

Cellcast plc

("Cellcast" or the "Company")

Interim results for the six months ended 30 June 2015

The Board of Cellcast plc (AIM: CLTV) announces the Company's interims results for the six months ended 30 June 2015.

Highlights

- Interactive broadcast revenues of £5.6 million (H1 2014: £6.3 million)
- Profit before tax of £0.26 million for the period (H1 2014: £2.9 million*)
- Earnings per share of 0.4p (H1 2014: 2.6p)

** Included a one off payment of £2.98 million*

Andrew Wilson, CEO of Cellcast plc, commented:

"Whilst we continue to see a decline in demand for our core products and services in the UK, the cost restructuring efforts undertaken in 2013 and 2014 have enabled us to maintain profitability. The Board is actively pursuing new business opportunities for the Company in the gaming and gambling sectors. Whilst progress has been slightly slower than anticipated, we hope to be able to provide an updated to shareholders on progress before the end of the year."

For further information:

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CHIEF EXECUTIVE OFFICER'S STATEMENT

Half year results

Interactive broadcast revenue for the six months ended 30 June 2015 was approximately £5.6 million, a decrease of 11% on the same period last year. Gross profit amounted to £466,000 (H1 2014: gross loss excluding the £2.98m received from Entertainment Networks Ltd: £436,000).

Operating costs in the UK for the period were £380,000 (H1 2014: £393,000).

Overall, the Group's core UK operations generated a profit before tax of £82,000. This compares to an operating loss, excluding the amount received from Entertainment Networks Ltd and exceptional costs, of £828,000 for the period ending 30 June 2014.

In February 2015, the Group novated one of its EPG position to a third party and realised an exceptional profit of £174,000 for the period.

The profit for the period after tax amounted to £256,000. This compares to a net profit of £1,969,000 for the period to 30 June 2014 after taking into account the one-off payment from Entertainment Networks Ltd of £2,980,000.

This represents an earnings per share of 0.4p (H1 2014: 2.6p profit).

Funding

On 6 March 2015 the joint venture in Euro TV SA was wound up and the £1 million invested was returned to the Group.

The cash balance at 30 June 2015 stood at £1,563,000 compared to a balance of £847,000 at 30 June 2014.

Outlook

The business has now implemented the bulk of the cost cutting programme that can be achieved without impacting revenue. If consumer demand can be maintained at current levels then management expect that the profitability of the core UK operations in the first half can be maintained in the second half of the year. The intention of the Board is that none of current cash reserves should be required by existing operations.

The Group's diversification initiatives, focused on the mobile gambling sector in emerging markets, continue. However, service launches planned for the third quarter have been delayed by technical and regulatory challenges and are being rescheduled for the last quarter of this year.

Andrew Wilson

Chief Executive Officer
29 September 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 6 months ended 30 June 2015

	6 months ended 30/06/15 £	6 months ended 30/06/14 £	Audited Year ended 31/12/14 £	
Revenue				
Interactive broadcast	5,616,952	6,333,891	12,159,775	
Channel management	-	2,980,000	2,980,000	
Total revenue	5,616,952	9,313,891	15,139,775	
Cost of sales	(5,151,415)	(6,769,685)	(10,933,554)	
Gross profit	465,537	2,544,206	4,206,221	
Operating costs and expenses:				
Administrative expenses	(304,338)	(321,615)	(789,395)	
TV exploration in overseas countries	-	-	(42,252)	
Exceptional costs	-	(178,000)	(302,109)	
Exceptional profit on sale of intangible asset	173,673	-	-	
Amortisation and depreciation	(75,230)	(71,074)	(126,177)	
Total operating costs and expenses	(205,895)	(570,689)	(1,259,933)	
Operating profit	259,642	1,973,517	2,946,288	
Interest payable & similar charges	(4,000)	(4,361)	(8,441)	
Profit before tax	255,642	1,969,156	2,937,847	
Taxation	84,160	-	-	
Profit for the period	339,802	1,969,156	2,937,847	
Total comprehensive income attributable to owners of the parent	339,802	1,969,156	2,937,847	
Profit per share				
Basic and diluted	3	0.4p	2.6p	3.8p

