Company Registration number: 04799195

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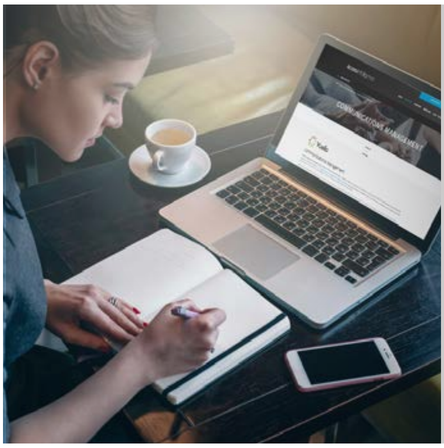
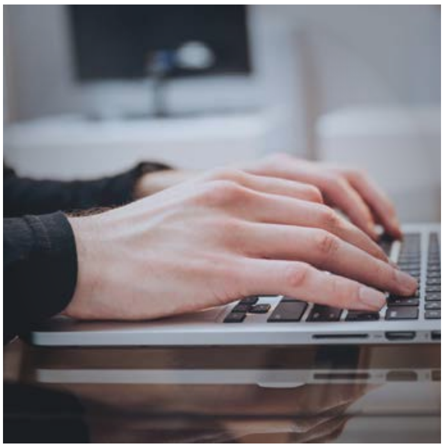
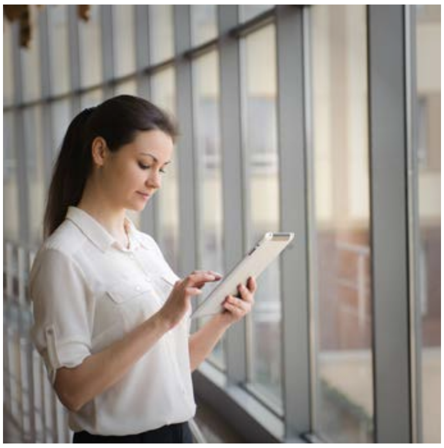
Access Intelligence Plc
Annual Report and Accounts
For the year ended 30 November 2016





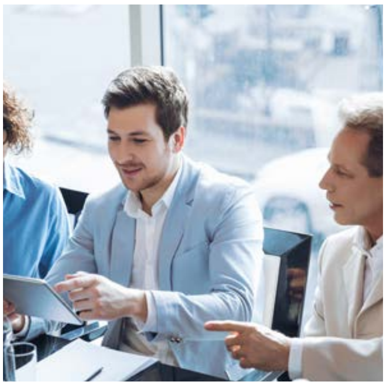



Access Intelligence is a leading provider of **#software** as a service solutions that manage **#reputation** and **#communications**

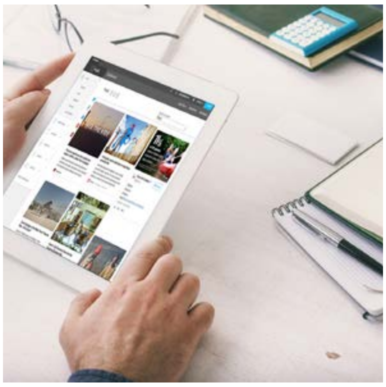
London, England

www.accessintelligence.com









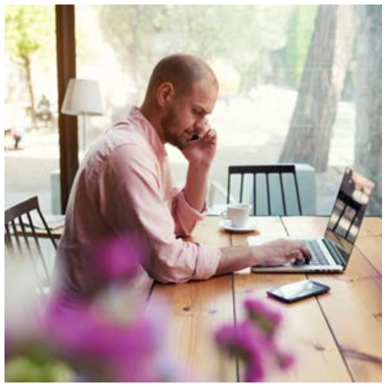










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Chairman's
#Statement

I am pleased to announce our results for the year ended 30 November 2016.

Over the last twelve months, we have continued the realignment of the Access Intelligence portfolio to position and support Vuelio as its flagship brand, one poised to take advantage of big opportunities in the communications management market. We have effectively built a new Vuelio business, in part through the integration of assets acquired from our competitor Cision in 2015, but also with an accelerated programme of development and product upgrades for longstanding Vuelio customers.

The integration centred on a large migration project bringing more than a thousand customers onto the Vuelio platform, in conjunction with restructuring of both operational and commercial parts of the business. This restructuring and refocusing on Vuelio included the divestment of non-core subsidiary companies Due North Limited and AITrackRecord Limited during the year, as well as AIControlPoint Limited after the year end. At the same time, the development work, essential for migration, has protected our existing business and opened new opportunities. With costs associated with reorganisations and migrations, it was always going to be a challenging year, I`m pleased to say it has also been rewarding and operationally successful.

Following this hard work of integration, our 2017 strategy is largely one of consolidation providing a foundation for incremental growth from 2018 onwards. We believe there are significant short-term opportunities for Vuelio in the UK market: a number of major competitors are still engaged in their own M&A activity; at the same time, the unique mix of the Vuelio portfolio leads us to believe that the business will benefit from recent political upheaval and attendant growth in the market for integrated PR and public affairs solutions. 2017 will also bring the launch of mobile, networked communications services, the first outputs from an innovative roadmap that we expect will secure sustainable growth through 2018 and beyond.

2017 has started well with the completion of migrations of the final and most complex customers onto our enhanced Vuelio platform. Following the consolidation of the 1,192 migrated acquisition customers with our existing PR and Communications customer base, we expect to see a small increase in our contracted Software as a Service (SaaS) customer base through 2017.

Revenue from continuing operations in March 2017 was £653,000 with gross margin of 66%, a reduction as a result of exiting non-profitable customer contracts pre-migration to minimise gross margin reduction. We have seen a significant improvement in new business sales performance and retention rates in the first four months of the current year and expect this to continue as our enhanced product gains further traction in the market.

The full benefit of the restructuring undertaken during H2 2016 will not be seen until 2017, with monthly operational spend excluding 3rd party content and hosting, restructuring, and migration expense expected to reduce from £629,000 in Q4 2016 to £517,000 by Q4 2017. This represents an annualised saving of £1.3 million. After emerging from an all-encompassing period of acquisition integration, we are confident that we have the makings of a good business.

I would like to take this opportunity to thank you on behalf of the board for your continued support of Access Intelligence.

Sincerely

Chairman
28 April 2017

Our Flagship #Brand

Vuelio operates a comprehensive portfolio of products and services for communications professionals throughout the UK and Europe, with a particular focus on public relations, public affairs and influencer marketing.

This new flagship brand was created last year following our acquisition of the UK operations of global PR software provider Cision, a deal that expanded our communications sector customer base six-fold and added a wealth of operational and commercial talent.

Vuelio software supports effective, joined-up communications management across a wide range of stakeholders. The full integrated suite is a complete solution for public relations, public affairs and influencer marketing professionals. We help them to identify and engage with high-value traditional media, digital and political influencers and internal communications audiences, and record and measure all aspects of their communications activity – allowing performance benchmarking and informing decision-making.

We work across all sectors, and have an especially strong presence in the public sector and in many highly-regulated industries, where our superior technology for recording and measurement meets stringent requirements. In addition, our customer base includes a larger number of SMEs representing a wide range of sectors, for whom media and influencer data is all important.

The Vuelio system connects both worlds. With the number and variety of influencers of interest to any given organisation growing by the minute, Vuelio not only ensures its users have informed access to the right audiences, but also records and measures engagement activity, establishing value for every single interaction in what is a rapidly increasing volume of corporate communications.

The number and value of these interactions is key to the long-term success of the brand. Inherent in this approach is a broader stakeholder management model: to maintain standards for our influencer database, to ensure that traditional journalists, bloggers and emerging digital influencers engage with our brand and the customers who rely on it, we act as custodian to Europe's largest influencer community. Creating the means for this community to express itself though our software is key to further growing the network, the volume of connections it supports, and ultimately the Vuelio brand itself.












Strategic Report

Results

2016 has been another year of transformation with the further integration of the business assets acquired in June 2015. It has included the build and launch of our new Vuelio platform, the successful migration of 1,192 customers to this platform and the divestment of two, non-core businesses.

Recurring revenues from continuing operations increased 39% to £8,834,000 (2015: £6,366,000) including the full year contribution from the business acquired in June 2015, with recurring revenues constituting 92% of revenues (2015: 95%).

Gross margin from continuing operations declined to 56% (2015: 72%), primarily due to the full year impact of the acquired business which runs at a lower margin than the other parts of the business due to the cost associated with the provision of third party data content to support monitoring and insights services in the software platform. The gross margin also reflects £1,244,000 (2015: £332,000) of one-off costs associated with the transitional hosting and migration of the 1,192 migrated customers to our new Vuelio platform. The gross margin excluding these one-time costs was 69% (2015: 77%).

The Group continued to undertake extensive restructuring during the year, integrating the acquired business, divesting non-core businesses in the second half of the year, and restructuring and reducing costs in the remaining business. The full year benefit of this second half activity is not fully reflected in the 2016 financial performance, however administrative expenses include one-off redundancy and legal costs associated with this restructuring of £285,000 (2015: £260,000).

As a result of the restructuring and refocusing of the business during the year, earnings before interest, tax, depreciation and amortisation (EBITDA) from continuing operations declined to a loss of £2,027,000 (2015: loss £951,000 before impairment charges of £30,000). Excluding the one-off expenses referenced above, EBITDA from continuing operations was a loss of £498,000 (2015: loss of £359,000).

Operating loss from continuing operations before impairments was £3,042,000 (2015: loss £1,541,000). In arriving at the operating loss the Group has incurred £1,664,000 (2015: £650,000) in research and development expenditure and charged £1,015,000 (2015: £590,000) for depreciation and amortisation, £Nil (2015: £153,000) in acquisition costs, £Nil (2015: £70,000) loss on disposal of fixed assets and £285,000 (2015: £260,000) in restructuring costs.

The Group made a profit for the year from discontinued operations of £1,511,000 (2015: loss of £1,934,000). Further information relating to discontinued operations is provided on page 28 of the Strategic Report and within note 6 to the consolidated financial statements.

2017 will see continued restructuring of the business and investment in the Vuelio brand with the full benefits expected to come through towards the end of the current financial year and into 2018.

Loss per share

The basic loss per share from continuing operations was 1.10p (2015: loss 0.52p). Basic earnings per share from discontinued operations was 0.48p (2015: loss 0.76p).

Cash

Cash at the year-end stood at £1,162,000 (2015: £1,523,000) whilst net debt, calculated as loan notes less cash held, decreased to £2,113,000 (2015: £2,593,000) during the year.

Key Performance Indicators

On a monthly basis management accounts are prepared which provide performance indicators covering revenue, gross margins, EBITDA, result before tax, result after tax, cash balances and recurring revenue. The key performance indicators for the year are:

£'000 **Continuing Operations**	**2016**	2015
Revenue	**9,598**	6,687
Gross margin (%)	**56%**	72%
EBITDA - loss	**(2,027)**	(951)
Loss before taxation	**(3,437)**	(1,836)
Loss after taxation	**(3,474)**	(1,309)
Cash balances	**1,162**	1,523
Recurring revenue	**8,834**	6,366

These performance indicators are measured against both an approved budget and the previous year's actual results. Further analysis of the Group's performance is provided earlier in this Strategic Report.

Each month the Board assesses the performance of the Group based on key performance indicators. These are used in conjunction with the controls described in the corporate governance statement and relate to a wide variety of aspects of the business, including: new business and renewal sales performance; marketing, development and research activity; year to date financial performance, profitability forecasting and cash flow forecasting.

Dividend

As a result of the significant investment the Company has made in the strategic product innovation and sales development, the directors do not propose to pay a dividend for 2016 (2015: £Nil).

Principal business risks and uncertainties

The developing nature of the business dictates that the Board understands the market in which it competes and the strategy that it is implementing. The Statement of Corporate Governance notes the objectives and mechanisms of internal control. Monthly Board meetings are held, where strategy is discussed and decisions taken, supplemented by more regular operational meetings held by management teams at subsidiary level.

The Board constantly assesses risks and is of the belief that internal control, risk management and stewardship are integral to the proper management of the business. Further information in relation to risk management is provided on page 26 of the Strategic Report and within note 22 to the consolidated financial statements.

The Board also assesses the appropriateness of preparing the financial statements on a going concern basis and their considerations in respect of the risks relating to going concern are outlined within the Directors' Report on page 35.

Financial instruments

The Group's operations are subject to a variety of financial risks, most notably the effect of credit risks. Liquidity risks are set out in note 22 to the consolidated financial statements. At the year end the Group had no bank borrowings or overdrafts, but had a total of £3,275,000 of loan notes in issue. The Group held £1,162,000 of bank deposits. The Group does not enter into derivative contracts.

5% (2015: 8%) of the Group's revenue is invoiced in a currency other than sterling. Accordingly, foreign exchange risk is not considered a significant risk. To date the magnitude of euro-based sales has been such that we have not hedged the currency exposure. In relation to US dollar denominated sales, due to the insignificance of dollar sales and unpredictability of such collections from debtors we do not hedge and simply hold to pay suppliers invoicing in dollars or convert if needed into sterling at spot. At 30 November 2016 there were no open exchange contracts.

The most significant financial risk to which the Group is exposed is that of the credit worthiness of our customer base. Around 34% (2015: 33%) of the Group's revenue from continuing operations is contracted with the public sector where the directors have judged the credit risk to be minimal.

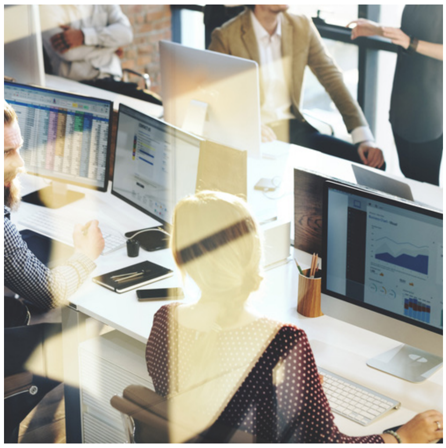
The remaining sales are with the private sector where we have experienced a small incidence of bad debts. We have not considered it necessary to take out credit insurance for the following reasons:

- almost all customers are invoiced in advance;
- most invoices are not of a high value;
- no significant concentration of invoices are with any one customer; and
- in many cases we are able to switch off the service the moment a debt becomes overdue.

