

# VITESSE MEDIA plc

## PRELIMINARY RESULTS FOR THE YEAR ENDED 31 JANUARY 2015

### CHAIRMAN'S REPORT

#### Highlights

- Revenues up 7% to £2.26 million
- Pre-tax loss reduced by 84% to £28k
- EBITDA positive £22k vs. 2014 negative £114k
- Revenues in the technology and events divisions up 40% and 5% respectively
- New events launched over the year delivered a 19% increase in revenue across the events portfolio
- Direct costs reduced by 9%
- Refocused revenue model to emphasise growing events income, lead generation and content creation, generating positive results

#### Performance during the financial year 2014/15

In the Chairman's Report last year, my predecessor highlighted the confidence the Group had that, despite challenging market conditions, it would move towards delivery of its full revenue and profit potential. I am pleased to announce that the Group has indeed made significant progress during the year.

Revenue growth was 7%, a significant improvement over last year, and the losses of the past few years have been reduced close to break-even.

This has been achieved by adhering to the strategy implemented last year that has focused upon digital delivery, events and new product launches combined with a concerted effort to manage and control costs.

A key driver of this revenue growth was the Events division, with a number of new events, which delivered 19% of entirely new revenues. Events managed by the division now account for 43% of total Group revenue.

The Technology division also saw a reversal of the decline of previous years as revenues increased by 40% following a refocus of the division's objectives, particularly upon events including the launch of the well-received Women in IT Awards and digital opportunities.

Website traffic continued to increase across all sectors within which the Group operates, and an increase in online advertising helped to offset the continued downward pressure experienced with traditional print advertising. However, we still need to focus on website traffic growth, and this will be a clear priority going forward.

The Group placed strong emphasis upon cost reduction throughout the year and significant savings were achieved with reductions in the overall cost base. A key part of the indirect cost savings was the move last October into more suitable office premises, resulting in ongoing savings.

#### Crowd-funding platform

Last year, the Group committed to the development of a crowd-funding platform that would add to revenue and profitability. As was announced recently, the board is reassessing this initiative that has suffered delays at a time when the marketplace has become increasingly competitive and expensive to enter.

#### New technology platform

The Group has been working on delivering a unified digital publishing platform and IT infrastructure, which will bring increased synergies across all areas of the business. This will make the business more integrated, automated and agile, allowing it to adapt to change faster, create new revenue streams and maximise their profitability.

The prototype build is currently in a testing environment ready to be rolled out across the portfolio, and the company anticipates that the platform will go live after the summer.

#### Current trading and outlook

Trading for the first four months of the current financial year is broadly in line with budget, although comparatives from year to year are impacted by certain events happening at a different time of year to last year.

## Notice of AGM and publication of Annual Report

The AGM will be held on 31 July at 10am at the offices of Westhouse Securities, Heron Tower, 110 Bishopsgate, London, EC2N 4AY. A notice of meeting together with the Annual Report & Accounts will be dispatched to shareholders early July.

A copy of this Chairman's Report and audited financial statements will be posted today on the Company's website at [www.vitessemedia.com](http://www.vitessemedia.com), as will the Annual Report & Accounts when published in due course.

The audited financial information for the years ended 31 January 2015 and 31 January 2014 contained in this document do not constitute statutory accounts as defined in the Companies Act 2006. The comparative financial information is based on the statutory accounts for the financial year ended 31 January 2014. Those accounts, upon which the auditors issued an unmodified opinion with an emphasis of matter paragraph relating to going concern, have been delivered to the Registrar of Companies. The financial information for the year ended 31 January 2015 has been extracted from the audited financial statements of Vitesse Media Plc which will be delivered to the Registrar of Companies in due course. The auditors have issued an unmodified opinion on the financial statements for the year ended 31 January 2015 which includes an emphasis of matter paragraph in respect of going concern and does not include any statement under Section 498 (2) or (3) of the Companies Act 2006. The preliminary announcement was approved by the Board of Directors and authorised for issue on 10th July 2015.

The Group prepares its annual consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations endorsed by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial information included in this preliminary announcement does not include all the disclosures required by IFRS or the Companies Act 2006 and accordingly it does not itself comply with IFRS or the Companies Act 2006.

