

Cellcast plc
(“Cellcast” or the “Company”)

Interim results for the six months ended 30 June 2016

The Board of Cellcast plc (AIM: CLTV) announces the Company’s interims results for the six months ended 30 June 2016.

Highlights

- UK interactive broadcast revenues of £5.3 million (H1 2015: £5.6 million)
- Revenues from newly launched overseas gaming services of £320,000 (H1 2015: £nil)
- Profit before tax of £78,000 for the period (H1 2015: £256,000)
- Earnings per share of 0.1p (H1 2015: 0.4p)

Andrew Wilson, CEO of Cellcast plc, commented:

“Whilst demand for our core interactive broadcast revenues in the UK continued to decline, we are encouraged to have commenced revenue generation from our new consulting operations in the gaming and gambling sectors in emerging markets. The Directors are hopeful that this provides an opportunity to offset further decline in the domestic TV related business.”

For further information:

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CHIEF EXECUTIVE OFFICER'S STATEMENT

Half year results

UK interactive broadcast revenues for the six months ended 30 June 2016 were approximately £5.3 million, a decrease of 8% on the same period last year. Revenue from newly launched overseas gaming consultancy services represented £320,000. Gross profit amounted to £378,000 (H1 2015: £639,000).

Operating costs for the period were £343,000 (H1 2015: £380,000).

Overall, the Company's operations generated a profit before tax of £78,000. This compares to an operating profit of £256,000 for the period ending 30 June 2015.

The post-tax profit for the period amounted to £78,000. This represents earnings per share of 0.1p. By comparison, the period to 30 June 2015 achieved a net profit of £339,000 and earnings per share of 0.4p.

The Company's cash and cash equivalents at 30 June 2016 stood at £1,189,000 compared to a balance of £1,563,000 at 30 June 2015.

Outlook

As the Group's core revenues from UK interactive broadcasting diminish, the Directors are continuing to explore opportunities for diversification, specifically focussing on building revenues from the licensing, consulting and support of interactive gaming products and services in emerging markets. The Directors are pleased with the progress made in the Company's first venture into this new business area, as a services provider to a gaming operator in Kenya. Whilst launched in November 2015, the Company commenced meaningful revenue generation during H1 2016 and its contract with its local client is on-going. It is hoped that net contribution from these services could be increased by margin improvement from the economies of scale that could be achieved by expanding its portfolio of applications

Whilst the Group does not envisage a short term recovery in its core UK interactive TV business, the Company is progressing interesting opportunities in these area, such as launching on a new cable TV platform and provision of new paid-for online content. The Company's objective over the medium term is that the new and other related initiatives can offset the continuing deterioration of the domestic TV related business.

Andrew Wilson

Chief Executive Officer
27 September 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 6 months ended 30 June 2016

	6 months ended 30/06/16 £	6 months ended 30/06/15 £	Audited Year ended 31/12/15 £
Revenue	5,663,962	5,790,625	11,840,875
Cost of sales	(5,285,847)	(5,151,415)	(10,606,279)
Gross profit	<u>378,115</u>	<u>639,210</u>	<u>1,234,596</u>
Operating costs and expenses:			
Administrative expenses	(264,473)	(304,338)	(660,203)
Amortisation and depreciation	(78,694)	(75,230)	(152,702)
Total operating costs and expenses	<u>(343,166)</u>	<u>(379,568)</u>	<u>(812,905)</u>
Operating profit	34,948	259,642	421,691
Interest receivable and similar income	14,352	-	28,880
Interest payable & similar charges	(4,514)	(4,000)	(6,268)
Share of results of associate	33,202	-	7,135
Profit before tax	<u>77,989</u>	<u>255,642</u>	<u>451,438</u>
Taxation	-	84,160	-
Tax credit	-	-	78,384
Profit for the period	<u>77,989</u>	<u>339,802</u>	<u>529,822</u>
Total comprehensive income attributable to owners of the parent	<u><u>77,989</u></u>	<u><u>339,802</u></u>	<u><u>529,822</u></u>
Profit per share			
Basic and diluted	<u>0.1p</u>	<u>0.4p</u>	<u>0.7p</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	30/06/16	30/06/15	Audited 31/12/15
	£	£	£
Assets			
Non-current assets			
Intangible assets	129,856	185,655	154,912
Property, plant and equipment	165,752	216,447	209,373
Investments	88,813	177,627	88,813
Interest in associate	40,341	-	7,139
	<u>424,762</u>	<u>579,729</u>	<u>460,237</u>
Current assets			
Investments	242,350	165,000	205,335
Trade and other receivables	1,785,150	1,610,743	2,301,178
Cash and cash equivalents	1,188,962	1,563,601	839,276
	<u>3,216,462</u>	<u>3,339,344</u>	<u>3,345,789</u>
Non-current assets classified as held for sale	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>3,641,224</u>	<u>3,919,073</u>	<u>3,806,026</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	(7,343,666)	(7,611,675)	(7,421,655)
Equity / (deficit) attributable to owners of the parent	<u>1,789,455</u>	<u>1,521,446</u>	<u>1,711,466</u>
Liabilities			
Non-current liabilities	435,000	535,000	485,000
Current liabilities			
Trade and other payables	1,416,769	1,862,627	1,609,560
Total liabilities	<u>1,851,769</u>	<u>2,397,627</u>	<u>2,094,560</u>
Total equity and liabilities	<u>3,641,224</u>	<u>3,919,073</u>	<u>3,806,026</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

