

Regulatory Story

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Intandem Films PLC - IFM
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Half Yearly Results

Intandem.

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Intandem Films PLC
31 March 2014

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INTANDEM FILMS PLC

("Intandem" or the "Company")

Half Yearly Results to 31 December 2013

Intandem Films plc (AIM: IFM), the London based international film group, is pleased to announce its results for the six months to 31 December 2013.

Chief Executive Officer's Statement

It is just over a year since I became CEO of Intandem Films Plc and, despite there being a lot more work to do, the structure of the Company has changed enormously, is now positioned to move forwards and as a result I look forward to the future with optimism.

In twelve months, our slate has improved significantly and currently comprises five finished films, three in the filming stage, seven in pre-production, two fully financed with shooting dates to be confirmed and two successfully completed (*Red Mansions and Catweazle*) third party SEIS (Seed Enterprise Investment Scheme) projects.

Furthermore, there are an additional eight movies for which we are helping raise finance and of these eight, two are almost fully funded.

I am very pleased with the progress made in the twelve months I have been CEO, but as I said earlier, there is still a lot of hard work to be done.

FINANCIALS

Turnover for the period under review was £136,251 (2012: £238,033) and the loss before tax was £294,793 (2012: £651,496) with a loss per share of 0.09p (2012: loss per share of 0.44p). The loss has decreased mainly as a result of restructuring of the Company and tighter control of costs which is in line with the new strategy. The Company continues to operate at a net

liabilities and a net current liabilities position.

THE BOARD

I am very pleased that our three non-exec directors, Alan Bowen, Corinne Lambert & Chris Sykes (legal adviser) were all re-elected to the board at our AGM in January 2014. I would like to thank Andrew Brown and Billy Hurman for their continued good work with the Company.

On 29th January 2014, we announced our new staff share option scheme, which I hope proved how much faith the Board has in the Company's future success and illustrates that there will be no rewards for staff until shareholders have seen a genuine return on their investment.

THE FIRST SIX MONTHS OF THE FINANCIAL YEAR JULY 2013 - JUNE 2014

The revenues we were able to earn, especially towards the end of the six months have meant that we have cut our losses significantly to £294,793 for the period, compared to the first six months of the last financial year.

We expect our slate of films will continue to improve in both number and quality over the next eighteen months and we believe the films we have on the current slate are of a number and quality that Intandem Media Group will be able to show increases in monthly revenue over time.

We also believe the creation of Bold Ink, our digital marketing division, under the direction of Emilie Kodjo will play a major part in our future turnover. We expect Emilie will work on the majority of the films we are now representing as well as projects from outside of the Company.

The name change of our film sales department, from Intandem Films to Manifest Film Sales, was done after considerable consultation with film financiers, film distributors and film producers. Almost one hundred per cent of those consulted agreed that early 2014 was the right time to rename the division. Everyone understood a new name would perfectly illustrate the changes made to our business.

OUTLOOK

I have huge ambitions for the Company and our staff moving forward. We believe Intandem Media Group is now in a place where I can confidently start to fully utilise my relationships with the key names in filmmaking and promise very demanding and talented filmmakers that Intandem is the right place for their movies.

While it was tempting to approach these people during the rebuilding phase, I knew it would be better left until I could prove that I wasn't going to them for help; that I would only approach them when I felt we could add value to their films.

I would like to thank the Board and our shareholders for their continued support.

Robert Mitchell
Chief Executive Officer
31 March 2014

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
HALF YEAR ENDED 31 DECEMBER 2013

| | Notes | As at 31/12/13 £ | As at 31/12/12 £ | As at 30/06/13 £ |
|--|-------|-------------------------|-------------------------|---------------------------|
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | | 13,991 | 22,865 | 16,291 |
| Financial assets | | 100 | 100 | 100 |
| | | <u>14,091</u> | <u>22,965</u> | <u>16,391</u> |
| Current Assets | | | | |
| Trade receivables | | 75,255 | 284,667 | 46,181 |
| Other current assets | | 118,948 | 204,213 | 94,211 |
| Cash and cash equivalents | | 7,381 | 8,656 | 15,115 |
| | | <u>201,584</u> | <u>497,536</u> | <u>155,507</u> |
| Total assets | | <u>215,675</u> ===== | <u>520,501</u> ===== | <u>171,898</u> ===== |
| Equity and liabilities | | | | |
| Equity attributable to equity holders of the parent | | | | |
| Share capital | | 383,669 | 146,715 | 146,715 |
| Share premium | | 4,691,253 | 3,898,139 | 3,898,139 |
| Merger reserve | | 252,506 | 252,506 | 252,506 |
| Foreign exchange reserve | | (397,221) | (324,721) | (288,821) |
| Retained earnings | | (5,188,088) | (4,123,915) | (4,893,295) |
| | | <u>(257,881)</u> | <u>(151,276)</u> | <u>(884,756)</u> |
| Non-current liabilities | | | | |
| Deferred income | | - | 6,731 | - |
| | | <u>-</u> | <u>6,731</u> | <u>-</u> |
| Current liabilities | | | | |
| Trade and other payables | | 473,556 | 665,046 | 1,056,654 |
| Total liabilities | | <u>473,556</u> ===== | <u>671,777</u> ===== | <u>1,056,654</u> ===== |
| Total equity and liabilities | | <u>215,675</u> ===== | <u>520,501</u> ===== | <u>171,898</u> ===== |

