

Ludorum plc

Interim results for the period ending 30 June 2006

Ludorum plc today announces its interim results for the period from its incorporation on 18 October 2005 to 30 June 2006.

The highlight of the period was the successful £5 million placing and listing of Ludorum's shares on the Alternative Investment Market of the London Stock Exchange in April.

Rob Lawes, Chief Executive Officer of Ludorum, today said "We were delighted with the response of shareholders to our placing in April. Ludorum was formed to exploit intellectual property assets across the broad spectrum of distribution outlets now available and we have been greatly encouraged by the opportunities we've seen since we came to the market. We look forward with confidence to the successful development and implementation of our strategy."

Enquiries

Ludorum plc

Rob Lawes 020 8849 8735

Brunswick

Kate Holgate 020 7404 5959

Chief Executive's Statement

I am pleased to report the first set of results since Ludorum plc came to the Alternative Investment Market in April. Ludorum was formed to exploit intellectual property assets across the broad spectrum of distribution outlets now available. Our view that significant opportunities exist to create shareholder value through this strategy has been reaffirmed by the breadth of opportunities we have been able to review since coming to the market.

Results

The results for the period, which are reported under IFRS, were a loss before taxation of £456,000, comprising operational costs offset to some extent by interest income from the company's cash reserves. The loss per share was 26.0 pence.

In accordance with the requirements of IFRS, the company has estimated the fair value of awards granted under its incentive option plan and has charged a total of £82,000 to the profit and loss account for the period in respect of these awards. Without this charge, the loss before tax for the period would have been £374,000 and the loss per share 21.3 pence.

Outlook

Ludorum stated its strategy, on its admission to AIM, to exploit intellectual property assets through the experience of its management team and the opportunities for distribution offered by the increasing range of new media platforms that are becoming available. We look to acquire companies that offer the opportunity to create value through the application of our management expertise, to build a library of high-quality IP assets through acquisition and internal development and, where appropriate, to acquire interests in businesses within the media and entertainment fields that have the potential to accelerate our access to new media platforms or content libraries. We are convinced by the opportunities to create shareholder value that this strategy offers and look forward to making significant progress in the months ahead.

Ludorum plc
Consolidated income statement
for the period from incorporation on 18 October 2005 to 30 June 2006

	Notes	Unaudited 2006 £000
Continuing operations		
Administrative expenses		(463)
Other expenses		(37)
<hr/>		
Operating loss		(500)
Interest payable and similar charges		(1)
Interest receivable		45
<hr/>		
Loss before taxation	2	(456)
Taxation	4	-
<hr/>		
Loss for the period		(456)
<hr/>		
Basic and diluted earnings per share	5	(26.0)p

Ludorum plc
Consolidated balance sheet as at 30 June 2006

	Notes	Unaudited 2006 £000
Assets		
Non-current assets		
Property, plant and equipment	6	12
		12
Current assets		
Trade and other receivables	7	64
Cash and cash equivalents	8	4,315
		4,379
Liabilities		
Current liabilities		
Trade and other payables	9	(91)
		(91)
Net current assets		4,288
Non-current liabilities		
Provisions	10	(7)
Net assets		4,293
Shareholders' equity		
Ordinary shares	11	50
Deferred shares	11	50
Share premium	12	4,574
Other reserves	13	75
Retained losses	14	(456)
Total shareholders' equity		4,293

Ludorum plc
Statement of changes in shareholders' equity

	Share capital £000	Share premium £000	Retained earnings £000	Other reserves £000	Total shareholders' equity £000
At 18 October 2005	-	-	-	-	-
Loss for the period	-	-	(456)	-	(456)
Charge relating to incentive option plan	-	-	-	75	75
New shares issued	100	4,901	-	-	5,001
Costs relating to the issue of shares	-	(327)	-	-	(327)
At 30 June 2006	100	4,574	(456)	75	4,293

Ludorum plc
Consolidated cash flow statement
for the period from incorporation on 18 October 2005 to 30 June 2006

	Notes	Unaudited 2006 £000
Cash flows from operating activities		
Cash used in operations	15	(353)
Interest received		9
Interest paid		(1)
Net cash used in operating activities		(345)
Cash flows from investing activities		
Purchase of property, plant and equipment	6	(14)
Net cash used in investing activities		(14)
Cash flows from financing activities		
Net proceeds from issue of share capital	11,12	4,674
Net cash generated from financing activities		4,674
Net increase in cash and cash equivalents		4,315
Cash and cash equivalents at 18 October 2005		-
Cash and cash equivalents at 30 June 2006	8	4,315

Ludorum plc
Notes to the interim financial statements
for the period from incorporation on 18 October 2005 to 30 June 2006

1 Accounting policies

The principal accounting policies adopted in the preparation of these interim financial statements are set out below. These policies have been consistently applied to the whole period presented.

