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International Brand Licensing PLC
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International Brand Licensing Plc
(the "Company")

Results for the year ended 31 December 2008

International Brand Licensing plc, the branded sports lifestyle company, announces its preliminary results for the year ended 31 December 2008.

Highlights:

- Shareholder funds increased to £5.07m (2007: £4.98m)
- Cash and cash equivalents increased 74% to £2.50m (2007: £1.44m)
- Sale of three Admiral territories (Japan, South Africa, and Turkey), grossing over £1.8m in cash
- Completion of WICB cricket contract with annual sponsorship costs terminated
- Termination of ECB cricket contract with annual sponsorship costs terminated
- All Admiral cricket stock written off and closure of warehouse, reducing ongoing fixed costs
- Further investment in the Admiral and Muscle Brands, both of which have been expensed to the Income Statement

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Chairman's Statement

Despite the depressed global economic climate, International Brand Licensing plc ("IBL"), and in particular the Admiral brand, performed as well as could be expected in 2008. During the year the Board considerably simplified the business by terminating the cricket contracts with both the England and Wales Cricket Board ("ECB") and the West Indies Cricket Board ("WICB"). In addition, substantial efforts were made to further reduce the Company's fixed cost base and to increase the Company's cash balances.

In particular, the following was achieved during 2008:

- Shareholder funds increased to £5.07m (2007: £4.98m)
- Cash and cash equivalents increased 74% to £2.50m (2007: £1.44m)

- Sale of three Admiral territories (Japan, South Africa, and Turkey), grossing over £1.8m in cash
- Completion of WICB cricket contract with annual sponsorship costs terminated
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Following the sale of the above-mentioned three territories in 2008, the Board took the decision to undertake an impairment review of the Admiral trademark at the end of the year. Following this review, it was decided to write down the value of the Admiral Trademark by £2.1m, which includes the cost attributable to the regions which were sold. Without this exceptional write-off, the Group's Income Statement would have been significantly healthier albeit, a much larger Swiss corporation tax charge would have suppressed both the cash position as well as shareholder funds.

The Board has achieved all of the objectives it set out to achieve in 2008; in 2009 it is envisaged that new territories for both the Admiral and Muscle brands will be signed up and if possible, further sales of existing territories executed in order to enhance shareholder value, should an appropriate opportunity arise.

Due to its healthy cash resources coupled with a substantially reduced fixed overhead base, the Group is very well positioned; it is interesting to note that based upon the current market capitalisation, the Admiral and Muscle brands are valued at less than £200,000, which is very surprising considering that during 2008, the Japanese territory alone for the Admiral brand was sold for in excess of £1.2m.

Interest continues to be shown in the brand and a number of opportunities are being actively pursued. Despite the economic difficulties, IBL is in a very strong position and the Board will continue to work tirelessly to enhance shareholder value in the coming year.

Adam Reynolds
Chairman

Principal Activities and Business Review

The principal activity of the Group is the development and exploitation of a portfolio of sports and lifestyle brands, trademarks, trade names and logos. The Group seeks to exploit the value of its brands by granting licences to third parties authorising the manufacture, marketing and sale of specified licensed products for a fixed term by reference to a particular territory.

Historically, the business has comprised two elements a) royalties received worldwide through the licensing of the Admiral brand to contracted licensees and b) sales of cricket replica kits through its sponsorship agreements with the ECB and WICB. As both these sponsorship contracts terminated during 2008, the financial statements reflect only the ongoing business i.e. royalty income received from licensees around the world. As such, all income and costs relating to the cricket replica business have been classified as discontinued operations on the Consolidated Income Statement and the 2007 comparatives have been restated accordingly.

Group turnover increased by 36% to £465,000 (2007: £341,000). The increase in revenue was partly due to an early redemption fee from one of the UK licensees as well as favourable exchange rates on sales to both the US and Euro territories.

The Group made an operating loss before exceptional items for the year ended 31 December 2008 of £482,000 (2007: £443,000). There are four issues worth highlighting for shareholders when reviewing these results:

- This loss would have been less if it had not been for around £115,000 having been spent on marketing costs for both the Admiral and Muscle Athletic brands which will not be repeated in 2009.
- There were a number of transitional costs incurred in the year associated with moving the IBL offices from Klosters to Lausanne which will not be repeated in 2009.
- Travel costs were higher than expected in the year due partly due to the extended negotiations associated with the three territory sales as well as certain visits to other worldwide licensees. A concerted effort will be made in 2009 to significantly reduce this expenditure.
- Legal costs were still relatively high in the year due mainly to the continued maintenance and renewal of the various trademarks around the world. The Board has already put into place arrangements with its Trademark lawyers to significantly reduce these costs in 2009.