The Group holds a number of deposits with UK tax payer-owned banks or well-known high street banks. In recent years we have become increasingly aware that even financial institutions such as banks are not immune to financial risk. That said, the directors review the financial position of their deposit holders on a regular basis and are satisfied with their credit worthiness at this time.

Information about the use of financial instruments by the Group is given in note 21 to the financial statements. The Group has also previously issued convertible loan notes as disclosed in the financial statements.

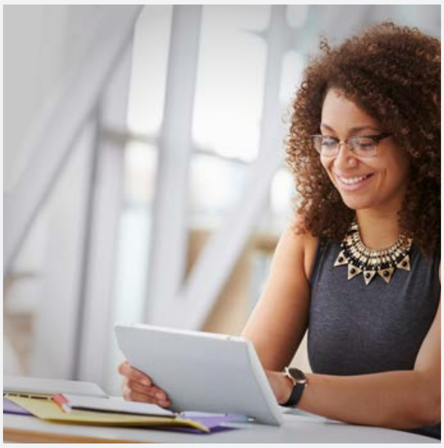








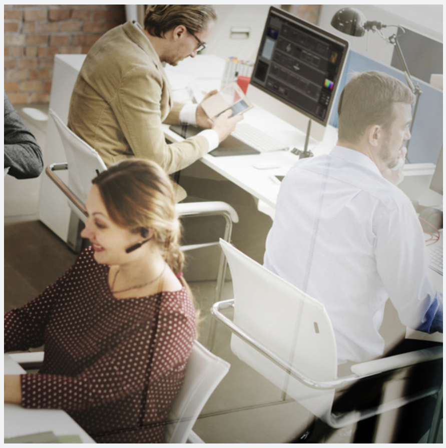








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Pure #reputation management

Strategy

Access Intelligence provides software for companies looking to build, maintain and protect their reputation through communications management. Over the last eighteen months we have consolidated our portfolio to create a communications pureplay focused on public affairs, investor relations and, in particular, public relations markets, which will in our view create superior returns for shareholders, both short- and longer term.

Public relations (PR) is a form of marketing communications between an individual or organisation and the public. Historically, media relations have been at the heart of PR's efforts to connect organisations with the audiences most important to them, based on the assumption that large parts of the target audience can be accessed most efficiently via mass media.

Over the past 10-15 years there have been widespread changes in the media, that have in turn required the PR industry to adapt. As the internet has undermined the economics of traditional newspapers, it has reduced the effectiveness of traditional PR; at the same time, the web offers new channels through which to engage wider audiences, either directly or through a new breed of influencers with a mastery of digital technology.

The software that currently dominates the market for PR professionals is, considering these recent changes, at risk of becoming outdated. Even the most sophisticated integrated solutions represent combinations of functionality designed to support traditional media relations activities: building lists of journalists to target, and tracking and analysing communications campaigns and news releases.

While these activities remain relevant, the changed environment has added a range of new PR practices. New software solutions are required to support social media activity, a plethora of options have increased the need to understand the return on investment (ROI) of various channels, and there is increasing overlap with other disciplines: internal communications, marketing activities such as brand and event management, and public affairs.

Public affairs practitioners seek to influence public policy by working across a range of stakeholders. Their work combines strategic media communications with government relations, issue management and Corporate Social Responsibility. While the market for public affairs software is smaller than that for the wide-ranging communications industry, an ability to bridge PR, digital communications and public affairs gives Vuelio a unique edge, both in the UK and globally.

Vuelio

The Communications Management Market

The communications management market comprises four complementary segments - media monitoring, media analysis, media data management and channel distribution, in addition to public affairs. All are served by a variety of legacy competitors, in the UK, across EMEA and globally.

EMEA Communications Management Market by Segment (2015)

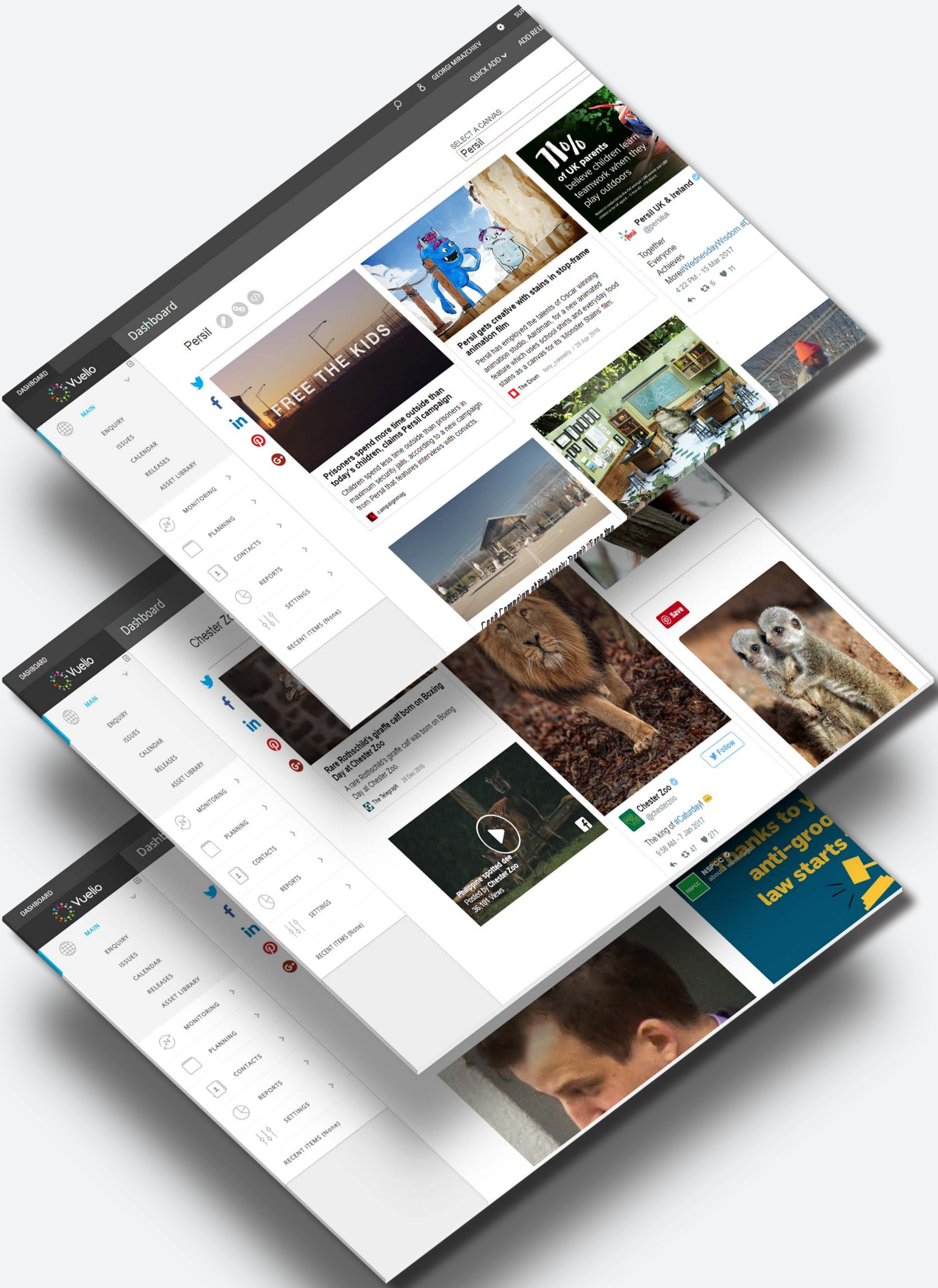
Source: Burton Taylor International Consulting "Media Intelligence and Public Relations Information/ Software Global Share and Segment Sizing 2016 Report"

While all of these segments are well-established they are also subject to continued growth, fuelled by disruptive technology in both communications and the media, and the re-evaluation of core communications/ branding activities as traditional PR fuses with digital marketing.

Both media data/influencer management and media analysis show high single-figure five-year CAGR; although the longer-term growth prospects for media monitoring are more limited, this segment is by far the largest, worth over a billion dollars globally, so that even small percentage growth equates to significant opportunities. Moreover, the emergence of parallel social media services – monitoring, analysis, influencer database management and engagement tools – is transforming the market, with these segments growing at around 35 per cent CAGR.

The global market for all of these services is estimated at around $3bn, and we believe the UK market is worth approximately £320m – making this the largest market in Europe.

Vuelio


DASHBOARD
Vuello
Dashboard
Persil
SELECT A CANVAS:
QUICK ADD
GEORGI MIRAZCHIEV
MAIN
ENQUIRY
ISSUES
CALENDAR
RELEASES
ASSET LIBRARY
MONITORING
PLANNING
CONTACTS
REPORTS
SETTINGS
RECENT ITEMS (None)
FREE THE KIDS
Prisoners spend more time outside than today's children, claims Persil campaign
Children spend less time outside than prisoners in maximum security jails, according to a new campaign from Persil that features interviews with convicts.
campaignmag
Persil gets creative with stains in stop-frame animation film
Persil has employed the talents of Oscar winning animation studio, Aardman, for a new animated feature which uses school shirts and everyday food stains as a canvas for its Monster Stains film.
The Drum
71% of UK parents believe children learn teamwork when they play outdoors
Persil UK & Ireland
@persiluk
Together Everyone Achieves More#WednesdayWisdom
4:22 PM - 15 Mar 2017
Chester Zoo
Rare Rothschild's giraffe calf born on Boxing Day at Chester Zoo
A rare Rothschild's giraffe calf was born on Boxing Day at Chester Zoo.
The Telegraph
Save
Follow
@chesterzoo
The King of #Caturday!
9:56 AM - 7 Jan 2017
Philippine spotted dee...
Posted by Chester Zoo
36,101 Views
NSPCC
anti-groo
law starts

The Vuelio
#edge

Our influencer management systems are particularly well positioned to capitalise on this growth. Furthermore, we believe the recent wave of consolidation – which included Vuelio's acquisition of the UK assets of Cision in 2015 - and its continuation in 2016 provides an opportunity for Vuelio while the bigger legacy players work their way through integration.

Although the $1.2bn EMEA market (Source: ibid) is the world's most fragmented, with many small to medium players creating pressure through pricing, modelling and solutions for each individual market segment, there is significant and rising demand for the single, integrated solution Vuelio offers. Traditional PR end users need both traditional media and social media management services, while influence marketers need integrated influencer management, engagement, monitoring and analysis.

Furthermore, Vuelio offers another unique layer of integration in the form of political engagement services. We currently estimate the UK market for these political services at just under 10 per cent of the overall UK communications services market. With recent political upheaval we foresee a significant increase in demand as more and more organisations seek political intelligence, particularly the long-tail of smaller organisations that have hitherto been priced out of more consultative political services.







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BLOG
WARDS
2016
















Vuelio

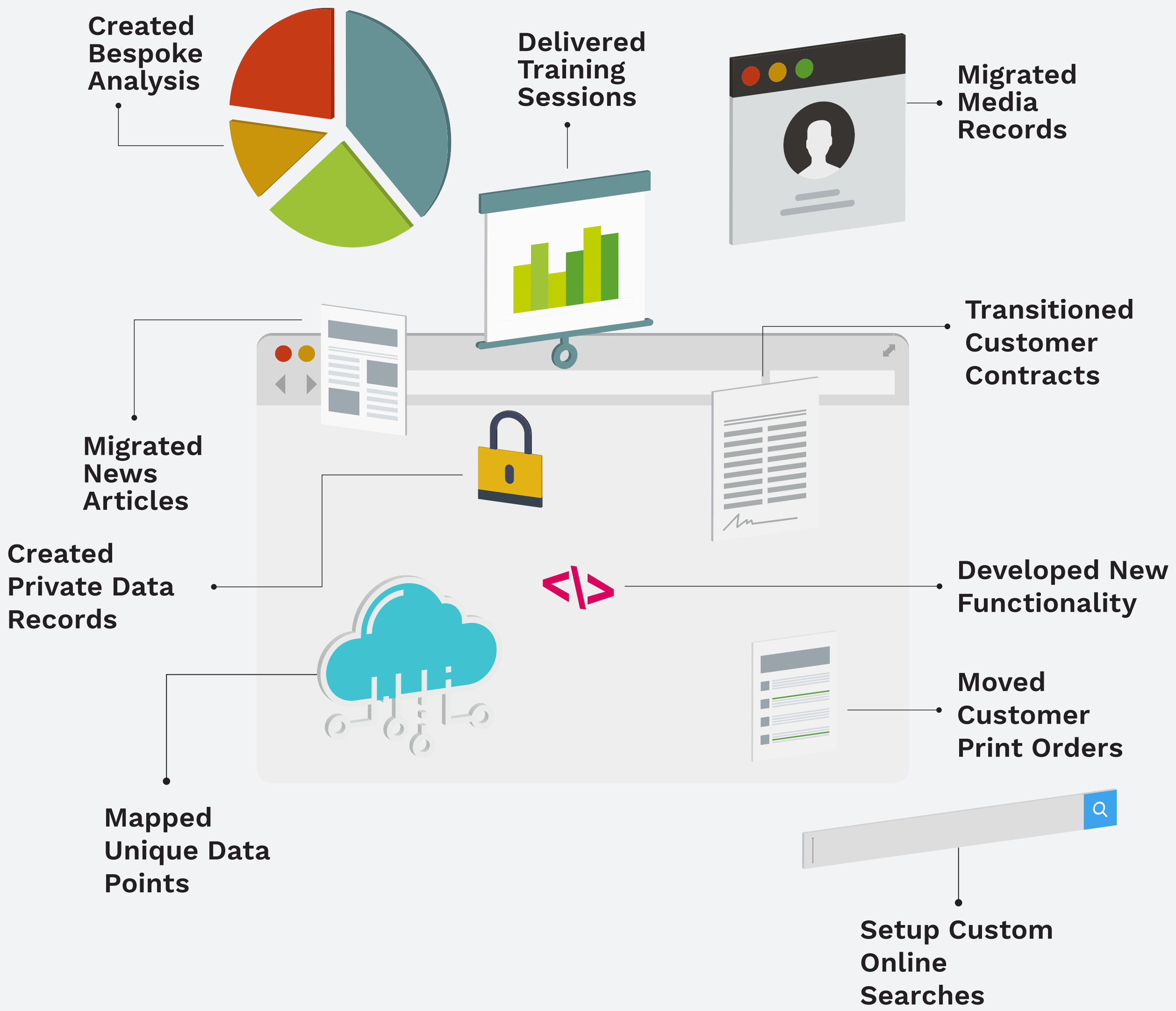

Disruptive #innovation

2016: A transformative year

The financial year 2016 was not without challenges, being in no small part taken up by migrating acquired customers on to the Vuelio platform. While ensuring that migrated customers received a like-for-like experience with Vuelio software, we have also begun developing new solutions within existing market segments.

