586,541	2,245,333	4,578	165,000	(6,335,948)	1,121,188
Sale of EBT shares on exercise of share options	-	-	-	-	-	2,597	2,597
Purchase of own shares by EBT	-	-	-	-	-	(5,510)	(5,510)
Transaction with owners	-	-	-	-	-	(2,913)	(2,913)
Loss for the period	-	-	-	-	-	(11,575)	(11,575)
Other comprehensive income for the period:							
Net fair value loss on available for sale financial assets	-	-	-	-	(82,500)	-	(82,500)
Total comprehensive loss for the period	-	-	-	-	(82,500)	(11,575)	(94,075)
Balance at 30 June 2016	1,455,684	3,586,541	2,245,333	4,578	82,500	(6,350,436)	1,024,200

Total equity at 31 December 2016 (audited)	Share capital £	Share premium account £	Merger Reserve £	Share-based payment reserve £	Investment revaluation reserve £	Retained losses £	Total Equity £
Balance as at 1 January 2016	1,455,684	3,586,541	2,245,333	4,578	165,000	(6,335,948)	1,121,188
Sale of EBT shares on exercise of share options	-	-	-	-	-	2,597	2,597
Purchase of own shares by EBT	-	-	-	-	-	(5,510)	(5,510)
Transaction with owners	-	-	-	-	-	(2,913)	(2,913)
Loss for the year	-	-	-	-	-	(189,065)	(189,065)
Other comprehensive income for the period:							
Net fair value loss on available for sale financial assets	-	-	-	-	(90,000)	-	(90,000)
Total comprehensive loss for the year	-	-	-	-	(90,000)	(189,065)	(279,065)
Balance at 31 December 2016	1,455,684	3,586,541	2,245,333	4,578	75,000	(6,527,926)	839,210

Consolidated statement of cash flows

	notes	Unaudited Half-year At 30 June 2017 £	Unaudited Half-year At 30 June 2016 £	Audited At 31 December 2016 £
Cash flows from operating activities				
Loss for the period before income tax		(188,225)	(11,575)	(184,372)
<i>Adjustments for:</i>				
Depreciation, amortisation and impairment charges		83,764	30,184	117,942
Exceptional gain from negative goodwill		-	-	(98,647)
Finance income		(109)	(3,444)	(2,540)
Finance cost		188	506	3,070
Decrease/(increase) in trade and other receivables and pre-payments		80,020	(124,362)	50,450
(Increase)/decrease in inventories		(49,229)	35,474	3,792
Increase in trade and other payables and deferred income		44,441	69,074	154,110
(Decrease) in provisions		-	-	(14,063)
Net cash from operating activities		(29,150)	(4,143)	29,742
Taxation		-	-	-
Cash flows from investing activities				
Interest received		109	3,444	2,540
Acquisition of property, plant and equipment		(11,293)	(2,445)	(44,363)
Payment to acquire trade of AVC Media		-	-	(200,000)
Net cash from investing activities		(11,184)	999	(241,823)
Cash flows from financing activities				
Repayment of finance leases		(3,226)	(8,771)	(9,485)
Interest paid		(188)	(506)	(3,070)
Sale of EBT shares on exercise of share options		-	2,597	2,597
Purchase of own shares for EBT		-	(5,510)	(5,510)
Net cash from financing activities		(3,414)	(12,190)	(15,468)
Net decrease in cash and cash equivalents		(43,748)	(15,334)	(227,549)
Cash and cash equivalents at the beginning of the period		125,886	353,435	353,435
Cash and cash equivalents at the end of the period	5	82,138	338,101	125,886

NOTES TO THE FINANCIAL STATEMENTS

Financial information contained in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 ("the Act"). The statutory accounts for the year ended 31 December 2016 have been filed with the Registrar of Companies. The report of the auditors on these statutory accounts was unqualified, did not draw to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Act. The financial information for the six months ended 30 June 2017 and 30 June 2016 is unaudited.

This announcement was approved by the Board on 26 September 2017.

1. Reporting entity

Immedia Group Plc (the "Company") is a public limited company incorporated and domiciled in England and Wales. The address of the Company's registered office, and its principal place of business, is 7-9 The Broadway, Newbury, Berkshire RG14 1AS. The consolidated financial statements of the Company as at and for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the "Group").

The Group is involved in marketing and communication services through the provision of interactive digital channels products and services using music, radio and screen-based media to provide brand conversation, engaging entertainment and innovative technical solutions. It also supplies, installs and maintains the equipment required to deliver these services.

2. Basis of preparation

The interim financial information in this report has been prepared using accounting policies consistent with IFRS as adopted by the European Union. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the European Union and applicable as at 31 December 2017. The Group has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing the interim financial information.