An exceptional profit on the sale of intangible assets of £834,000 was generated in the year. This related to the Admiral territorial sales of Japan, Turkey, and South Africa which grossed more than £1.8m in sales proceeds; around £187,000 of costs were associated with these sales but then a prudent accounting approach was taken whereby the brand value was reduced by £791,000 in order to reflect diminished future royalty incomes resulting from these three territories no longer generating revenues for the Group. It is of course hoped that future income streams will increase as a result of signing up new territories as well as organic growth from existing ongoing licensees.

In addition to the intangible asset reduction of £791,000 above, an impairment review of the brand was undertaken at the year end and a further £1,300,000 was written off and charged to the Income Statement. Again, this was a prudent accounting decision and the Board is confident that through the continued exploitation of both the Admiral and Muscle Athletic brands, the business will experience strong growth in the future.

A share based payment, which is a non-cash item, of £61,000 (2007: £61,000) has been charged to the Income Statement.

Following the above charges, an operating loss after exceptional items of £1,009,000 (2007: £163,000) has been incurred during the year.

After having received interest income of £86,000 (2007: £50,000), a loss before tax of £923,000 (2007: £120,000) was reported.

Income tax of £146,000 (2007: £150,000) was charged in the year, resulting in a loss from continuing operations of £1,069,000 (2007: loss of £270,000).

In addition to the above loss, an additional £238,000 (2007: profit of £735,000) was charged to the Income Statement in relation to discontinued operations i.e. the cricket replica kit business. This charge related mainly to stock write-offs, unrecoverable debts, and other final closure costs.

The loss for the year was reported at £1,307,000 (2007: profit of £465,000).

The balance sheet shows the Group's financial position remains strong with total assets of £5.74 million (2007 - £5.57 million) and net assets of £5.07 million (2007 - £4.98 million).

Included in the above assets are cash and cash equivalent balances of £2.50 million (2007: £1.44 million) as well as £176,000 of accrued income, most of which has been received after the year end.

It is worth noting that Intangible Assets are now valued at £2.62 million (2007: £3.37 million). As discussed above, around £2.28 million has been charged to the Income Statement following the disposal of certain Admiral territories during the year as well as an impairment review of the brand valuation having been undertaken. However, due to the volatile Swiss Franc / Sterling exchange rate fluctuation during the year, a net exchange rate gain of around £1.35 million has increased the brand value; in accordance with International Financial Reporting Standards this gain has not been realised in the Income Statement but has been credited to Equity within Foreign Currency Reserves as shown on the face of the Group Balance Sheet.

Future Outlook

The Group will continue to grow the Admiral and Muscle Athletic brands by negotiating new geographic territories with new Licensees as well as by encouraging existing Licensees to increase revenue.

Key Performance Indicators ("KPIs")

The Group's Directors are of the opinion that the following KPIs are relevant

	2008	2007
	£'000	£'000
Turnover:	£465	£341
Operating loss:	(£1,009)	(£163)
Number of Staff:	5	8

Consolidated Income Statement

For the year ended 31 December 2008

	Notes	2008	2007
		£'000	£'000
Revenue	2	465	341
Operating expenses		(1,474)	(504)
Operating loss		(1,009)	(163)

Operating loss analysed as:

Before exceptional items		(482)	(443)
Exceptional profit on sale of intangible assets	3	834	341
Exceptional impairment of intangible assets		(1,300)	-
Share based payments		(61)	(61)
Operating loss after exceptional items		(1,009)	(163)
Finance Income		86	50
Finance Costs		-	(7)
Loss before income tax		(923)	(120)
Income tax expenses		(146)	(150)
Loss from continuing operations		(1,069)	(270)
(Loss)/profit from discontinued operations		(238)	735
(Loss)/profit for the year attributable to shareholders		(1,307)	465
(Loss)/earnings per ordinary share		Pence	Pence
Basic and diluted	4	(3.9)	1.4

Consolidated Statement of Recognised Income and Expenses
For the year ended 31 December 2008