In the last twelve months, we have migrated 1,192 customers with combined revenues of more than £5 million on to a new platform. At the same time, we have added over 350 new customers. The rapid expansion of the Vuelio business and the integration of what was essentially three different UK businesses (Vuelio, Cision UK and the Vocus UK assets Cision had recently acquired) demanded significant restructuring across the business as a whole. This focus on the Vuelio business included the divestment of two non-core GRC businesses, Due North Limited and AITrackRecord Limited, with AIControlPoint Limited divested post year-end.

Vuelio Customer Migrations Process



Source: Vuelio internal research

The New Vuelio #product suite

While ensuring that migrated customers received at the very least a like-for-like experience with Vuelio software, we have also begun to launch new and enhanced solutions for existing market segments. In 2016 we have:

- Integrated media and political databases, while enhancing contact profiles with influencer metrics from a number of new external data providers including Moz, SimilarWeb and Klout.
- Upgraded the email analytics and added new social channels
- Developed and launched new newsroom functionality to provide an out-of-the -box offering
- Negotiated a deal with premier online distribution and newswire provider RealWire to provide global wire distribution services
- Created Canvas, a unique combination of clipbook and newsroom functionality that draws on social media design tropes
- Negotiated new media monitoring contracts with best-in-class suppliers including Gorkana, Precise, TV Eyes and Moreover
- Enriched our analytics with a raft of new social media data

With restructuring complete along with the integration of all our existing services, and the development of new services proceeding apace, we believe we have established Vuelio as a competitive, disruptive force that is beginning to impact significantly in the UK market and that we are now positioned to enter a new growth phase.







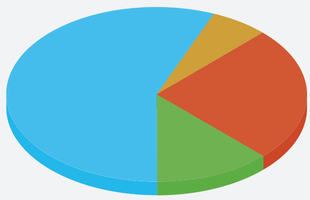





Our strategy for #growth in 2017

In the short term, we see three core drivers of growth, all of which also contribute to the creation of a platform for sustainable accelerated growth mid-term and beyond:

Increased share of legacy markets



We have refocused our commercial structure to optimise the value of the integrated portfolio and extend our reach into the enterprise space using domain and industry experience. We believe will have an advantage while our competitors continue to work through the consequences of acquisition and consolidation

Increased value per subscription

The knowledge, creativity and industry experience of our people, our ability to manage customers to satisfaction, and the ability to market to customers within the Vuelio system promotes up- and cross-selling opportunities

Additional revenues from new products

The Vuelio database and newsrooms currently meet the needs of, respectively, digital marketers and investor relations specialists to an extent quite unlike our legacy competitors' comparable offerings. The new Canvas functionality is already making an impact both within the software and as a standalone product

The impact of each driver is heightened by our focus on recurring revenue, wherein our approach ranges from multi-year contracts at the higher value end of our customer base to a frictionless renewal process for single-year contracts. The Vuelio SaaS model allows for rapid scaling of customers and users, as well as quick roll-out of messaging, upgrades and new services, underpinning our approach in 2017.

Our longer-term #vision

Careful management of costs has allowed us to maintain R&D investment during a transitional 2016, and the first new services have been well received in the market. Longer term, we expect accelerated growth through disruptive innovation, particularly in the social media/influence marketing segment.

Expanding and diversifying the network of users, while increasing the value of each user through personalisation of their individual experience of the system, will be key to mid-term growth. In preparation for the roll-out of technology in support of this approach, we will look to strengthen existing relationships and build new ones within the network of influencers our database represents. We will continue to build this community through a varied sequence of live events in 2017, ranging from intimate networking breakfasts to the Vuelio Blog Awards – the biggest celebration of digital influence in Europe, now in its third year.

At the same time, we are establishing the path toward full integration of all Access Intelligence group systems through the convergence of media measurement with influence and risk metrics in a machine-learning environment. We believe that the study of content, the various forms in which that content can appear, and its progression through the myriad networks of influencers that is the contemporary media will provide both richer, more informative analysis solutions and predictive technology to help our customers in their day-to-day work and longer term planning.

The management team's work in defining short- and long-term strategic priorities is receiving increased focus, following a detailed review of commercial strategy. Further product and commercial strategy reviews will follow the completion of the migration project to focus on the performance of the new product in the market and the new opportunities we have identified.





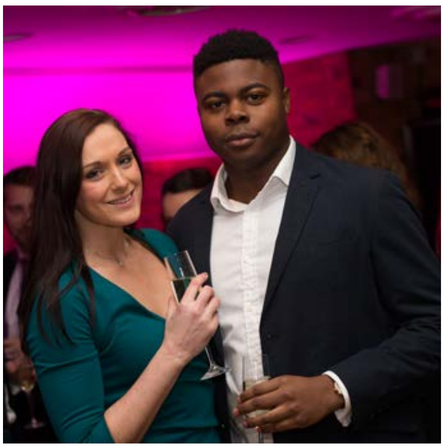

Our culture and #values

In a relationship business, a network business, our success is predicated not only on our technology, but also on the kind of connection with customers that can only come from an educated, engaged and inspired workforce.

We believe a successful business is built on values expressing behaviours that, when demonstrated by the organisation as a whole, allow us to deliver against our plan. As such, the assessment of employees' expressed and perceived commitment to transparency, collaboration and innovation form a key part of our recruitment and performance management processes, providing a formal framework for identifying and nurturing appropriate talent.

Within that framework, we're dedicated to recruiting the most knowledgeable, insightful staff – and then ensuring they receive the training and development required to make the trusted, expert members of our network.

And as we look to establish and maintain the best possible working environment, we are consistently seeking feedback about working experiences and inviting contributions to the planning processes that inform everything we do, from day-to-day operations to high-level strategy. As such, the same values that characterise our everyday behaviours also define our broader ambitions and support our approach to achieving them.



Risk Management

The Group's activities expose it to a variety of financial risks which are managed by the Group and subsidiary management teams as part of their day-to-day responsibilities. The Group's overall risk management policy concentrates on those areas of exposure most relevant to its operations. These fall into four categories:

- Competitive risk — that our products are no longer competitive or relevant to our customers
- Cash flow and liquidity risk — that we run out of the cash required to run the business
- Credit risk — that our customers do not pay
- Key personnel risk — that we cannot attract and retain talented people

Competitive risk

All of our businesses are active in competitive markets. These markets are predominantly UK based but nevertheless face global competition. To succeed we need staff with the appropriate skills, offering state of the art product and service solutions at competitive prices. They need a full understanding of the benefits and attributes of our products as well as an understanding of competitor products. They also need to know about sales opportunities on a timely basis.

As a small company, with limited resources, we need to manage our product investments with care but we tackle these risks as follows:

- We encourage investment as needed to maintain our market leading status through product research and development;
- We are growing our sales and marketing teams across the Group in a controlled manner;
- We make time and funds available for staff training;
- We incentivise through balanced sales commission schemes; and
- We monitor individual sales person performance, taking action where necessary.

Cash flow and liquidity risk

As a Group we support the cash requirements of five individual trading units, all of which have their individual working capital requirements during a trading month. At the end of 2016 we had no bank borrowings (2015: Nil) but £3,275,000 (2015:£4,083,000) of loan notes. As an acquisitive business which also invests in its existing infrastructure continually, the need to project future requirements is important. To encourage tough cash management and good planning we manage cash as follows:

- We collect and communicate a weekly cash summary every Friday by subsidiary;
- We pay sales commissions, where appropriate but only once cash is received for larger sales;
- We monitor detailed ageing analysis of debtors from each subsidiary on a monthly basis; and
- We encourage subsidiary cash generation by monitoring the ageing of debtors.

Credit risk

Our sales are split 34%:66% (2015: 33%:67%) between public and private sector organisations. Whilst recognising that circumstances change, we are of the opinion that the public sector will pay its debts providing the purchasing rules have been followed. Despite the tough solvency issues facing all European governments we have seen no reason to change this view at the present time. The private sector however remains a higher risk and we remain diligent about our approach to these sales:

- We track aged debtors very diligently, reporting them monthly at Group Board level; and
- For sales of value above set limits, we do not pay commission until payment is received from the customer.

Key personnel risk

This is a people business. Our technical staff create the product and our sales staff sell it, supported by our marketing staff. In 2016 63% (2015: 78%) of our outflows were on people. In a competitive market we recognise good people can be poached or just lose their way. There is nothing that can beat a motivated, educated and focused team. Whilst our size limits the extent of our actions, we address this risk as follows:

- We take care to take references when recruiting;
- Managers monitor performance individually whatever the role in the organisation;
- We offer training of specific skills where appropriate;
- We encourage flat management structures, open plan offices and easy accessibility up and down the organisation;
- We pay competitive market prices whilst recognising regional differences;
- We have an approved option scheme for senior employees; and
- A number of key personnel are significant shareholders in their own right.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern providing long-term returns for shareholders and security for other stakeholders whilst maintaining optimal capital structure to allow for future acquisition and growth.

In order to manage the overall objective above, the Group gives consideration to the following:

The Board views equity firstly as the key source of funding for acquisitions and secondly as an important incentivisation tool for management. These are the key justifications for the Group's AIM quotation.

In relation to acquisitions, the appropriate funding structure will be a blend of our own available cash, gearing and equity. The structure for each transaction will take into account our intention for an immediate enhancement in earnings per share.

The Board is also sensitive to the fact that there may be times when capital is in short supply justifying fundraising beyond our immediate needs. With a buy and build strategy new acquisition opportunities must be responded to as they arise, though during the remainder of 2017 the focus will be to build on developing what we have.

As an incentive for management we offer equity based payments, in line with market prices at the time of grant, aligning the long-term interests of shareholders and key executives.

The total capital managed by the Group at the year end was 315,935,118 (2015: 307,127,015) ordinary shares of 0.5p each. Further information on share capital is provided within note 24 to the consolidated financial statements.

The Group is not subject to any externally imposed capital requirements.

Disposal of non-core assets

During the year and after the reporting date, the Group has continued to divest non-core subsidiary companies as part of its strategy to focus on the Vuelio reputation and communications management business.

Due North Limited

On 3 February 2016, Access Intelligence agreed terms to dispose of 100% of the issued share capital of its subsidiary Due North Limited, for a consideration totalling £4,500,000. Group profit on disposal of Due North Limited was £1,664,000. Company profit on disposal was £3,076,000.

AITrackRecord Limited

On 1 July 2016, Access Intelligence agreed terms to dispose of 100% of its subsidiary AITrackRecord Limited to TrackRecord Holdings Limited, a newly formed company. Consideration comprised 20% of the share capital of TrackRecord Holdings Limited and a deferred cash payment of £101,000. Group profit on disposal of AITrackRecord Limited was £585,000. Company profit on disposal was £632,000.

AIControlPoint

On 14 March 2017, Access Intelligence Plc transferred the trade and assets of its division AIControlPoint to its subsidiary company formed during the year, AIControlPoint Limited. On 16 March 2017, Access Intelligence Plc disposed of 100% of the issued share capital of AIControlPoint Limited for a consideration totalling £782,000. Group profit on disposal of the subsidiary was £588,000, Company profit on disposal was £639,000.

By order of the Board

J Arnold
Director
Approved by the directors on 28 April 2017

WE MIGRATED

1,192 CUSTOMERS

Directors and Advisers

Directors:

Executive directors:
J Arnold (Chief Executive Officer)

Non-executive directors:
M Jackson (Chairman)
D Lowe
C Pilling

Company Secretary:

M Greensmith

Registered Office:

Longbow House
14-20 Chiswell Street
London
EC1Y 4TW

Company Registration Number:

04799195

Brokers and Nominated Adviser:

Allenby Capital Limited
3 St Helen's Place
London
EC3A 6AB

Registrars:

Neville Registrars Limited
Neville House
18 Laurel Lane
Halesowen
West Midlands
B63 3DA

Bankers:

Bank of Scotland
Aldgate House
1-4 Market Place
Hull
HU1 1RA

Legal Advisers:

Fieldfisher LLP
Riverbank House
2 Swan Lane
London
EC4R 3TT

Auditor:

Mazars LLP
Chartered Accountants & Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Directors' #Report

The directors present their annual report and the consolidated financial statements for Access Intelligence Plc ("the Company") and its subsidiary undertakings (together referred to as "the Group") for the year ended 30 November 2016.

Principal activity

Access Intelligence provides software for companies looking to build, maintain and protect their reputation through communications management.

Review of business and future outlook

A review of the Group's activities during the year and future outlook is set out in the Chairman's Statement on page 7 and the Strategic Report on pages 10 to 29.

Results

The consolidated trading results for the year and the year-end financial position are shown in the financial statements on pages 42 to 95. The results for the year and future prospects are reviewed in the Chairman's Statement on page 7 and the Strategic Report on pages 10 to 29.