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	30/06/15	30/06/14	Audited 31/12/14
	£	£	£
Assets			
Non-current assets			
Intangible assets	185,655	103,168	215,351
Property, plant and equipment	216,447	255,640	245,977
Investments	177,627	1,833,085	202,627
	<u>579,729</u>	<u>2,191,893</u>	<u>663,955</u>
Current assets			
Investments	165,000	-	1,000,000
Trade and other receivables	1,610,743	1,591,506	1,473,932
Cash and cash equivalents	1,563,601	846,625	597,670
	<u>3,339,344</u>	<u>2,438,131</u>	<u>3,071,602</u>
Non-current assets classified as held for sale	-	203,173	-
	<u>-</u>	<u>203,173</u>	<u>-</u>
Total assets	<u>3,919,073</u>	<u>4,833,197</u>	<u>3,735,557</u>
Capital and reserves			
Called up share capital	2,285,398	2,285,398	2,285,398
Share premium account	5,533,626	5,533,626	5,533,626
Merger reserve	1,300,395	1,300,395	1,300,395
Warrant reserve	13,702	13,702	13,702
Retained earnings	(7,611,675)	(8,920,168)	(7,951,477)
Equity / (deficit) attributable to owners of the parent	<u>1,521,446</u>	<u>212,953</u>	<u>1,181,644</u>
Liabilities			
Non-current liabilities	535,000	-	585,000
Current liabilities			
Trade and other payables	1,862,627	4,620,244	1,968,913
Total liabilities	<u>2,397,627</u>	<u>4,620,244</u>	<u>2,553,913</u>
Total equity and liabilities	<u>3,919,073</u>	<u>4,833,197</u>	<u>3,735,557</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

As at 30 June 2015	Share Capital	Share Premium	Merger Reserve	Warrant Reserve	Retained Earnings	Shareholders Funds
	£	£	£	£	£	£
Balance at 1 January 2015	2,285,398	5,533,626	1,300,395	13,702	(7,951,477)	1,181,644
Profit for the period	-	-	-	-	339,802	339,802
Balance at 30 June 2015	2,285,398	5,533,626	1,300,395	13,702	(7,611,675)	1,521,446

As at 31 December 2014	Share Capital	Share Premium	Merger Reserve	Warrant Reserve	Retained Earnings	Shareholders Funds
	£	£	£	£	£	£
Balance at 1 January 2014	2,285,398	5,533,626	1,300,395	13,702	(10,889,324)	(1,756,203)
Loss for the period	-	-	-	-	2,937,847	2,937,847
Balance at 31 December 2014	2,285,398	5,533,626	1,300,395	13,702	(7,951,477)	1,181,644

As at 30 June 2014	Share Capital	Share Premium	Merger Reserve	Warrant Reserve	Retained Earnings	Shareholders Funds
	£	£	£	£	£	£
Balance at 1 January 2014	2,285,398	5,533,626	1,300,395	13,702	(10,889,324)	(1,756,203)
Profit for the period	-	-	-	-	1,969,156	1,969,154
Balance at 30 June 2014	2,285,398	5,533,626	1,300,395	13,702	(8,920,168)	212,951

In the above tables, the amounts are attributable to the equity holders of the parent.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months ended 30 June 2015

	6 months ended 30/06/15 £	6 months ended 30/06/14 £	Audited Year ended 31/12/14 £
Net cash (outflow) / inflow from operations a	(47,738)	(856,463)	1,242,653
Net cash inflow / (outflow) from investing activities b	1,017,669	1,303,297	(1,040,695)
Net cash used in financing activities c	(4,000)	(4,363)	(8,441)
Net increase in cash and cash equivalents	965,931	442,471	193,517
Cash and cash equivalents at beginning of period	597,670	404,153	404,153
Cash and cash equivalents at end of period	1,563,601	846,624	597,670