CONSOLIDATED INCOME STATEMENT
HALF YEAR TO 31 DECEMBER 2013

| | Notes | 6 months ended 31/12/13 £ | 6 months ended 31/12/12 £ | Year ended 30/06/13 £ |
|-------------------------|-------|---------------------------------|---------------------------------|-----------------------------|
| Turnover | | | | |
| Executive producer fees | | - | 166,548 | 165,000 |

| | | | |
|---|---------------------------|---------------------------|-----------------------------|
| Commissions & other income | 83,694 | 14,181 | 40,688 |
| Recoverable project costs | 52,557 | 57,304 | 80,151 |
| | <u>136,251</u> | <u>238,033</u> | <u>285,839</u> |
| Cost of Sales | | | |
| Recoverable expenses | (52,557) | (57,304) | (80,151) |
| Amortisation of film asset | - | - | - |
| Gross profit | 83,694 | 180,729 | 205,688 |
| Overheads | | | |
| Staff costs | (189,537) | (195,736) | (283,150) |
| Depreciation | (3,387) | (6,253) | (13,010) |
| Other external charges | (169,182) | (629,510) | (1,207,537) |
| Operating loss | <u>(278,412)</u> | <u>(650,770)</u> | <u>(1,298,009)</u> |
| Finance costs | (16,381) | (726) | (6,220) |
| Income from investments | - | - | - |
| Loss before tax | <u>(294,793)</u> | <u>(651,496)</u> | <u>(1,304,229)</u> |
| Income tax expense | - | - | - |
| Profit/(Loss) for the year from continuing operations | <u>(294,793)</u> ===== | <u>(651,496)</u> ===== | <u>(1,304,229)</u> ===== |
| Earnings per share | | | |
| Basic | (0.09 pence) | (0.44 pence) | (0.89 pence) |
| Diluted | (0.09 pence) | (0.44 pence) | (0.89 pence) |

**CONSOLIDATED CASH FLOW STATEMENT
HALF YEAR TO 31 DECEMBER 2013**

| | Note | 6 months ended 31/12/13 £ | 6 months ended 31/12/12 £ | Year ended 30/06/13 £ |
|--|------|------------------------------------|------------------------------------|--------------------------------|
| Cash flows from operating activities | | | | |
| Cash from (used in) operating activities | | (1,020,334) | (486,803) | (641,667) |
| Interest paid | | (16,381) | (726) | (6,220) |
| Net cash (used in) operating activities | | <u>(1,036,715)</u> | <u>(487,529)</u> | <u>(647,887)</u> |
| Cash flows from investing activities | | | | |
| Purchases of property, plant and equipment | | (1,087) | (19,060) | (19,243) |
| Purchase of film assets | | - | - | - |
| Investment in associated companies | | - | - | - |
| Interest received | | - | - | - |
| Net cash from (used in) investing activities | | <u>(1,087)</u> | <u>(19,060)</u> | <u>(19,243)</u> |
| Cash flows from financing activities | | | | |
| Issue of new ordinary shares | | 1,184,768 | - | - |
| Net proceeds on financing of film asset revenues | | (154,700) | - | - |
| Repayment of loan | | (167,000) | - | - |
| Issue of new loans | | - | - | 167,000 |
| Proceeds on issue of convertible loan notes | | - | - | - |

| | | | |
|---|------------------|------------------|------------------|
| Net cash from financing activities | 863,068 | - | 167,000 |
| Net increase/(decrease) in cash and cash equivalents | (174,734) | (506,589) | (500,130) |
| Cash and cash equivalents at beginning of period | 15,115 | 515,245 | 515,245 |
| Foreign exchange difference on consolidation | - | - | - |
| Cash and cash equivalents at end of period | (159,619) | 8,656 | 15,115 |
| | ===== | ===== | ===== |
| Bank balances and cash | 7,381 | 8,656 | 15,115 |
| | ===== | ===== | ===== |

NOTES TO THE ACCOUNTS

1. Accounting policies

The principal accounting policies are as set out in the June 2013 annual report.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and with those parts of the Companies Act, 2006 applicable to companies reporting under IFRS. The financial reports have been prepared under the historical cost convention.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

2. Status of financial information

The interim results for the 6 months ended 31 December 2013 and the 6 months ended 31 December 2012 are unaudited and do not constitute statutory accounts within the meaning of section 428, Companies Act 2006. The figures for the year ended 30 June 2013 have been extracted from the audited annual accounts.