Directors' interests

The directors who have served during the year and details of their interests, including family interests, in the Company's ordinary 0.5p shares at 30 November 2016 are disclosed below:

	30-Nov-16 Beneficial No.	**30-Nov-16 Options No.**	30-Nov-15 Beneficial No.	30-Nov-15 Options No.
M Jackson	**29,098,961**	**-**	20,865,858	6,808,103
D Lowe	**5,397,475**	**1,841,897**	5,397,475	1,841,897
J Arnold	**5,000,000**	**3,000,000**	5,000,000	3,000,000

The high and low price of shares during the year were 5.375p and 4.375p respectively.

Substantial shareholdings

Save for the directors' interests disclosed above together with the following shareholders, the directors are not aware of any other shareholdings representing 3% or more of the issued share capital of the Company at the year end.

Investor	**No. of shares**	**% holding**	**Nature of holding**
Kestrel Partners LLP	49,422,700	17.3	Indirect
Elderstreet VCT plc	39,675,690	13.9	Indirect
Unicorn AIM VCT plc	28,066,867	9.8	Indirect
Octopus Asset Management Ltd	14,820,000	5.2	Indirect
Hawk Investment Holdings Ltd and Hawk Pension Ltd	11,666,667	4.1	Indirect
David Alderson	9,342,705	3.3	Direct
Ray Jackson	8,917,682	3.1	Direct

In addition to the above the following substantial shareholders are also holders of Loan Instruments.

	As at 30 November 2015		**Repaid during the year**	**As at 30 November 2016**	
	Convertible loan notes	Non-convertible loan notes	Non-convertible loan notes	**Convertible loan notes**	**Non-convertible loan notes**
Elderstreet VCT plc	700,000	300,000	-	**700,000**	**300,000**
Unicorn AIM VCT plc	750,000	300,000	-	**750,000**	**300,000**
Kestrel Partners LLP	400,000	900,000	(900,000)	**400,000**	**-**
Hawk Investment Holdings Ltd	300,000	300,000		**300,000**	**300,000**
Octopus Asset Management Ltd.	200,000	-	-	**200,000**	**-**
	2,350,000	1,800,000	(900,000)	**2,350,000**	**900,000**

The Company has two issues of convertible loan notes and one issue of non-convertible loan notes.

In 2014, the Company agreed terms with Elderstreet VCT and Unicorn AIM VCT plc to extend the loans issued in June 2009 such that they mature on 31 December 2015, with enhanced interest at 8% during this extended period with conversion rights unchanged at 4p per share. In January 2016, the maturity date of the loan notes was extended to 31 December 2016 with all other terms remaining unchanged.

In December 2016, the maturity date of the loan notes was extended to 31 December 2017 with all other terms remaining unchanged. As such, the notes are redeemable at par on maturity or convertible to ordinary shares at 4p per ordinary share on or before maturing on 31 December 2017 and carry a coupon rate of 8% per annum, payable semi-annually until such a time as they are repaid or converted in accordance with their terms. These notes are classified as current at the year end.

In December 2014 the Company issued a further £1,100,000 of convertible loan notes of which £800,000 were issued to substantial shareholders. These loan notes are redeemable at par on maturity or convertible to ordinary shares at 3p per ordinary share on or before maturing on 3 December 2019 and carry a coupon rate of 8% per annum payable semi-annually until such time as they are repaid or converted.

On 22 June 2015 the Company issued £1,818,000 non-convertible loan notes of which £1,800,000 were issued to substantial shareholders as per the table above. The loan notes carried an interest rate of 10% for one year rising to 12% thereafter. Interest is payable quarterly in arrears. The loans notes are fully repayable in five years.

On 22 April 2016, the Company repaid £900,000 of non-convertible loan notes held by Kestrel Partners LLP.

Elderstreet VCT plc is an AIM listed venture capital trust of which M Jackson is a non-executive director and he is also a director of Elderstreet Investments Ltd, the manager to Elderstreet VCT plc.

Dividends

Due to the significant and ongoing investment in developing our products, the directors do not propose a dividend in respect of the year ended 30 November 2016 (2015: £Nil).

Research & development and other technical expenditure

Throughout 2016 we have continued to invest in developing our products. The Group engaged an average of 66 (2015: 72) technical staff who both support the existing product offering as well as developing it. In 2016, £3,010,000 (2015: £3,448,000) was spent across the Group on research and development and other technical expenditure. Of this £522,000 (2015: £1,533,000) was capitalised and the balance was expensed through the consolidated statement of comprehensive income.

Further detail of research & development activity incurred by Group companies is set out in the Strategic Report on pages 10 to 29.

Our policy is to write development expenditure off to profit or loss as incurred unless it relates to a new product that is yet to be launched or relates to fundamental innovations that meet accounting definitions in that they are technically feasible, commercially viable and resources exist to complete the development projects. In such cases the expenditure is capitalised and amortised over five years beginning with the first sale. This reflects the estimated useful life taking into account the more flexible, structured code using latest modular design techniques available.

Employee relations

The Group supports the employment of disabled people, wherever possible, both when recruiting and by retention of those who become disabled during their employment.

Appropriate steps are taken to inform and consult employees regarding matters affecting them and the Group.

The Group's policy regarding health and safety is to ensure that, as far as is practical, there is a working environment which will minimise the risk to the health and safety of its employees and those persons who are authorised to be on its premises.

The Group encourages staff progression and is introducing more formal training and development of key staff across the Group. Individual job related training is provided if needed and it is incumbent upon all managers to find time to mentor and develop their own staff.

The Group's remuneration policies are driven locally at subsidiary level to reflect circumstances prevailing in their local labour markets. Our sales teams earn sales commission on top of a competitive basic salary based on their individual targets and incentives for all staff are encouraged. Directors' remuneration is determined by the remuneration committee, details of which are included in note 8.

Financial risk management and exposure to financial risk

The directors' management of and policies in relation to price risk, credit risk, liquidity risk and cash flow risk are explained in detail in the Strategic Report.

Environment

The Group's policy with regard to the environment is to ensure that we understand and effectively manage the actual and potential environmental impact of our activities. Our operations are conducted such that we comply with all legal requirements regarding the environment in all areas where we carry out our business. During the period covered by this report the Group has not incurred any fines or penalties or been investigated for any breach of environmental regulations.

Social responsibility

The Group has made certain small donations during the year supporting local charities, individually each donation and in aggregate being less than £2,000. We encourage our staff to raise money for charities by supporting their endeavours both as a company or the directors individually. No political donations were made during the year (2015: £Nil).

Going concern

The Strategic Report and opening pages to the annual report discuss Access Intelligence's business activities and headline results, together with our financial statements and notes which detail the results for the year, net current liability position, cash flows for the year ended 30 November 2016 and the extension of the maturity of the convertible loan notes. The Board has further considered 12 month cash flow forecasts from the date of signing the accounts and consider the assumptions used therein to be reasonable and reflective of the long-term 'software as a service' contracts and contracted recurring revenue.

The company has Convertible Loan Notes of £1,250,000 maturing in December 2017 held by two major shareholders, £500,000 by Elderstreet VCT (a company related to Chairman Michael Jackson) and £750,000 by Unicorn AIM VCT plc.

These Convertible Loan Notes originally matured on or before 30 June 2015 however the holders have extended them on a number of occasions to 31 December 2015, 31 December 2016 and in December 2016 the holders agreed to extend them to 31 December 2017. The Board expects these holders to extend again in December 2017 if required to do so.

The Board has concluded that they have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Events after the reporting date

In December 2016, the Company agreed terms to extend the convertible loan notes issued in June 2009 such that they mature on 31 December 2017, with interest at 8% during this extended period and conversion rights unchanged at 4p per share.

On 14 March 2017, Access Intelligence Plc transferred the trade and assets of its branch AIControlPoint to its subsidiary company formed during the year, AIControlPoint Limited. On 16 March 2017, Access Intelligence Plc disposed of 100% of the issued share capital of AIControlPoint Limited for a consideration totalling £782,000. Group profit on disposal of the subsidiary was £588,000 and Company profit on disposal was £639,000.

Share capital

Details of the Company's share capital are set out in note 24 to the financial statements.

Share option plan

The Company administers one approved option scheme called the "Access Intelligence plc Management Incentive Scheme". The scheme was adopted at the AGM held on 22 April 2009 and is open to any eligible employee selected at the discretion of the Board. The scheme period will extend for 10 years from the adoption date. The scheme rules are available at the Company's registered office. Details of the movement in options during the year are in note 25. In total, no options were granted in the year, 8,808,103 were exercised and 797,500 were forfeited.

Indemnity of directors

The Company has an indemnity policy which benefits all of its current directors and is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. The indemnification was in force during the year and at the date of approval of the financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Group and Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under AIM rules the directors are required to prepare Group financial statements in accordance with IFRS as adopted by the EU.

The Group financial statements are required by law and IFRS as adopted by the EU to present fairly the financial position and the performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

The Company financial statements are required by law to give a true and fair view of the state of affairs of the Company.

In preparing those financial statements, the directors are required to:

• select suitable accounting policies and then apply them consistently;
• make judgements and estimates that are reasonable and prudent;
• for the Group financial statements, state whether they have been prepared in accordance with IFRS as adopted by the EU;
• for the Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Company financial statements;
• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business; and
• provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions, on the Group's and the Company's financial position and financial performance.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for systems of internal control, for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's and the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditor

In so far as the directors are aware:
• there is no relevant audit information of which the Group's and the Company's auditor is unaware; and
• the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Mazars LLP has acted as auditor throughout the period and, in accordance with section 489 of the Companies Act 2006 a resolution to reappoint Mazars LLP will be put to the members at the forthcoming annual general meeting.

By order of the Board

J Arnold
Director
Approved by the directors on 28 April 2017

Corporate Governance

Application of the principles of good governance

As an AIM company, the Group is not required by the Financial Conduct Authority Listing Rules to follow the provisions of the UK Corporate Governance Code. Nevertheless, the Group is committed to applying the principles of corporate governance commensurate with its size.

The Board

At 30 November 2016, the Board consisted of three non-executive directors and one executive director, being the Chief Executive Officer. These Board members retain responsibility for the formulation of corporate strategy, approval of acquisitions, divestments and major capital expenditure and treasury policy. The appointment of new directors is a matter reserved for the Board as a whole rather than for a separate nomination committee.

The executive director is responsible for operational matters and executing agreed strategic decisions.

The Board meets monthly and has a schedule of matters specifically referred to it for decision. All directors have access to advice from the company secretary and training is available for directors as necessary.

Each member of the Board comes up for re-election by the shareholders at annual general meetings every three years by rotation.

The non-executive directors are not involved in the day-to-day running of the business. Shareholdings of all directors can be found in the Directors' Report.

Internal control

The directors have overall responsibility for ensuring that the Group maintains a system of internal control to provide them with reasonable assurance regarding effective and efficient operations, internal financial control and compliance with laws and regulations.

The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Group's strategic objectives. However, there are inherent limitations in any system of internal control and accordingly even the most effective system can only provide reasonable and not absolute assurance. The Board has reviewed the operation and effectiveness of the system of internal control in operation during the period.

The Board is also responsible for assessing and minimising all business risks, supported by group personnel able to provide specific assistance in matters relating to regulatory compliance, health and safety, environment, quality systems and insurance cover for property and liability risks.

Monthly accounts, with commentary on current year performance compared with planned performance, together with analysis and working capital information, are prepared in accordance with group accounting policies and principles. They are consolidated and reviewed by the Board in order to monitor overall performance and trigger appropriate management intervention where applicable.

The Board monitors the funding requirements and banking facilities provided to the Group in addition to the management of investment and treasury procedures. Capital and significant investment expenditure is approved against performance criteria.

The Board has considered the need for an internal audit function but has concluded that the size of the Group does not justify the expense at present. The need for an internal audit function will continue to be reviewed periodically.

Audit committee

The audit committee is appointed by the Board and must comprise a minimum of two members, including one non- executive director. D Lowe chairs the audit committee with M Jackson and J Arnold as the other members. The committee met on two occasions in 2016 (2015: two).

The audit committee may examine any matters relating to the financial affairs of the Group. This includes reviews of the annual accounts and announcements, internal control procedures, accounting policies, compliance with accounting standards, the appointment of external auditors and other such related functions as the Board may require.

Remuneration committee

The remuneration committee consists of C Pilling, M Jackson and J Arnold and is chaired by C Pilling. The committee's aim is to ensure that the executive director is rewarded for her contribution to the Group and is motivated to enhance the return to shareholders. The remuneration committee is responsible for reviewing the performance of the directors and setting their remuneration, and meets on an "as required" basis. The remuneration committee has regard to rates of pay for similar positions in comparable companies as well as internal factors such as performance. The objective of the Company's remuneration policy is to ensure that members of the executive management are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company.

The directors are eligible for share options under the Company's share option scheme. The exercise of options granted under this share option scheme is not dependent on performance criteria.

Full details of directors' remuneration are given in note 8 to the financial statements.

Nominations committee

The Group has not appointed a nominations committee. The Board has concluded that given the size of the Group this function can be effectively carried out by the whole Board.

Independent Auditor's Report to the Members of Access Intelligence Plc

We have audited the financial statements of Access Intelligence Plc for the year ended 30 November 2016 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flow, the Company Balance Sheet and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on pages 36 and 37, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion:
- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 November 2016 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of Access Intelligence Plc (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

William Neale Bussey (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

28 April 2017

Consolidated Statement of Comprehensive Income

Year ended 30 November 2016

	Note	**2016 £'000**	2015 (restated) £'000
Revenue	3	**9,598**	6,687
Cost of sales		**(4,241)**	(1,881)
Gross profit		**5,357**	4,806
Administrative expenses		**(8,295)**	(6,321)
Share of loss of associate		**(91)**	-
Share-based payment	25	**(13)**	(26)
Operating loss before impairment		**(3,042)**	(1,541)
Impairment of intangibles	14	**-**	(30)
Operating loss	5	**(3,042)**	(1,571)
Financial income	9	**-**	1
Financial expense	10	**(395)**	(266)
Loss before taxation		**(3,437)**	(1,836)
Taxation (charge)/credit	11	**(37)**	527
Loss for the year from continuing operations		**(3,474)**	(1,309)
Profit/(loss) for the year from discontinued operations	6	**1,511**	(1,934)
Loss for the year		**(1,963)**	(3,243)
Other comprehensive income		**-**	**-**
Total comprehensive income for the period attributable to the owners of the Parent Company		**(1,963)**	(3,243)

Earnings per share		**Continuing Operations 2016**	Continuing Operations 2015 (restated)
Basic loss per share	13	**(1.10)p**	(0.52)p
Diluted loss per share	13	**(1.10)p**	(0.52)p

		Continuing and Discontinued Operations 2016 £'000	Continuing and Discontinued Operations 2015 £'000
Basic loss per share	13	**(0.62)p**	(1.28)p
Diluted loss per share	13	**(0.62)p**	(1.28)p

The notes on pages 52 to 95 form part of these financial statements.