As at 30 June 2016	Share Capital	Share Premium	Merger Reserve	Warrant Reserve	Retained Earnings	Shareholders Funds
	£	£	£	£	£	£
Balance at 1 January 2016	2,285,398	5,533,626	1,300,395	13,702	(7,421,655)	1,711,466
Profit for the period	-	-	-	-	77,989	77,989
Balance at 30 June 2016	2,285,398	5,533,626	1,300,395	13,702	(7,343,668)	1,789,453

As at 31 December 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
Loss for the period	-	-	-	-	529,822	529,822
Balance at 31 December 2015	2,285,398	5,533,626	1,300,395	13,702	(7,421,655)	1,711,466

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

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 2016

	6 months ended 30/06/16 £	6 months ended 30/06/15 £	Audited Year ended 31/12/15 £
Net cash inflow / (outflow) from operations a	364,216	(47,738)	(556,463)
Net cash (outflow) / inflow from investing activities b	(10,017)	1,017,669	804,337
Net cash used in financing activities c	(4,514)	(4,000)	(6,268)
Net increase in cash and cash equivalents	349,685	965,931	241,606
Cash and cash equivalents at beginning of period	839,276	597,670	597,670
Cash and cash equivalents at end of period	1,188,961	1,563,601	839,276

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months ended 30 June 2016

	6 months ended 30/06/16 £	6 months ended 30/06/15 £	Audited Year ended 31/12/15 £
a Reconciliation of net loss to net cash (outflow) / inflow from operating activities			
Profit before tax	77,989	255,642	451,438
Interest receivable & similar income	(14,352)	-	(28,880)
Interest payable & similar charges	4,514	4,000	6,268
Amortisation and depreciation	78,694	75,230	152,702
Gain on sale of intellectual property	-	(173,673)	-
Share of associates profit	(33,202)	-	(7,135)
FX gain on current asset investment	(22,663)	-	(11,455)
Impairment of non-current asset investments	-	-	88,814
R&D tax credit	-	84,160	78,384
Decrease / (increase) in trade and other receivables	516,028	(136,811)	(827,246)
Decrease in trade and other payables	(242,791)	(156,286)	(459,353)
Net cash (outflow) / inflow from operations	364,216	(47,738)	(556,463)
b Cash flow from investing activities			
Proceeds on sale of channel	-	-	-
Proceeds on sale of intellectual property	-	173,673	-
Purchase of property, plant and equipment	(10,017)	(16,004)	(55,659)
Refund of JV	-	-	1,000,000
Investment in treasury fund	-	(165,000)	(165,000)
Sale / (purchase) of investment	-	1,025,000	-
Proceed from non-current investment	-	-	25,000
Purchase of investment in associate	-	-	(4)
Net cash inflow / (outflow) from investing activities	(10,017)	1,017,669	804,337
c Cash flow from financing activities			
Interest paid	(4,514)	(4,000)	(6,268)
Net cash used in financing activities	(4,514)	(4,000)	(6,268)
d Cash and cash equivalents			
Cash at bank	1,188,962	846,624	839,276
Cash and cash equivalents at the end of the period	1,188,962	846,624	839,276

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 27 September 2016.

2. Basis of preparation

This unaudited condensed consolidated interim financial information is for the six months ended 30 June 2016. 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 2015 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 2015 and are also consistent with those which will be adopted in the 31 December 2016 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. Revenue

	6 months ended 30/06/16 £	6 months ended 30/06/15 £	Audited Year ended 31/12/15 £
Revenue			
Interactive broadcast	5,343,767	5,790,625	11,840,875
Overseas gaming services	320,195	-	-
Total revenue	<u>5,663,962</u>	<u>5,790,625</u>	<u>11,840,875</u>

4. 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 30/06/2016 £	6 months ended 30/06/2015 £	Audited Year ended 31/12/2015 £
Reported profit for the financial period	<u>77,989</u>	<u>339,802</u>	<u>529,822</u>
	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)	0.1p	0.4p	0.7p
Diluted earnings per share (pence)	0.1p	0.4p	0.7p