3. Earnings per share

| Earnings | 6 months ended 31/12/13 | 6 months ended 31/12/12 | Year ended 30/06/13 |
|---|--------------------------------|--------------------------------|----------------------------|
| | £ | £ | £ |
| Earnings for the purpose of basic earnings per share (net loss for the year) | (294,793) | (651,496) | (1,304,229) |
| Earnings for the purpose of diluted earnings per share | (294,793) | (651,496) | (1,304,229) |
| Number of shares | 6 months ended 31/12/13 | 6 months ended 31/12/12 | Year ended 30/06/13 |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | 341,517,303 | 146,715,000 | 146,715,000 |
| Weighted average number of ordinary shares for the purposes of diluted earnings per share | 341,517,303 | 146,715,000 | 146,715,000 |

4. Share capital

| 6 months ended 31/12/13 | 6 months ended 31/12/12 | Year ended 30/06/13 |
|--------------------------------|--------------------------------|----------------------------|
| £ | £ | £ |

Authorised:

| | | | |
|---------------------------------|----------------|----------------|----------------|
| Ordinary shares of £0.001 each | 600,000 | 200,000 | 200,000 |
| Issued and fully paid: | ===== | ===== | ===== |
| Ordinary shares of £0.001 each | 383,669 | 146,715 | 146,715 |
| | ===== | ===== | ===== |
| Reported at beginning of period | 146,715 | 146,715 | 146,715 |
| Reported at period end | <u>383,669</u> | <u>146,715</u> | <u>146,715</u> |

5. Note to the cash flow statement

| | 6 months ended 31/12/13 £ | 6 months ended 31/12/12 £ | Year ended 30/06/13 £ |
|---|--|--|--------------------------------------|
| Loss for the year | (294,793) | (651,496) | (1,304,229) |
| Adjustment for: | | | |
| - Finance credits | 16,381 | 726 | 6,220 |
| - Depreciation | 3,387 | 6,253 | 13,010 |
| - Amortisation | - | - | - |
| - Movements in foreign exchange reserve | (108,400) | 35,493 | 35,900 |
| - Other operating income | - | - | - |
| Changes in working capital: | | | |
| - Charge for share options issued during the year | - | - | (81,154) |
| - Increase in trade and other receivables | (53,811) | 77,031 | 425,519 |
| - Increase in trade and other payables | (583,098) | 45,190 | 263,067 |
| Cash from (used in) operations | <u>(1,020,334)</u> | <u>(486,803)</u> | <u>(641,667)</u> |

6. Financial assets

| | 6 months ended 31/12/13 £ | 6 months ended 31/12/12 £ | Year ended 30/06/13 £ |
|-------------------------------------|--|--|--------------------------------------|
| Available-for-sale financial assets | | | |
| Beginning of the period | 100 | 100 | 100 |
| Additions / (Disposals) | - | - | - |
| Amortisation | - | - | - |
| Movements due to foreign exchange | - | - | - |
| End of year | <u>100</u> | <u>100</u> | <u>100</u> |

Available-for-sale financial assets include the following:

| | 6 months ended 31/12/13 £ | 6 months ended 31/12/12 £ | Year ended 30/06/13 £ |
|----------------------------------|--|--|--------------------------------------|
| Unlisted securities: | | | |
| Investment in Audley Films Ltd | 100 | 100 | 100 |
| Investment in film library | - | - | - |
| Investment in Radical Publishing | - | - | - |
| | <u>100</u> | <u>100</u> | <u>100</u> |

Available-for-sale financial assets are denominated in the following currencies:

6 months **6 months**

| | ended 31/12/13 | ended 31/12/12 | Year ended 30/06/13 |
|----------------------|-------------------|-------------------|------------------------|
| | £ | £ | £ |
| Pound | 100 | 100 | 100 |
| United States Dollar | - | - | - |
| | <u>100</u> | <u>100</u> | <u>100</u> |
| | ===== | ===== | ===== |

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