Basis of preparation

These interim financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations as adopted by the EU and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The interim financial statements have been prepared under the historical cost convention. A summary of the more important group accounting policies is set out below.

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 these estimates.

Basis of consolidation

These interim financial statements include the results of the company and its subsidiary. The results of businesses acquired during the period are included from the effective date of acquisition.

Property, plant & equipment

Property, plant and equipment comprises office equipment which is recorded at purchase cost. Depreciation is calculated so as to write off the cost of the assets, less their estimated residual values, over their expected useful economic lives. Office equipment is depreciated on a straight-line basis over its estimated useful life of three years.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held in a UK clearing bank account or held on treasury deposit.

Tax and deferred tax

Taxation is recognised on profits at the rate of corporation tax applicable to small companies of 19%. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where there is an obligation to pay more tax or a right to pay less tax in the future. Deferred tax assets are recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be available taxable profits against which the future reversal of the underlying timing differences can be offset.

Ludorum plc
Notes to the interim financial statements
for the period from incorporation on 18 October 2005 to 30 June 2006

1 Accounting policies (cont.)

Operating leases

Payments relating to operating leases are recognised in the income statement on a straight line basis over the lease term. Initial rent deposits are shown as a debtor in the balance sheet.

Incentive option plan

The company has granted share options under the Incentive Option Plan which will result in share-based payments to optionholders on exercise of the options. The fair value of these options, which the company has estimated at the award date using a Monte Carlo valuation model, is expensed through the income statement over the vesting period of the options.

Share capital

The company's share capital consists of ordinary shares with a nominal value of 1p each and deferred shares with a nominal value of 99p each. No dividends have been declared or paid on the ordinary shares. The rights of the deferred shares to receive dividends or participate in distributions of capital on a winding-up are so limited as to render the deferred shares of negligible value.

2 Loss before taxation

	2006
	£000
<hr/>	
The following items have been included in arriving at loss before taxation	
Staff costs	346
Depreciation of property, plant and equipment	2
Operating lease rentals - property, plant and equipment	19
<hr/>	

3 Employees and directors

Staff costs for the group during the period

	2006
	£000
<hr/>	
Wages and salaries	220
Social security costs	27
Other pension costs	17
	<hr/>
	264
Costs attributable to the Incentive Option Plan	82
<hr/>	
	346
<hr/>	

The group had five employees (including executive directors) at 30 June 2006.

Ludorum plc
Notes to the interim financial statements
for the period from incorporation on 18 October 2005 to 30 June 2006

4 Taxation

	2006
	£000
Current tax	
Continuing operations	-
Deferred tax	
Continuing operations	-
Taxation	-

The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2006
	£000
Loss before taxation	(456)
Loss before taxation multiplied by the rate of UK corporation tax applicable to small companies of 19%	(87)
Effect of:	
Expenses not deductible for tax purposes	1
Losses available to carry forward and other timing differences	86
Taxation	-

The unprovided deferred tax asset at 30 June 2006 is estimated to be £86,000 and is in respect of trading losses incurred and other timing differences.

5 Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Because basic EPS results in a loss per share the diluted EPS is calculated using the undilutive weighted average number of shares.

	Earnings	Weighted average number of shares	Per-share amount
	£000		pence
Basic and diluted EPS			
Loss attributable to ordinary shareholders	(456)	1,754,494	(26.0)
			(26.0)

Ludorum plc
Notes to the interim financial statements
for the period from incorporation on 18 October 2005 to 30 June 2006

6 Property, plant and equipment

	Office equipment £000
Cost	
At 18 October 2005	-
Additions	14
At 30 June 2006	14
Accumulated depreciation	
At 18 October 2005	-
Charge for the period	2
At 30 June 2006	2
Net book amount at 30 June 2006	12

The company considers at each reporting date whether there is any indication of impairment of its assets. In the event that impairment is identified, the carrying amount of the assets is written down immediately to its estimated recoverable amount.