### For further information, please contact:

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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 January 2015

	2015 £	2014 £
Revenue	2,259,768	2,109,690
Cost of sales	(736,071)	(571,588)
Gross profit	<u>1,523,697</u>	<u>1,538,102</u>
Administrative expenses	(1,532,752)	(1,705,907)
Share-based payments	(11,234)	(1,975)
Impairment of goodwill and other intangible assets	-	-
Operating loss	<u>(20,289)</u>	<u>(169,780)</u>
Finance costs	(7,767)	(7,728)
Finance income	-	-
	<u>                    </u>	<u>                    </u>

Loss before tax	(28,056)	(177,508)
Tax expense	-	-
	<u>          </u>	<u>          </u>
Loss for the year and total comprehensive income for the year attributable to owners of the parent	(28,056)	(177,508)
Loss per share attributable to owners of the parent		
Basic and diluted	(0.06p)	(0.47p)
	<u>          </u>	<u>          </u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### At 31 January 2015

	2015	2014
	£	£
<b>NON-CURRENT ASSETS</b>		
Goodwill	739,332	729,332
Other intangible assets	1,465,184	1,367,007
Property, plant and equipment	3,648	3,286
	<u>2,208,164</u>	<u>2,099,625</u>
<b>CURRENT ASSETS</b>		
Inventories	15,533	16,216
Trade and other receivables	555,600	318,214
Cash and cash equivalents	27,368	227,479
	<u>598,501</u>	<u>561,909</u>
<b>TOTAL ASSETS</b>	<u>2,806,665</u>	<u>2,661,534</u>
<b>EQUITY</b>		
Share capital	2,811,068	2,778,994
Share premium account	3,257,810	3,209,166
Share option reserve	101,127	132,516
Other reserves	103,904	103,904
Retained earnings	(4,662,393)	(4,676,960)
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<u>1,611,516</u>	<u>1,547,620</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	797,618	815,583
Borrowings	287,531	188,331
	<u>1,085,149</u>	<u>1,003,914</u>
<b>NON CURRENT LIABILITIES</b>		
Borrowings	110,000	110,000
	<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES</b>	<u>1,195,149</u>	<u>1,113,914</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,806,665</u>	<u>2,661,534</u>

## CONSOLIDATED STATEMENT OF CASH FLOWS

### For the year ended 31 January 2015

2015	2014
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	£	£
CASH FLOWS USED IN OPERATING ACTIVITIES	(197,076)	(46,074)
Interest paid	(7,767)	(7,728)
NET CASH USED IN OPERATING ACTIVITIES	<u>(204,843)</u>	<u>(53,802)</u>
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(1,013)	(3,557)
Purchases of intangible assets	(149,673)	(28,046)
NET CASH USED IN INVESTING ACTIVITIES	<u>(150,686)</u>	<u>(31,603)</u>
FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	56,218	208,848
Bank loan received	90,000	55,000
Payment/(Repayment) of invoice discounting facility and bank loan	9,200	(35,437)
Proceeds from long-term borrowings	-	110,000
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>155,418</u>	<u>338,411</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(200,111)	253,006
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>227,479</u>	<u>(25,527)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>27,368</u></u>	<u><u>227,479</u></u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 January 2015

	ATTRIBUTABLE TO OWNERS OF THE PARENT					Total £
	Share capital £	Share premium £	Share- based payment reserve £	Other reserves £	Retained earnings £	
<i>As at 31 January 2013</i>	2,684,063	3,095,249	132,120	103,904	(4,501,031)	1,514,305
Loss for the year	-	-	-	-	(177,508)	(177,508)
Total comprehensive income for the year	-	-	-	-	(177,508)	(177,508)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Issue of share capital	94,931	113,917	-	-	-	208,848
Total transactions with owners in their capacity as owners	94,931	113,917	-	-	-	208,848
Recognition of share-based payments	-	-	1,975	-	-	1,975
Share options lapsed	-	-	(1,579)	-	1,579	-

<i>As at 31 January 2014</i>	2,778,994	3,209,166	132,516	103,904	(4,676,960)	1,547,620
Loss for the year	-	-	-	-	(28,056)	(28,056)
Total comprehensive income for the year	-	-	-	-	(28,056)	(28,056)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Issue of share capital	32,074	48,644	-	-	-	80,718
Total transactions with owners in their capacity as owners	32,074	48,644	-	-	-	80,718
Recognition of share-based payments	-	-	11,234	-	-	11,234
Share options lapsed	-	-	(42,623)	-	42,623	-
<i>As at 31 January 2015</i>	2,811,068	3,257,810	101,127	103,904	(4,662,393)	1,611,516