Consolidated Statement of Financial Position

At 30 November 2016

	Note	**2016 £'000**	2015 £'000
Non-current assets			
Property, plant and equipment	16	**100**	273
Intangible assets	14	**7,062**	7,423
Investments in associates	15	**534**	-
Deferred tax assets	23	**230**	865
Total non-current assets		**7,926**	8,561
Current assets			
Trade and other receivables	17	**2,565**	3,628
Current tax receivables		**436**	101
Cash and cash equivalents	26	**1,162**	1,523
Assets classified as held for sale	7	**381**	3,869
Total current assets		**4,544**	9,121
Total assets		**12,470**	17,682
Current liabilities			
Trade and other payables	19	**1,301**	1,225
Accruals		**941**	1,625
Provisions	27	**27**	130
Deferred revenue	20	**3,772**	4,643
Interest bearing loans and borrowings	18	**1,374**	1,277
Liabilities classified as held for sale	7	**507**	1,455
Total current liabilities		**7,922**	10,355
Non-current liabilities			
Provisions	27	**374**	391
Interest bearing loans and borrowings	18	**1,901**	2,839
Deferred tax liabilities	23	**230**	336
Total non-current liabilities		**2,505**	3,566
Total liabilities		**10,427**	13,921
Net assets		**2,043**	3,761
Equity			
Share capital	24	**1,580**	1,535
Treasury shares		**(148)**	(148)
Share premium account		**1,458**	1,271
Capital redemption reserve		**191**	191
Share option reserve		**377**	364
Equity reserve		**255**	255
Retained earnings		**(1,670)**	293
Total equity attributable to the equity holders of the Parent Company		**2,043**	3,761

The consolidated financial statements were approved and authorised for issue by the Board of directors on 28 April 2017 and signed on its behalf by

J Arnold
Director

The notes on pages 52 to 95 form part of these financial statements.

Consolidated Statement of Changes in Equity

Year ended 30 November 2016

	Share capital £'000	Treasury shares £'000	Share premium account £'000	Capital redemption reserve £'000	Share option reserve £'000	Equity reserve £'000	Retained earnings £'000	Total £'000
Group								
At 1 December 2014	1,324	(148)	224	191	338	126	3,536	5,591
Total comprehensive loss for the year	-	-	-	-	-	-	(3,243)	(3,243)
Equity component of convertible loan notes net of deferred tax	-	-	-	-	-	129	-	129
Transactions with owners								
Issue of share capital	211	-	1,047	-	-	-	-	1,258
Share-based payments	-	-	-	-	26	-	-	26
At 1 December 2015	1,535	(148)	1,271	191	364	255	293	3,761
Total comprehensive loss for the year	-	-	-	-	-	-	(1,963)	(1,963)
Transactions with owners								
Issue of share capital	45	-	187	-	-	-	-	232
Share-based payments	-	-	-	-	13	-	-	13
At 30 November 2016	**1,580**	**(148)**	**1,458**	**191**	**377**	**255**	**(1,670)**	**2,043**

Share capital and share premium account

When shares are issued, the nominal value of the shares is credited to the share capital reserve. Any premium paid above the nominal value is taken to the share premium account. Access Intelligence plc shares have a nominal value of 0.5p per share. Directly attributable transaction costs associated with the issue of equity investments are accounted for as a reduction from the share premium account.

Treasury shares

The returned shares are now held in treasury and attract no voting rights. The return of shares has been accounted for in accordance with IAS 32 'Financial instruments: Presentation' such that the instruments have been deducted from equity with no gain or loss recognised in profit or loss.

Share option reserve

This reserve arises as a result of amounts being recognised in the income statement relating to share-based payment transactions granted under the Group's share option scheme. The reserve will fall as share options vest and are exercised over the life of the options.

Capital redemption reserve

This reserve arises as a result of keeping with the doctrine of capital maintenance when the Company purchases and redeems its own shares. The amounts transferred into/out from this reserve from a purchase/redemption is equal to the amount by which share capital has been reduced/increased, when the purchase/redemption has been financed wholly out of distributable profits, and is the amount by which the nominal value exceeds the proceeds of any new issue of share capital, when the purchase/redemption has been financed partly out of distributable profits.

Equity reserve

The equity reserve arises as a result of the equity component that has been recognised on the convertible loan notes that have been issued by the Group (see the 'Interest bearing loans and borrowings' note). The reserve is determined by deducting the amount of the liability component from the fair value of the convertible loan notes as a whole, net of income tax effects and the relative proportion of the directly attributable transaction costs associated with the issue of the compound instruments.

Retained earnings

The retained earnings reserve records the accumulated profits and losses of the Group since inception of the business. Where subsidiary undertakings are acquired, only profits and losses arising from the date of acquisition are included.

Consolidated Statement of Cash Flow

Year ended 30 November 2016

	Note	**2016** **£'000**	2015 £'000
Loss for the year		**(1,963)**	(3,243)
Adjusted for:			
Taxation	11	**64**	(734)
Depreciation and amortisation	14,16	**1,078**	948
Impairment of intangible assets	14	**-**	1,899
Share option charge	25	**13**	26
Financial income	9	**-**	(1)
Financial expense	10	**395**	266
Loss on disposal of property, plant and equipment	16	**-**	70
Share of loss of associate		**91**	-
Profit on sale of Due North Limited	6	**(1,664)**	-
Profit on sale of AITrackRecord Limited	6	**(585)**	-
Profit on sale of Willow Starcom Limited	6	**-**	(900)
Operating cash outflow before changes in working capital		**(2,571)**	(1,669)
Decrease/(Increase) in trade and other receivables		**934**	(496)
Decrease in inventories		**-**	8
(Decrease)/Increase in trade and other payables		**(1,228)**	345
Net cash outflow from operations before taxation		**(2,865)**	(1,812)
Taxation received		**-**	237
Net cash outflow from operations		**(2,865)**	(1,575)
Cash flows from investing			
Interest received	9	**-**	1
Acquisition of property, plant and equipment and software licences	16	**(17)**	(66)
Cost of software development	14	**(579)**	(1,541)
Acquisition of trade and assets		**-**	(1,340)
Disposal of Due North Limited (net of expenses)	6	**4,030**	-
less: cash and cash equivalents disposed of	6	**77**	-
Disposal of AITrackRecord Limited (net of expenses)	6	**7**	-
less: cash and cash equivalents disposed of	6	**(10)**	-
Disposal of Willow Starcom Limited (net of expenses)	6	**-**	1,487
less: cash and cash equivalents disposed of	6	**-**	(346)
Move to held for sale of Due North Limited		**-**	(207)
Net cash inflow/(outflow) from investing		**3,508**	(2,011)
Cash flows from financing activities			
Interest paid		**(336)**	(192)
Issue of shares		**-**	1,200
Exercise of share options	25	**232**	58
(Repayment)/issue of loan notes	18	**(900)**	2,900
Net cash (outflow)/inflow from financing		**(1,004)**	3,966
Net (decrease)/increase in cash and cash equivalents	26	**(361)**	379
Opening cash and cash equivalents	26	**1,523**	1,144
Closing cash and cash equivalents	26	**1,162**	1,523

The notes on pages 52 to 95 form part of these financial statements.

Notes to the Consolidated Statements

1. General Information

Access Intelligence Plc ('the Company') and its subsidiaries (together the 'Group') provide software for companies looking to build, maintain and protect their reputation through communications management.

The Company is a public limited company under the Companies Act 2006 and is listed on the AIM market of the London Stock Exchange and is incorporated and domiciled in the UK. The address of the Company's registered office is provided in the Directors and Advisers page of this Annual Report.

2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS's') as adopted by the European Union, and with those parts of the Companies Acts applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention and on a going concern basis.
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Going concern

The Strategic Report and opening pages to the annual report discuss Access Intelligence's business activities and headline results, together with our financial statements and notes which detail the results for the year, net current liability position, cash flows for the year ended 30 November 2016 and the extension of the maturity of the convertible loan notes. The Board has further considered 12 month cash flow forecasts from the date of signing the accounts and consider the assumptions used therein to be reasonable and reflective of the long-term 'software as a service' contracts and contracted recurring revenue.

The company has Convertible Loan Notes of £1,250,000 maturing in December 2017 held by two major shareholders, £500,000 by Elderstreet VCT (a company related to Chairman Michael Jackson) and £750,000 by Unicorn AIM VCT plc.

These Convertible Loan Notes originally matured on or before 30 June 2015 however the holders have extended them on a number of occasions to 31 December 2015, 31 December 2016 and in December 2016 the holders agreed to extend them to 31 December 2017. The Board expects these holders to extend again in December 2017 if required to do so.

The Board has concluded that they have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Significant judgements

In addition to going concern, the areas involving a high degree of judgement or complexity relate to:
• the recognition of deferred tax assets in relation to losses (refer to note 23); and
• the recoverability of trade receivables currently provided for (refer to note 17).

Significant estimates

Further to the significant judgements above the areas where key assumptions and estimates have been made by management relate to:
• the impairment testing of goodwill and capitalised development costs and other non-current assets, (refer to note 14); and
• the charge for share-based payment transactions which include assumptions on future share prices movements, expected future dividends, and risk-free discount rates (refer to note 25).

New standards and interpretations

The following standards, amendments and interpretations to published standards, have been adopted during the year.

'Disclosure initiative' - Amendment to IAS 1 (Issued December 2014)

'Clarification of acceptable methods of depreciation and amortisation' - Amendments to IAS 16 and IAS 38 (Issued May 2014)

'Agriculture: Bearer plants' - Amendments to IAS 16 and IAS 41 (Issued June 2014)

'Defined benefit plans: Employee contributions' - Amendment to IAS 19 (Issued November 2013)

'Equity method in separate financial statements' - Amendment to IAS 27 (Issued August 2014)

'Investment entities: Applying the consolidation exception' - Amendments to IFRS 10, IFRS 12 and IAS 28 (Issued December 2014)

'Accounting for acquisitions of interests in joint operations' - Amendment to IFRS 11 (Issued May 2014)

Improvements to IFRSs 2010 - 2012 cycle (Issued December 2013)

Improvements to IFRSs 2012 - 2014 cycle (Issued September 2014)

There has been no impact of adopting the above standards, amendments and interpretations.

New standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. The listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company does not intend to adopt those standards until they become effective.

The group has not yet adopted IFRS 15 'Revenue from Contracts with Customers' (Issued May 2014) and Clarifications to IFRS 15 'Revenue from Contracts with Customers' (Issued April 2016). The directors do not expect a material impact from preliminary assessment of the implementation of IFRS15, however a more thorough review of the impact of the standard will be performed ahead of the next financial reporting period. The standard is effective for accounting periods beginning on or after 1 January 2018.

Effective for November 2017 financial statements

'Disclosure initiative' - Amendment to IAS 7 (Issued January 2016)

'Recognition of deferred tax assets for unrealised losses' - Amendment to IAS 12 (Issued January 2016)

Improvements to IFRSs 2014 - 2016 cycle (Issued December 2016)

Effective for November 2018 financial statements

'Transfers of investment property' - Amendment to IAS 40 (Issued December 2016)

'Classification and measurement of share-based payment transactions' - Amendment to IFRS 2 (Issued June 2016)

IFRS 9 'Financial Instruments' (Issued July 2014)

'Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts'' - Amendment to IFRS 4 (Issued September 2016)

Clarifications to IFRS 15 'Revenue from Contracts with Customers' (Issued April 2016)

Improvements to IFRSs 2014 - 2016 cycle (Issued December 2016)

IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (Issued December 2016)

Effective for November 2019 financial statements

IFRS 16 'Leases' (issued January 2016)

Basis of consolidation

The Group financial statements comprise the financial statements of the Company and all of its subsidiary undertakings made up to the financial year end. Subsidiaries are entities that are controlled by another entity. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Adjustments are made where necessary to bring the accounting policies of acquired businesses into alignment with those of the Group.

Subsidiaries are included within the consolidation where the Company has control over such entities, thereby having the power to govern the financial and operating policies of the entity. The results of subsidiary undertakings acquired or disposed of in the year are included in the Group statement of comprehensive income from the effective date of acquisition or to the effective date of disposal. Accounting policies are consistently applied throughout the Group. Inter-company balances and transactions have been eliminated. Material profits from inter-company sales, to the extent that they are not yet realised outside the Group, have also been eliminated.

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the Group's investments in associates are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Disposal groups held for sale

The Group classifies assets and liabilities as held for sale once they are available for sale in their present condition and the sale satisfies the criteria to be highly probable. The held for sale classification applies to a group of assets and liabilities directly associated with those assets, to be disposed of in a single transaction.

Disposal groups classified as held for sale are carried at the lower of the carrying amount and fair value less costs to sell. Assets that form part of disposal groups classified as held for sale are not depreciated or amortised.

Discontinued operations

The group classifies an operation as discontinued from the earlier of the date the operation meets the criteria to be classified as held for sale or the date the group disposes of the operation.