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months ended 30 June 2015

	6 months ended 30/06/15 £	6 months ended 30/06/14 £	Audited Year ended 31/12/14 £
a Reconciliation of net loss to net cash (outflow) / inflow from operating activities			
Profit before tax	255,642	1,969,154	2,937,847
Interest receivable & similar income	-	-	-
Interest payable & similar charges	4,000	4,363	8,441
Amortisation and depreciation	75,230	71,074	126,177
Gain on sale of intellectual property	(173,673)	-	-
Gain on sale of channel	-	(2,980,000)	-
Impairment of assets held for sale	-	-	40,000
R&D tax credit	84,160	-	-
(Increase) / decrease in trade and other receivables	(136,811)	481,165	598,738
Decrease in trade and other payables	(156,286)	(402,219)	(2,468,550)
Net cash (outflow) / inflow from operations	(47,738)	(856,463)	1,242,653
b Cash flow from investing activities			
Proceeds on sale of channel	-	2,980,000	-
Proceeds on sale of intellectual property	173,673	-	-
Purchase of property, plant and equipment	(16,004)	(13,072)	(40,695)
Purchase of intangible assets	-	-	-
Purchase of assets held for sale	-	(33,173)	-
Sale / (purchase) of investment	1,025,000	(1,630,458)	(1,000,000)
Purchase of short-term investments	(165,000)	-	-
Net cash inflow / (outflow) from investing activities	1,017,669	1,303,297	(1,040,695)
c Cash flow from financing activities			
Interest paid	(4,000)	(4,363)	(8,441)
Net cash used in financing activities	(4,000)	(4,363)	(8,441)
d Cash and cash equivalents			
Cash at bank	1,563,601	846,624	597,670
Cash and cash equivalents at the end of the period	1,563,601	846,624	597,670

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. General Information

Cellcast plc is a limited liability Company incorporated and domiciled in the United Kingdom. Its business address is Unit 20-22 Cochran Close, Crownhill Industrial Estate, Milton Keynes, MK8 0AJ. The address of its registered office is The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. Copies of this statement are available from this address and from the Company's website www.cellcast.tv.

The Company is quoted on the AIM Market of the London Stock Exchange.

This condensed consolidated interim financial information was approved for issue on 29 September 2015.

2. Basis of preparation

This unaudited condensed consolidated interim financial information is for the six months ended 30 June 2015. This has been prepared in accordance with recognition and measurement principles of International Financial Reporting Standards (IFRS) as endorsed by the European Union and implemented in the UK. The financial information in this interim announcement does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The interim financial information does not include all of the information required for full annual financial statements and accordingly, whilst the interim financial information has been prepared in accordance with the recognition and measurement principles of IFRS, it cannot be construed as being in full compliance with IFRS.

The comparative financial information for the year ended 31 December 2013 does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The statutory accounts of the Group for the year ended 31 December 2014 have been reported on by the Company's auditor and have been delivered to the Registrar of Companies.

The current and comparative periods to June have been prepared using accounting policies and practices consistent with those adopted in the annual financial statements for the year ended 31 December 2014 and are also consistent with those which will be adopted in the 31 December 2015 financial statements.

There were no other Standards and Interpretations which were in issue but not effective at the date of authorisation of this condensed interim financial information that the directors anticipate will have a material impact on the financial statements of the Group.

NOTES TO THE UNAUDITED INTERIM ACCOUNTS STATEMENT

3. Earnings per share

Basic and diluted earnings per share is based on the profit after tax and on the following weighted average number of shares in issue.

	6 months ended 30/06/2015 £	6 months ended 30/06/2014 £	Audited Year ended 31/12/2014 £
Reported profit for the financial period	339,802	1,969,154	2,937,847
	Number	Number	Number
Weighted average number of ordinary shares	76,471,557	76,471,557	76,471,557
Dilutive effect of outstanding share options and warrants	-	-	-
Weighted average number of ordinary shares for diluted earnings per share	<u>76,471,557</u>	<u>76,471,557</u>	<u>76,471,557</u>
Basic earnings per share (pence)	0.4p	2.6p	3.8p
Diluted earnings per share (pence)	<u>0.4p</u>	<u>2.6p</u>	<u>3.8p</u>