3. Significant accounting policies

The accounting policies set out in detail in note 3 of the Group's consolidated financial statements to 31 December 2016 have been applied consistently to these unaudited financial statements to 30 June 2017, including:

(a) Revenue

Revenue represents the amounts receivable by the Group for the provision of its goods and services, excluding value added tax. Revenue from production services comprises the broadcasting of live and as live radio programmes to customers' premises using appropriate technologies, together with the production of advertising content for use in those programmes. Revenue from these services is billed on time based subscriptions and recognised on the date of broadcast. Revenue from equipment sales is recognised on the earlier of date of delivery and configuration, or when risk and reward pass to the customer; revenue from content delivery and equipment maintenance services is billed on time based subscriptions and is recognised monthly on completion.

To the extent that invoices are raised to a different pattern than revenue recognition described above, appropriate adjustments are made through deferred and accrued income to account for revenue when the underlying service has been performed or goods have been transferred to the customer.

(b) Financial instruments: financial assets

Investments other than investments in subsidiaries are classified as either held-for-trading or as available for-sale at initial recognition and this designation is re-evaluated at each period end date. At the period end date all such investments are classified as available for-sale.

Available for-sale investments are initially measured at fair value, which ordinarily equates to cost, including transaction costs. At subsequent reporting dates available-for-sale investments are measured at fair value or at cost where fair value is not readily measurable.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and taken to the investment revaluation reserve until the investment is disposed of or is determined to be impaired, at which time the accumulated fair value adjustments recognised in equity are included in the statement of profit or loss as 'gains and losses from investments'.

4. Other short term financial assets

In March 2014 the Group invested £90,000 in the purchase of 6,000,000 shares in AudioBoom Group plc, an AIM-quoted audio social media platform, as part of the Group's strategy to broaden its digital marketing and communications services.

The investment has been designated as available-for-sale with fair value changes recognised in other comprehensive income (see note 3(b) above). At 30 June 2017 the fair value of the investment was £130,500 with a current period fair value loss of £34,500 recognised in other comprehensive income (*30 June 2016 fair value £172,500 with fair value loss of £82,500 recognised in other comprehensive income; 31 December 2016 fair value £165,000 with fair value loss of £90,000 recognised in other comprehensive income*).

As at the date of approval of this report, the investment represents c.0.64% of AudioBoom Group plc's shares in issue and has a fair value of £141,000.

5. Cash and cash equivalents

	Unaudited	Unaudited	Audited
	as at	as at	as at
	30 June 17	30 June 16	31 Dec 16
	£	£	£
Bank balances	16,119	5,634	46,770
Call deposits	66,019	332,467	79,116
Cash and cash equivalents	82,138	338,101	125,886

Cash and cash equivalents comprise cash balances and short-term call deposits.

6. Share Capital

	Unaudited	Unaudited	Audited
	as at	as at	as at
	30 June 17	30 June 16	31 Dec 16
	£	£	£
Authorised			
36,000,000 Ordinary shares of 10 pence each	3,600,000	3,600,000	3,600,000
Allotted, called up and fully paid			
14,556,844 Ordinary shares of 10 pence each	1,455,684	1,455,684	1,455,684

There are no restrictions on the transfer of shares in Immedia Group Plc. All shares carry equal voting rights.

7. Earnings per share

	Unaudited	Unaudited	Audited
	as at	as at	as at
	30 June 17	30 June 16	31 Dec 16
	Number	Number	Number
Weighted average number of shares in issue	14,556,844	14,556,844	14,556,844
Less weighted average number of own shares	(832,374)	(832,374)	(832,374)
Weighted average number of shares in issue for basic earnings per share	13,724,470	13,724,470	13,724,470

The basic and diluted earnings per share are calculated using the after tax loss attributable to equity shareholders for the financial period of £188,225 (30 June 2016: loss £11,575; 31 December 2016: loss £189,065) divided by the weighted average number of Ordinary shares in issue in each of the relevant periods: 30 June 2017: 13,724,470 shares (30 June and 31 December 2016: 13,724,470 shares). For the period to 30 June 2017 and the year to 31 December 2016 and period to 30 June 2016 and in accordance with IAS 33, the diluted loss per share is stated as the same amount as basic as there is no dilutive effect.

By order of the Board
26 September 2017

FORWARD LOOKING STATEMENTS

This document contains certain forward-looking statements which reflect the knowledge and information available to the Company during the preparation and up to the publication of this document. By their very nature, these statements depend upon circumstances and relate to events that may occur in the future thereby involving a degree of uncertainty. Although the Group believes that the expectations reflected in these statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Given that these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

The Group undertakes no obligation to update any forward-looking statements whether because of new information, future events or otherwise.

The Half-Year Report will be available to view and download from the Group's website at www.immediapl.com

**This information is provided by RNS
The company news service from the London Stock Exchange**