Results of discontinued operations are shown separately in the statement of comprehensive income. Prior periods are re-presented so that the presentation relates to all periods for operations that have been discontinued by the end of the current reporting period.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is charged to the income statement on both a straight-line and reducing balance basis over the estimated useful lives of fixtures, fittings and equipment taking into account any estimated residual value. The estimated useful lives are as follows:

Fixtures, fittings and equipment - 3 - 5 years
Leasehold improvements - over lease term

Intangible assets - Goodwill

Goodwill represents amounts arising on acquisition of subsidiaries. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets and contingent liabilities acquired. Identifiable intangible assets are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is allocated to cash generating units and is not amortised, but is tested annually for impairment.

In respect of acquisitions prior to 1 December 2006, goodwill is included at 1 December 2006 on the basis of its deemed cost, which represents the amount recorded under UK GAAP which was broadly comparable save that only separable intangibles were recognised and goodwill was amortised. On transition, amortisation of goodwill has ceased.

Intangible assets - Research and development expenditure

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation of the asset begins from the date development is complete and the asset is available for use, which may be before first sale. It is amortised over the period of expected future benefit. Amortisation is recorded in administration expenses. During the period of development, the asset is tested for impairment annually.

In 2016 there were two (2015: five) capitalised development projects. These projects both related to the development of new functionality within the Vuelio platform. The directors assessed the capitalisation criteria of its internally generated material intangible assets through review of the output of the work performed, the specific costs proposed for capitalisation, the likely completion of the work and the likely future benefits to be generated from the work. The directors assess the useful life of the completed capitalised development projects to be five years from the date of the first sale or when benefits begin to be realised and amortisation will begin at that time.

Intangible assets - Database

On acquisition of the business and certain assets of Cision UK Ltd and Vocus UK Ltd, a fair value was calculated in respect of the PR and media contacts database acquired. Subsequent expenditure on maintaining this database is expensed as incurred. Amortisation is calculated on a straight-line basis over the estimated useful economic life of the database. It is the directors' view that this useful economic life is three years based on the level of ongoing investment required to maintain the quality of data in the database.

Intangible assets - Customer relationships

On acquisition of the business and certain assets of Cision UK Ltd and Vocus UK Ltd, a fair value was calculated in respect of the customer relationships acquired. Amortisation is calculated on a straight-line basis over the estimated useful economic life of the customer relationships. It is the directors' view that this useful economic life is five years, based on known and forecast customer retention rates.

Intangible assets - Brand value

Acquired brands, which are controlled through custody or legal rights and could be sold separately from the rest of the Group's businesses, are capitalised where fair value can be reliably measured. The Group applies a 20-year straight line amortisation policy on all brand values. The brand equity in each case has been built up over a 5-10-year period addressing the needs of two large global markets that have yet to reach maturity. In the event that the developed world became saturated it is the directors' view that the developing world will soon find a need for such products. The conclusion is that a realistic life for the brand equity would be a 'generation' or 20 years. Where there is an indication of impairment, the directors will perform an impairment review by analysing the future discounted cash flows over the remaining life of the brand asset to determine whether impairment is required.

Software licences

Software licences include software that is not integral to a related item of hardware. These items are stated at cost less accumulated amortisation and any impairment. Amortisation is calculated on a straight line basis over the estimated useful economic life. Although perpetual licences are maintained under support and maintenance agreements, a useful economic life of five years has been determined.

Impairment of non-financial assets

The carrying amounts of the Group's assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated based upon the value in use.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date. The recoverable amount is the higher of the fair value less costs to sell and value in use of the cash generating unit containing the goodwill or intangible assets with an indefinite useful life.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to the carrying amount of the goodwill allocated to that cash-generating unit and then to the carrying amount of the other assets in the unit on a pro rata basis, applied in priority to non-current assets ahead of more liquid items. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, trade and other payables and other financial liabilities.

Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or are cancelled.

Trade and other receivables are recorded initially at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. Specific impairment provisions are made when management consider the debtor irrecoverable and these are charged to the income statement. Trade and other payables are recorded initially at fair value and subsequently measured at amortised cost, using the effective interest method.

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short term highly liquid investments.

Loans and borrowings and other financial liabilities, which include the convertible redeemable loan notes, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method. Interest expense is measured on an effective yield basis and recognised in the income statement over the relevant period.

Issue costs are apportioned between the liability and equity components of the convertible loan notes based upon their relative carrying amounts at the date of issue. The portion relating to the equity component is recognised in equity. Finance payments associated with financial liabilities are dealt with as part of finance expenses.

The Group may enter into derivative financial instruments for risk management purposes. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value with gains and losses recognised through profit or loss. The Group does not hold or issue derivative financial instruments for trading purposes.

Convertible loan notes

The component parts of compound instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, in the case of a convertible loan note denominated in the functional currency of the issuer that may be converted into a fixed number of equity shares, the fair value of the liability component is estimated at the present value of the stream of future cash flows (including both coupon payments and redemption) discounted at the market rate of interest that would have been applied to an instrument of comparable credit quality with substantially the same cash flows, on the same terms, but without the conversion option. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. Non-substantial modifications are accounted for by amortising any adjustment to the carrying amount of the liability over the remaining term of the modified liability.

The equity component is determined by deducting the amount of the liability component and deferred tax liability from the fair value of the compound instrument as a whole. This is recognised and included in equity, and is not subsequently re-measured.

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that the obligation will be required to be settled, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are discounted when the time value of money is material.

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future, against which the reversal of temporary differences can be deducted. Recognition, therefore, involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

Historical differences between forecast and actual taxable profits have not resulted in material adjustments to the recognition of deferred tax assets.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. These equity-settled share-based payments are measured at fair-value at the date of the grant. Where material, the fair value as determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Fair value is measured by use of the Black–Scholes method. The charges to profit or loss rest in the subsidiary employing the executive concerned.

Employee benefits

Individual subsidiaries of the Group operate defined contribution pension schemes for their employees. The assets of the schemes are not managed by the Group and are held separately from those of the Group. The annual contributions payable are charged to the income statement when they fall due for payment.

Revenue

Revenue represents the amounts derived from the provision of goods and services, stated net of Value Added Tax. The methodology applied to income recognition is dependent upon the goods or services being supplied.

Revenues from the delivery of infrastructure (i.e. goods) are recognised on installation when the risks and rewards of ownership have transferred to the customer. Associated training and consultancy fees (i.e. services) are recognised when specified contractual milestones are met or on project completion. In the event that these services are invoiced in advance they will be credited to deferred revenue and released to the comprehensive income statement once delivered. The revenue recognised on delivery and installation of infrastructure is the amount stated in the contract for such services. The contractual fee for the delivery and installation of infrastructure is calculated separately to fees for associated licensing arrangements based on fair value. For infrastructure, this is measured using third party cost plus an appropriate profit margin basis in accordance with our business model. The professional services element for installation would be provided to the customer on a time and materials basis. The directors consider that the cost of providing the service (i.e. the third party costs) plus an appropriate profit margin represents an approximation of the fair value of the service provided.

In respect of income relating to annual or multi-year service contracts and/or hosted services which are invoiced in advance, it is the Group's policy to recognise revenue on a straight line basis over the period of the contract. The full value of each sale is credited to deferred revenue when invoiced to be released to the statement of comprehensive income in equal instalments over the contract period.

During the course of a customer's relationship with the Group, their system may be upgraded. These upgrades can be separated into two distinct types:

- Specific upgrades, i.e. moving from an old legacy system to one of the Group's latest products. This would require the migration of the customer's data from the old system and the set-up of their new system; and
- Non-specific upgrades, i.e. enhancements to customers' systems as a result of internal development effort to improve the stability or functionality of the platform for all customers.

Customers do not have a contractual right to non-specific upgrades. For specific upgrades, customers are required to separately purchase these through signing a new contract which sets out the one-off professional services fee for the upgrade to cover migration costs and any increase in their annual licence fee.

Different accounting treatment is applied to specific and non-specific upgrades due to the differing obligations and performance of the Group. No additional amounts are charged to customers for non-specific upgrades as these are provided to all customers without obligation. Specific upgrades are completed on an individual customer basis and are contracted for separately with additional fees.

The Group does not have any further obligations that it would have to provide for under the licensing arrangements.

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Finance income and finance expenses

Finance income and finance expenses are recognised in profit or loss as they accrue, using the effective interest method. Finance income relates to interest income on the Group's bank account balances. Interest payable comprises interest payable or finance charges on loans classified as liabilities.

In relation to interest relating to the convertible redeemable loan notes, the charge to profit or loss is an 'effective interest charge' over the period as opposed to the actual interest paid or payable. The effective interest charge is higher than the actual interest paid.

Dividend distributions

Dividend distributions are recognised as transactions with owners on payment.

Foreign exchange

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). The results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the year.

3. Revenue

The Group's revenue is primarily derived from the rendering of services with the value of sales of goods or delivery of infrastructure not being significant in relation to total Group revenue.

The Group's revenue was split into the following territories:

	Continuing Operations 2016 £'000	Continuing Operations 2015 £'000
United Kingdom	**8,484**	6,067
European Union	**390**	234
Rest of the world	**724**	386
	9,598	6,687

4. Segment reporting

Segment information is presented in respect of the Group's operating segments which are based upon the Group's management and internal business reporting.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly head office expenses.

Segment non-current asset additions show the amounts relating to property, plant and equipment and intangible assets including goodwill. All non-current assets are located in the UK.

Operating segments

The Group operating segments have been decided upon according to their revenue model and product or service offering being the information provided to the Chief Executive Officer and the Board. The Reputation and Governance, Risk & Compliance segments derive their revenues from software licence sales and support and training revenues. As a result of the Group's divestments and acquisitions during the year the segments reported have changed to reflect the Board's focus. The segments are:

- Reputation
- Governance, Risk & Compliance
- Discontinued - Disposals & Held for Sale
- Head Office

2016

The segment information for the year ended 30 November 2016, is as follows:

	Reputation £'000	Governance Risk and Compliance £'000	Head office £'000	Consolidation adjustment £'000	Continuing operations £'000	Discontinued Disposals £'000	Discontinued Held for sale £'000	Consolidations adjustment £'000	Discontinued operations £'000	Total £'000
External revenue	9,108	490	-	-	**9,598**	544	789	-	**1,333**	10,931
Operating (loss)/profit	(2,784)	(41)	(432)	306	**(2,951)**	(714)	(16)	40	**(690)**	(3,641)
Share of loss of associate	-	-	(91)	-	**(91)**	-	-	-		(91)
Profit on sale of subsidiary	–	–	-	–	**-**	–	–	2,228	**2,228**	2,228
Financial income	-	-	2,500	(2,500)	**-**	-	-	-	**-**	-
Financial expense	-	-	(395)	-	**(395)**	-	-	-	**-**	(395)
Taxation	56	(33)	(73)	13	**(37)**	-	(27)	-	**(27)**	(64)
(Loss)/profit after taxation	(2,728)	(74)	1,509	(2,181)	**(3,474)**	(714)	(43)	2,268	**1,511**	(1,963)
Reportable segment assets	10,058	409	9,468	(7,757)	**12,178**	-	292	-	**292**	12,470
Reportable segment liabilities	12,648	215	4,747	(7,690)	**9,920**	-	507	-	**507**	10,427
Other information: Additions to property, plant and equipment	14	-	4	-	**17**	-	-	-	**-**	17
Depreciation and amortisation	1,304	5	54	(348)	**1,015**	55	8	-	**63**	1,078

2015

The segment information for the year ended 30 November 2015 (restated), is as follows:

	Reputation £'000	Governance Risk and Compliance £'000	Head office £'000	Consolidation adjustment £'000	Continuing operations £'000	Discontinued Disposals £'000	Discontinued Held for sale £'000	Consolidations adjustment £'000	Discontinued operations £'000	Total £'000
External revenue	6,119	568	-	-	6,687	3,441	728	-	4,169	10,856
Operating (loss)/profit	(1,716)	(175)	760	(410)	(1,541)	(863)	(309)	-	(1,172)	(2,712)
Profit on sale of subsidiary	-	–	-	-	–	-	-	900	900	900
Impairment	-	(30)	-	-	(30)	(1,692)	(177)	-	(1,869)	(1,899)
Financial income	-	-	1	-	1	-	-	-	-	1
Financial expense	-	-	(266)	-	(266)	-	-	-	-	(266)
Taxation	401	23	82	21	527	266	(59)	-	207	734
(Loss)/profit after taxation	(1,315)	(182)	577	(389)	(1,309)	(2,289)	(545)	900	(1,934)	(3,243)
Reportable segment assets	13,393	374	10,853	(11,658)	12,962	4,555	165	-	4,720	17,682
Reportable segment liabilities	10,909	2,124	9,630	(13,605)	9,058	3,676	1,186	-	4,862	13,921
Other information: Additions to property, plant and equipment	12	1	10	-	23	44	-	-	44	66
Depreciation and amortisation	577	22	102	(110)	591	338	15	-	353	944

5. Operating Loss

Operating loss is stated after charging

	2016 £'000	2015 £'000
Depreciation of property, plant and equipment	**176**	162
Amortisation of development costs	**218**	124
Amortisation of brand values	**60**	60
Amortisation of software licences	**63**	36
Amortisation of database	**272**	138
Amortisation of customer list	**226**	70
Loss on disposal of property, plant and equipment	**-**	70
Impairment of intangible assets	**-**	30
(Profit) on foreign currency translation	**(6)**	-
Exceptional costs (see below)	**285**	260
Operating lease charges - land and buildings	**571**	574
Auditor's remuneration (see below)	**62**	85
Share based payments	**13**	26
Research and development and other technical expenditure (income statement) (a further £522,000 (2015: £417,000) was capitalised)	**1,664**	650
Increase in provision for receivables	**39**	46

Exceptional costs in the year ended 30 November 2016 were incurred as a result of restructuring and non-recurring one off termination of employment costs for staff and directors, along with associated legal fees. The exceptional costs are made up of the following:

	2016 £'000	2015 £'000
Compensation for loss of office - directors	**-**	88
Compensation and notice payments - all staff	**285**	134
Legal costs incurred on compensation of loss of office for directors	**-**	38
	285	260

Auditor's remuneration is further analysed as:

	2016 £'000	2015 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**25**	27
Under-provision for the audit of the Company's 2014 annual accounts	**-**	21
The audit of the Company's subsidiaries, pursuant to legislation	**27**	28
Tax services	**10**	9
	62	85

6. Discontinued operations

Due North Limited

In February 2016, the Group sold its subsidiary Due North Limited. This business unit had been reported as a discontinued operation and classified as held for sale at 30 November 2015 following the commitment of the Group's management in June 2015 to a plan to sell the entity.