7 Trade and other receivables

	2006 £000
Amounts falling due within one year:	
Bank interest receivable	36
Rent deposit	4
VAT recoverable	3
Prepayments and accrued income	21
	64

On 11 January 2006, the Company entered into an agreement for the rental of office accommodation for a six-month period commencing on 16 January 2006. The agreement was subsequently amended so as to expire on 31 January 2007. A deposit was lodged with the lessor which is repayable after the premises have been vacated.

8 Cash and cash equivalents

	2006 £000
Cash and cash equivalents	
Cash at bank and in hand	4,315
	4,315

Ludorum plc
Notes to the interim financial statements
for the period from incorporation on 18 October 2005 to 30 June 2006

9 Trade and other payables

	2006 £000
Trade payables	8
Other creditors	42
Accruals	41
	91

10 Provisions

	Social Security Costs £000
At 18 October 2005	-
Income statement charge	7
At 30 June 2006	7

Social security costs

The company is providing for the anticipated employer's national insurance contribution that will arise on the exercise of awards granted under the 2006 Incentive Option Plan.

Ludorum plc
Notes to the interim financial statements
for the period from incorporation on 18 October 2005 to 30 June 2006

11 Called up share capital

	Shares	2006 £000
Authorised		
Ordinary shares of 1 pence each	7,666,667	77
Deferred shares of 99 pence each	50,001	50
		127
Issued and fully-paid		
<i>Ordinary shares of £1 each</i>		
At 18 October 2005	2	-
Issued during the period	49,999	50
Converted during the period	50,001	(50)
At 30 June 2006		-
<i>Ordinary shares of 1 pence each</i>		
At 18 October 2005	-	-
Arising on conversion	50,001	-
Issued during the period	4,950,000	50
At 30 June 2006		50
<i>Deferred shares of 99 pence each</i>		
At 18 October 2005	-	-
Arising on conversion	50,001	50
At 30 June 2006		50

On incorporation, the authorised share capital of the Company was £50,000 divided into 50,000 ordinary shares of £1.00 each, of which two ordinary shares were issued at par fully paid up to the subscribers.

On 10 January 2006, the Company's authorised share capital was increased to £50,001 and 49,999 ordinary shares of £1.00 each were issued paid up as to one-quarter of their nominal value. The balance of the nominal value of the partly-paid ordinary shares was paid up in full on 28 March 2006.

On 28 March 2006, each ordinary share of £1.00 each in the capital of the Company was converted into one ordinary share of 1 pence and one deferred share of 99 pence each. The authorised share capital of the Company was increased from £50,001 to £126,168 by the creation of 7,616,666 ordinary shares.

On 3 April 2006, 4,950,000 ordinary shares of 1 pence each were issued at a price of £1 per share.

Ludorum plc
Notes to the interim financial statements
for the period from incorporation on 18 October 2005 to 30 June 2006

12 Share premium account

	£000
At 18 October 2005	-
Premium on shares issued during the period	4,901
Costs relating to the issue of shares	(327)
At 30 June 2006	4,574

13 Other reserves

	£000
At 18 October 2005	-
Charge relating to the incentive option plan	75
At 30 June 2006	75

14 Retained losses

	£000
At 18 October 2005	-
Loss for the period	(456)
At 30 June 2006	(456)

15 Cash flow from operating activities

	2006 £000
Continuing operations	
Operating loss	(500)
Adjustments for:	
Depreciation	2
Charge relating to the incentive option plan	75
Changes in working capital:	
Increase in Trade and other receivables	(28)
Increase in Payables	91
Increase in Provisions	7
Cash used in continuing operations	(353)

Ludorum plc
Notes to the interim financial statements
for the period from incorporation on 18 October 2005 to 30 June 2006

16 Operating lease commitments

	2006
	£000
<hr/>	
Commitments under non-cancellable operating leases expiring:	
Within one year	36
	<hr/>
	36
	<hr/>

The Company has entered into a short-term non-cancellable operating lease on its head office in Chiswick, London.

17 Related party transactions

During the period, the Company received loans from directors totalling £24,000. These loans were repaid on 31 March 2006. No other transactions with related parties have been identified during the period.