	2008	2007
	£'000	£'000
Exchange differences on translation of foreign operations	1,420	224
Fair value adjustment in respect of available-for-sale financial assets	(49)	(43)
Income and expense recognised directly in equity	1,371	181
(Loss)/profit for the year	(1,307)	465
Total recognised income for the year	64	646
All amounts are attributable to equity holders of the company		

Balance Sheet
As at 31 December 2008

	Group	Group
	2008	2007
	£'000	£'000
Assets		
Non-current assets		
Property, plant and equipment	3	6
Intangibles	2,621	3,365
Deferred tax assets	62	50
Investments	-	-
Available-for-sale financial assets	21	70

Total non-current assets	2,707	3,491
Current assets		
Inventories	-	110
Trade and other receivables	530	527
Cash and cash equivalents	2,501	1,437
Total current assets	3,031	2,074
Total assets	5,738	5,565
Liabilities		
Current liabilities		
Trade and other payables	(457)	(491)
Current tax liabilities	(211)	(98)
Total current liabilities	(668)	(589)
Net assets	5,070	4,976
Equity		
Share capital	336	336
Share premium	3,090	3,090
Other reserve	244	244
Foreign currency reserves	1,483	63
Retained earnings	(83)	1,243
Total shareholders' equity	5,070	4,976

Consolidated Cash Flow Statement
For the year ended 31 December 2008

	2008	2007
	£'000	£'000
Operating activities		
Operating loss	(1,009)	(163)
(Loss)/profit from discontinued operations	(238)	735
Depreciation	3	3
Exceptional impairment of intangible assets	1,300	-
Exceptional profit on sale of intangible asset	(834)	(1,152)
(Increase)/decrease in receivables	(3)	812
Decrease in payables	(65)	(77)
Decrease in inventories	110	483
Share-based payment	61	61
Taxes paid	(45)	(118)
Foreign currency translation	73	-
Net cash (used in)/generated by operating activities	(647)	584
Investing activities		
Interest received	86	50
Net proceeds on sale of intangible asset	1,625	1,152
Purchase of listed Investments	-	(113)
Net cash generated by investing activities	1,711	1,089
Financing activities		
Interest paid	-	(7)
Net cash used in financing activities	-	(7)
Net increase in cash and cash equivalents	1,064	1,666

Cash and cash equivalents at beginning of year	1,437	(229)
Cash and cash equivalents at end of year	2,501	1,437

Notes

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS and IFRIC Interpretations) issued by the International Accounting Standards Board (IASB) as adopted by the European Union and with those parts of the Companies Acts applicable to companies preparing their financial statements under IFRS. Practice is continuing to evolve on the application and interpretations of IFRS. Further standards may be issued by the International Accounting Standards (IASB) and standards currently in issue and endorsed by the EU may be subject to interpretations issued by IFRIC.

The preparation of financial statements, in conformity with general accepted accounting principles under IFRS, requires management to make 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 reported period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these consolidated financial statements.

2. Segmental Reporting

Primary segmental reporting

During the year the group discontinued its Replica kit business. Since then, the group's business is attributable to a single segment, being its licensing business.

Secondary segmental reporting format

The turnover is attributable to the principal activity of the Group. An analysis of turnover by geographical destination is given below:

	2008	2007
	£'000	£'000
United Kingdom	190	120
Europe and Scandinavia	30	63
North America	134	81
Australia	-	8
Asia	95	53
Rest of the World	16	16
	465	341

3. Exceptional Items

	2008	2007
	£'000	£'000
Sales of intangible assets	1,812	341
Costs associated with sale of intangible assets	(978)	-
	834	341

Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Group's financial performance.

4. (Loss)/earnings per share

	2008	2007
	£'000	£'000
(Loss)/earnings		
(Loss)/earnings for the purposes of basic and diluted earnings per share	(1,307)	465

Numbers

Weighted average number of ordinary shares for the purpose of basic earnings per share

33,593,353

33,593,353

Basic (loss)/earnings per 1p share

(3.9)pence

1.4pence

There is no dilutive effect of the options.

5. Delivery of Accounts

The statutory accounts in respect of the prior year ended 31 December 2007 have been delivered to the Registrar of Companies and the auditors of the Company made a report thereon under Section 235 of the Act. That report was an unqualified report and did not contain a statement under Section 237 (2) or (3) of the Act.

6. Availability of Accounts

This preliminary statement is not being posted to shareholders. The Report and Accounts will be posted to shareholders later today. Copies of this announcement and further copies of the Report and Accounts can be downloaded from the website www.iblplc.com

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