	2016 £'000	2015 £'000
Results of discontinued operation		
Revenue	**258**	1,793
Expenses	**(308)**	(1,617)
Results from operating activities	**(50)**	176
Tax	**-**	(29)
Results from operating activities, net of tax	**(50)**	147
Gain on sale of discontinued operation	**1,664**	-
Tax on gain on sale of discontinued operation	**-**	-
Profit for the year	**1,614**	147
Basic earnings per share	**0.51p**	0.06p
Diluted earnings per share	**0.51p**	0.06p

	2016 £'000	2015 £'000
Cash flows from/(used in) discontinued operation		
Net cash from operating activities	**403**	510
Net cash used in investing activities	**(15)**	(420)
Net cash used in financing activities	**(465)**	-
Net cash flows for the year	**(77)**	90

The following is a breakdown of the effects of the disposal of Due North Limited on the financial position of the Group:

	2016 £'000
Goodwill	**412**
Property, plant and equipment	**82**
Intangible assets	**2,614**
Trade and other receivables	**304**
Cash and cash equivalents	**130**
Deferred tax liabilities	**(432)**
Trade and other payables	**(744)**
Net assets and liabilities	**2,366**
Consideration received, satisfied in cash	**4,500**
Cash and cash equivalents disposed of	**130**

AITrackRecord Limited

In July 2016, the Group sold its subsidiary AITrackRecord Limited. This business unit had not been reported as a discontinued operation or classified as held for sale at 30 November 2015 and the comparative consolidated statement of comprehensive income has been re-presented to show the results of discontinued operations separately from continuing operations.

	2016 £'000	2015 £'000
Results of discontinued operation		
Revenue	**285**	704
Expenses	**1,352**	(3,069)
Results from operating activities	**1,637**	(2,365)
Tax	**-**	295
Results from operating activities, net of tax	**1,637**	(2,070)
Gain on sale of discontinued operation	**585**	-
Tax on gain on sale of discontinued operation	**-**	-
Profit for the year	**2,222**	(2,070)
Basic earnings per share	**0.70p**	(0.82)p
Diluted earnings per share	**0.70p**	(0.82)p

	2016 £'000	2015 £'000
Cash flows from/(used in) discontinued operation		
Net cash from operating activities	**(145)**	652
Net cash used in investing activities	**-**	(557)
Net cash used in financing activities	**-**	-
Net cash flows for the year	**(145)**	94

The following is a breakdown of the effects of the disposal of AITrackRecord Limited on the financial position of the Group:

	2016 £'000
Property, plant and equipment	**13**
Trade and other receivables	**161**
Cash and cash equivalents	**10**
Deferred tax assets	**23**
Trade and other payables	**(161)**
Net assets and liabilities	**46**
Consideration received, satisfied in shares of TrackRecord Holdings Limited	**625**
Consideration received, satisfied in cash	**101**
Cash and cash equivalents disposed of	**10**

AIControlPoint

AIControlPoint, a branch of Access Intelligence Plc, is presented as a disposal group held for sale following the commitment of the Group's management in 2016, to a plan to sell the business. This business unit had not been reported as a discontinued operation or classified as held for sale at 30 November 2015 and the comparative consolidated statement of comprehensive income has been re-presented to show the results of discontinued operations separately from continuing operations.

	2016 £'000	2015 £'000
Results of discontinued operation		
Revenue	**789**	728
Expenses	**43**	(1,214)
Results from operating activities	**833**	(486)
Tax	**(27)**	(59)
Results from operating activities, net of tax	**805**	(545)
Gain on sale of discontinued operation	**-**	-
Tax on gain on sale of discontinued operation	**-**	-
Profit for the year	**805**	(545)
Basic earnings per share	**0.26p**	(0.22)p
Diluted earnings per share	**0.26p**	(0.22)p

	2016 £'000	2015 £'000
Cash flows from/(used in) discontinued operation		
Net cash from operating activities	**-**	-
Net cash used in investing activities	**-**	-
Net cash used in financing activities	**-**	-
Net cash flows for the year	**-**	-

All discontinued operations

The following tables provide combined information for all discontinued operations. The current year figures include the results of Due North Limited, AITrackRecord Limited and AIControlPoint plus consolidation adjustments. The prior year comparative figures also include the results of Willow Starcom Limited which was sold during the year ended 30 November 2015.

	2016 £'000	2015 £'000
Results of discontinued operation		
Revenue	**1,333**	4,169
Expenses	**(2,023)**	(6,310)
Results from operating activities	**(690)**	(2,141)
Tax	**(27)**	207
Results from operating activities, net of tax	**(717)**	(1,935)
Gain on sale of discontinued operation	**2,228**	-
Tax on gain on sale of discontinued operation	**-**	-
Profit/(loss) for the year	**1,511**	(1,935)
Basic earnings per share	**0.48p**	(0.77)p
Diluted earnings per share	**0.48p**	(0.77)p

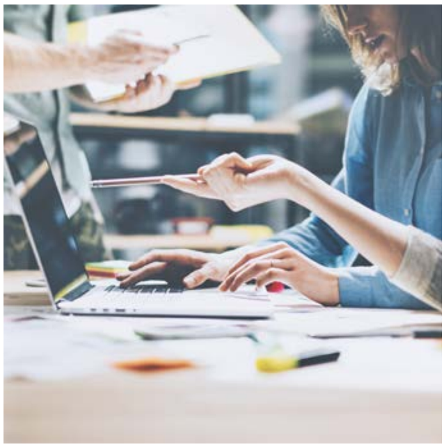
The profit/(loss) from discontinued operations of £1,511,000 (2015: loss of £1,935,000) is entirely attributable to the owners of the Company.

	2016 £'000	2015 £'000
Cash flows from/(used in) discontinued operation		
Net cash from operating activities	**257**	1,162
Net cash used in investing activities	**(15)**	(977)
Net cash used in financing activities	**(465)**	-
Net cash flows for the year	**(222)**	(185)

The following is a breakdown of the effects of the disposal of Due North Limited and AITrackRecord Limited on the financial position of the Group:

	2016 £'000
Goodwill	**412**
Property, plant and equipment	**95**
Intangible assets	**2,614**
Trade and other receivables	**465**
Cash and cash equivalents	**140**
Deferred tax **assets**	**(409)**
Trade and other payables	**(905)**
Net assets and liabilities	**2,412**
Consideration received, satisfied in shares of TrackRecord Holdings Limited	**625**
Consideration received, satisfied in cash	**4,601**
Cash and cash equivalents disposed of	**140**












7. Disposal group held for sale

AIControlPoint, a branch of the Parent Company is presented as a disposal group held for sale following the commitment of the Group's management in 2016 to a plan to sell the business. Efforts to sell the disposal group had therefore commenced before the year end, with the sale being completed on 16 March 2017 (see note 30).

At the prior year end, Due North Limited was presented as a disposal group held for sale following the commitment of the Group's management to a plan to sell the entity with the sale being completed on 3 February 2016 (see note 6).

At 30 November, the disposal group comprised the following assets and liabilities:

Assets classified as held for sale

	2016 £'000	2015 £'000
Goodwill	**89**	412
Development costs	**-**	2,661
Other intangible fixed assets	**3**	
Property, plant and equipment	**-**	75
Trade and other receivables	**289**	514
Cash and cash equivalents	**-**	207
	381	3,869

Liabilities classified as held for sale	**2016 £'000**	2015 £'000
Trade and other payables	**75**	401
Deferred income	**432**	621
Deferred tax liabilities	**-**	433
	507	1,455

8. Particulars of employees

	2016 £'000	2015 £'000
The average number of persons (including directors) employed by the Group during the year was:		
Selling, distribution and administration	**120**	148
Technical	**66**	72
	186	220

Costs incurred in respect of these employees were:

	2016 £'000	2015 £'000
Wages and salaries costs	**6,637**	7,403
Social security costs	**699**	707
Pension costs	**191**	119
Health insurance	**30**	39
Employee benefits	**13**	12
Compensation for loss of office	**285**	240
	7,855	8,520

Of the costs listed above in relation to employees £Nil (2015: £577,000) was capitalised to the statement of financial position within development costs and £7,856,000 (2015: £7,943,000) was expensed to the statement of comprehensive income.

The compensation for loss of office charge of £285,000 (2015: £240,000) relates to 22 employees (2015: three employees) who were made redundant during the year and no directors (2015: three directors).

The reportable key management personnel are considered to be comprised of the Company directors, the remuneration for whose services during the year is detailed in the table below.

Directors' remuneration

	Salaries	Fees	2016 £	2015 £
Executive Directors				
J Arnold	209,981	-	**209,981**	201,410
Non-Executive Directors				
M Jackson	40,000	-	**40,000**	32,500
D Lowe	30,000	-	**30,000**	17,500
C Pilling	-	30,000	**30,000**	19,500
	279,981	30,000	**309,981**	270,910

J Arnold received health insurance benefits during the year of £883 (2015: £1,120).

J Arnold received payments into a personal retirement money purchase pension scheme during the year of £7,731 (2015: £7,474).

No other directors received any other benefits other than those detailed above.

The number of directors at 30 November 2016 accruing retirement benefits under money purchase schemes was one (2015: one).

The interests of the directors in share options are detailed in the Directors' Report on page 33 of this report. M Jackson exercised 6,808,103 share options during the year. The gain arising on exercise was £144,672.

9. Financial income

	2016 £'000	2015 £'000
Interest receivable on bank accounts	**-**	1

10. Financial expense

	2016 £'000	2015 £'000
Effective interest charged on convertible loan notes	**217**	191
Interest charged on non-convertible loan notes	**178**	75
Total financial expense	**395**	266

11. Taxation

	2016 £'000	2015 £'000
Current income taxes credit:		
UK corporation tax credit for the year	**(333)**	-
Adjustment in respect of prior year	**(103)**	-
Total current income tax credit	**(436)**	-
Deferred tax (note 23)		
Impact of change in tax rate	**-**	27
De-recognition of deferred tax assets	**194**	80
Origination and reversal of temporary differences	**279**	(634)
Total deferred tax	**473**	(527)
Total tax charge/(credit)	**37**	(527)

As shown above the tax assessed on the loss on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.3%).

The differences are explained as follows:

Factors affecting tax credit	2016 £'000	2015 £'000
Loss on ordinary activities before tax from continuing operations	**(3,437)**	(1,836)
Profit/(loss) on ordinary activities before tax from discontinued operations	**1,538**	(2,141)
Loss on ordinary activities before tax	**(1,899)**	(3,977)
Loss on ordinary activities multiplied by effective rate of tax	**(380)**	(809)
Expenses not deductible for tax purposes	**666**	274
Adjustment in respect of prior year	**(103)**	-
De-recognition of deferred tax assets	**141**	80
Additional R&D claim CTA 2009	**(260)**	(279)
Total tax charge/(credit)	**64**	(734)
Tax charge/(credit) reported in the Consolidated Statement of Comprehensive Income	**37**	(527)
Tax charge/(credit) attributable to discontinued operations	**27**	(207)
Total tax charge/(credit)	**64**	(734)

Factors that may affect future tax expenses

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted in October 2015. A further reduction in the tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted in September 2016. These rates therefore have been considered when calculating the deferred tax at the reporting date.

12. Dividend paid

Due to the significant and ongoing investment in developing our products, the directors do not propose a dividend in respect of the year ended 30 November 2016.

13. Earnings per share

The calculation of earnings per share is based upon the total Group loss for the year of £1,963,000 (2015: loss of £3,243,000) divided by the weighted average number of ordinary shares in issue during the year which was 315,301,844 (2015: 252,593,681).

In 2016 and 2015 potential ordinary shares from the share option schemes and convertible loan notes have an anti- dilutive effect due to the Group being in a loss position. As a result, dilutive loss per share is disclosed as the same value as basic loss per share.

This has been computed as follows:

	Continuing Operations	**Discontinued Operations**	**Total**	Continuing Operations	Discontinued Operations	Total
Numerator	**2016 £'000**	**2016 £'000**	**2016 £'000**	2015 (restated) £'000	2015 (restated) £'000	2015 £'000
(Loss)/Profit for the year and earnings used in basic EPS	**(3,474)**	**1,511**	**(1,963)**	(1,309)	(1,934)	(3,243)
Earnings used in diluted EPS	**(3,474)**	**1,511**	**(1,963)**	(1,309)	(1,934)	(3,243)
Denominator	**'000**	**'000**	**'000**	'000	'000	'000
Weighted average number of shares used in basic EPS	**315,302**	**315,302**	**315,302**	252,594	252,594	252,594
Effects of:						
Dilutive effect of options	**N/A**	**N/A**	**N/A**	N /A	N/A	N/A
Dilutive effect of loan note conversion	**N/A**	**N/A**	**N/A**	N /A	N/A	N/A
Weighted average number of shares used in diluted EPS	**315,302**	**315,302**	**315,302**	252,594	252,594	252,594
Basic (Loss)/ earnings per share (pence)	**(1.10)**	**0.48**	**(0.62)**	(0.52)	(0.76)	(1.28)
Diluted loss per share for the year (pence)	**(1.10)**	**0.48**	**(0.62)**	(0.52)	(0.76)	(1.28)

The total number of options and warrants granted at 30 November 2016 of 24,353,073 (2015: 33,958,676) would generate £716,379 (2015: £984,626) in cash if exercised. At 30 November 2016, 220,000 (2015: 545,000) were priced above the mid-market closing price of 4.625p per share (2015: 5.13p per share) and 24,133,073 (2015: 33,413,676) were below.

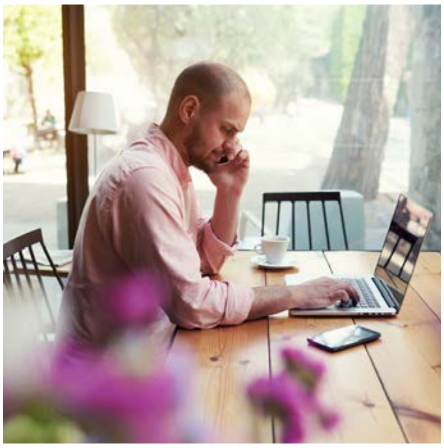
At 30 November 2016 7,872,941 (2015: 9,258,676) staff options were eligible for exercising at an average price of 2.96p (2015: 3.2p). Also eligible for exercising are the 14,491,897 warrants priced at 2.75p per share held by Elderstreet VCT plc, D Lowe and other individuals consequent to an initial investment in the Company in October 2008.

The below table shows the amount of outstanding convertible loan notes at 30 November 2016 and the amount of shares they would convert into if the holder chooses the conversion option:

Holder	Loan Notes £'000	Convert into shares '000	Date of conversion
Elderstreet VCT	500	12,500	31 December 2017
Unicorn AIM VCT	750	18,750	31 December 2017
Elderstreet VCT	200	6,667	4 December 2019
Hawk Investments	300	10,000	4 December 2019
Kestrel Partners LLP	400	13,333	4 December 2019
Octopus AIM VCT	200	6,667	4 December 2019
Total	2,350	67,917	












14. Intangible fixed assets

	Brand Value £'000	Goodwill £'000	Development Costs £'000	Software Licences £'000	Database £'000	Customer relationships £'000	Total £'000
Cost							
At 1 December 2014	1,369	12,005	4,692	160	-	-	18,226
Capitalised during the year	-	-	1,533	68	-	-	1,601
Additions through business combination	-	2,043	-	8	997	830	3,878
Disposals	-	(1,430)	-	-	-	-	(1,430)
Held for sale	-	(1,481)	(2,846)	-	-	-	(4,327)
At 1 December 2015	**1,369**	**11,137**	**3,379**	**236**	**997**	**830**	**17,948**
Capitalised during the year	-	-	522	57	-	-	579
Disposals	-	(1,872)	(1,800)	-	-	-	(3,672)
Held for sale	-	(89)	(183)	(150)	-	-	(422)
At 30 November 2016	**1,369**	**9,176**	**1,918**	**143**	**997**	**830**	**14,433**
Amortisation and impairment							
At 1 December 2014	409	8,776	552	83	-	-	9,820
Charge for the year	60	-	378	44	138	70	690
Disposals	-	(630)	-	-	-	-	(630)
Held for sale	-	(1,069)	(185)	-	-	-	(1,254)
Impairment in year	-	-	1,899	-	-	-	1,899
At 1 December 2015	**469**	**7,077**	**2,644**	**127**	**138**	**70**	**10,525**
Charge for the year	60	-	265	71	272	226	894
Disposals	-	(1,872)	(1,846)	-	-	-	(3,718)
Held for sale	-	-	(183)	(147)	-	-	(330)
At 30 November 2016	**529**	**5,205**	**880**	**51**	**410**	**296**	**7,371**
Net Book Value							
At 30 November 2016	**840**	**3,971**	**1,038**	**92**	**587**	**534**	**7,062**
At 30 November 2015	900	4,060	735	109	859	760	7,423

The carrying value and remaining amortisation period of individually material intangible assets are as follows:

	Carrying amount		Remaining amortisation period	
	2016 £'000	2015 £'000	2016 Years	2015 Years
Brand				
Access Intelligence Media and Communications	**840**	900	**14**	15
Development Costs				
Access Intelligence Media and Communications - Vuelio Platform Development	**338**	407	**5**	5
AIMediaData - Vuelio Platform Development	**700**	328	**5**	5
Database				
AIMediaData - PR & Media Contacts Database	**587**	859	**2**	3
Customer Relationships				
AIMediaData - Acquired Customer Relationships	**534**	760	**4**	5

For the purpose of impairment testing, goodwill is allocated by entity, which represent the Group's CGUs and the lowest level within the Group at which the goodwill is monitored.

The carrying value of capitalised development costs which are not yet being amortised and goodwill, allocated to each CGU are:

2016	Development Costs £'000	Goodwill £'000
Continuing operations		
Access Intelligence plc	**-**	**-**
Access Intelligence Media and Communications Ltd	**-**	**1,928**
AIMediaData Ltd.	**-**	**2,043**
	-	**3,971**

2015	Development Costs £'000	Goodwill £'000
Continuing operations		
Access Intelligence plc	-	89
Access Intelligence Media and Communications Ltd	-	1,928
AIMediaData Ltd.	78	2,043
	-	4,060

At the reporting date, impairment tests were undertaken by comparing the carrying values of goodwill, capitalised development costs and other assets with the recoverable amount of the CGU to which the goodwill, capitalised development costs and other assets have been allocated. The recoverable amount of the CGU is based on value-in- use calculations. These calculations use pre-tax cash flow projections covering a five-year period based on financial budgets and forecasts as approved by the Board with a terminal value for goodwill impairment assessment and covering a ten-year period based on financial budgets and forecasts as approved by the Board with no terminal value for other intangible assets. Ten years were selected as this represents the estimated lifetime of the software platforms.

The key assumptions used for value-in-use calculations are those regarding revenue growth rates and discount rates over the forecast period. Growth rates are based on past experience, the anticipated impact of the CGUs significant investment in research and development, and expectations of future changes in the market. The value in use calculations use information from approved budgets and forecasts in the first three years, followed by applying specific growth rates for which the key assumptions in respect of annual revenue growth rates range between 0% and 7% from year 4 onwards.

The discount rate used for all companies was 12%, based on an assessment of the Group's cost of capital and on comparison with other listed technology companies. The terminal growth rate used for the purposes of goodwill impairment assessments was 2.5%. The Board considered that no impairment to goodwill is necessary based on the value-in-use reviews of Access Intelligence Media & Communications Limited and AIMediaData Limited.

The value-in-use calculations for Access Intelligence Media & Communications Limited and AIMediaData Limited exceeded the carrying values of goodwill and relating to those companies.

Sensitivity analysis has been performed on reasonably possible changes in assumptions upon which recoverable amounts have been estimated. Based on the sensitivity analysis, a reduction of 51% in EBITDA delivered by Access Intelligence Media & Communications Limited would result in the carrying value of its goodwill being to equal its recoverable amount. For AIMediaData Limited, a 36% reduction in EBITDA would result in the carrying value of its goodwill being equal to its recoverable amount. For both companies, an increase in the discount rate by 12 percentage points would still not result in the carrying value of goodwill exceeding the recoverable amount.

Based on the sensitivity analysis, a reduction of 49% in EBITDA delivered by Access Intelligence Media & Communications Limited would result in the carrying value of its other intangible assets being to equal its recoverable amount. For AIMediaData Limited, a 26% reduction in EBITDA would result in the carrying value of its other intangible assets being equal to its recoverable amount. For both companies, an increase in the discount rate by 12 percentage points would still not result in the carrying value of other intangible assets exceeding the recoverable amount.

Other impairments

Other intangible assets are tested for impairment if indicators of an impairment exist. Such indicators include performance falling short of expectation.

In 2016, development costs of £Nil (2015: £177,000) were impaired as a result of projects that did not perform as expected.

The directors considered that there were no indicators of impairment relating to the remaining intangible fixed assets at 30 November 2016.

15. Investments in associates

	Investments in associates £'000
Cost	
At 1 December 2014 and 1 December 2015	-
Additions	625
Disposals	-
At 30 November 2016	**625**
Share of loss of associate and impairment	
At 1 December 2014 and 1 December 2015	-
Share of loss of associate	91
Disposals	-
At 30 November 2016	**91**
Net Book Value	
At 30 November 2016	**534**
At 30 November 2015	-

As part of the consideration for the disposal of AITrackRecord Limited during the year, the Group received a 20% shareholding in TrackRecord Holdings Limited, a company registered in England and Wales. The fair value of this shareholding based on the funding raised by TrackRecord Holdings Limited was £625,000. The shareholding in TrackRecord Holdings Limited is treated as an investment in associates as the Group is not able to exercise control over the company, but is able to exercise significant influence over the company by way of its 20% shareholding and through J Arnold being the Group's representative on the board of TrackRecord Holdings Limited.

During the period of ownership, the Group's share of the loss of TrackRecord Holdings Limited was £91,000. As the Group applies the equity method of accounting for its investment in TrackRecord Holdings Limited, the carrying value of investments in associates is reduced by this share of loss at the year-end.

Summarised financial information for associates

The tables below provide summarised financial information for TrackRecord Holdings Limited, an associate which is considered material to the Group. The information disclosed reflects the amounts presented in the financial statements of TrackRecord Holdings Limited and not Access Intelligence Plc's share of those amounts.

	Track Record Holdings Limited 2016 £'000
Total current assets	2,160
Total non-current assets	703
Total current liabilities	193
Net assets	**2,670**
Access Intelligence Plc share of net assets (20%)	**534**

Reconciliation to carrying amounts	Track Record Holdings Limited 2016 £'000
Opening net assets 1 December	-
Issue of share capital	265
Share premium on issue of shares	2,860
Loss for the period	(455)
Total current assets	**2,670**

Summarised statement of comprehensive income	Track Record Holdings Limited 2016 £'000
Revenue	359
Profit for the period from continuing operations	**(455)**
Other comprehensive income	-
Total comprehensive income	**(455)**

16. Property, plant & equipment

	Fixtures, fitting and equipment £'000	Leasehold improvements £'000	Total £'000
Cost			
At 1 December 2014	1,436	104	1,540
Additions	66	-	66
Additions through business combination	122	132	254
Disposals	(782)	(22)	(804)
Classified as held for sale	(266)	(27)	(293)
At 1 December 2015	**576**	**187**	**763**
Additions	17	-	17
Disposals	(115)	-	(115)
Classified as held for sale	(2)	-	(2)
At 30 November 2016	**476**	**187**	**663**
Depreciation			
At 1 December 2014	986	31	1,017
Charge for the year	206	51	257
Disposals	(563)	(3)	(566)
Classified as held for sale	(193)	(25)	(218)
At 1 December 2015	**436**	**54**	**490**
Charge for the year	90	94	184
Disposals	(109)	-	(109)
Classified as held for sale	(2)	-	(2)
At 30 November 2016	**415**	**148**	**563**
Net Book Value			
At 30 November 2016	**61**	**39**	**100**
At 30 November 2015	140	133	273

17. Trade and other receivables

	2016 £'000	2015 £'000
Current assets		
Trade receivables	**1,780**	3,008
Less: provision for impairment of trade receivables	**(78)**	(330)
	1,702	2,678
Prepayments and other receivables	**863**	950
	2,565	3,628

	2016 £'000	2015 £'000
Days outstanding:		
31–60 days	**829**	771
61–90 days	**119**	152
91-180 days	**178**	506
	1,127	1,429

Movements on the Group provision for impairment of trade receivables are as follows:

	2016 £'000	2015 £'000
At 1 December	**330**	200
On business combination	**-**	84
Increase in provision	**39**	46
Written off in year	**(291)**	-
At 30 November	**78**	330

Ageing of impaired debt

	2016 £'000	2015 £'000
Days outstanding		
31–60 days	**26**	123
61–90 days	**25**	-
91-180 days	**27**	-
More than 270 days	**-**	207
	78	330

The creation and release of a provision for impaired receivables has been included in 'administrative expenses' in the income statement. Amounts charged to the allowance account are generally written off, where there is no expectation of recovering additional cash.

The other asset classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above together with our cash deposits totalling £1,162,000 (2015: £1,523,000). The Group does not hold any collateral as security.

As disclosed in note 22, credit risk is considered according to sector and necessary allowances are made when needed by assessing changes in our customers' credit profiles and credit ratings.

18. Interest bearing loans and borrowing

	2016 £'000	2015 £'000
Current		
Convertible loan notes	**1,264**	1,277
Non-convertible loan notes	**110**	-
	1,374	1,277
Non-current		
Convertible loan notes	**1,052**	1,009
Non-convertible loan notes	**849**	1,830
	1,901	2,839

On 30th June 2009 £1,750,000 convertible loan notes were issued. At 30 November 2015 and 30 November 2016, £1,250,000 of these loan notes were in issue.

The original terms were that these loan notes were redeemable at par or convertible to ordinary shares at 4p per ordinary share on or before maturing on 30th June 2015 and carried a coupon rate of 6% per annum payable semi- annually until such time as they were repaid or were converted in accordance with their terms. The holder of the notes may convert all or part of the notes held by them into new ordinary shares in the Company on delivery to the Company of a conversion notice at 4p per share.

In 2014, the Company agreed terms with Elderstreet VCT (a company related to Chairman Michael Jackson) and Unicorn AIM VCT plc to extend the loans such that they mature on 31 December 2015, with enhanced interest at 8% during this extended period with conversion rights unchanged at 4p per share. In January 2016, the maturity dates of the loan notes were extended to 31 December 2016 with all other terms remaining unchanged. The carrying value of these loans at the prior year-end, including accrued interest, was £1,277,000.

In December 2016 the maturity dates of the loan notes were further extended to 31 December 2017 with all other terms remaining unchanged. These notes are classified as current at the year end.

In December 2014 the Company issued £1,100,000 of convertible loan notes. These loan notes are redeemable at par or convertible to ordinary shares at 3p per ordinary share on or before maturing on 3 December 2019 and carry a coupon rate of 8% per annum payable semi-annually until such time as they are repaid or converted.

No redemptions or conversions of the convertible loan stock arose in the year ended 30 November 2016.

The net proceeds received from the issues of the convertible loan notes have been split between the liability element and an equity component, representing the fair value of the embedded option to convert the liability into equity of the Company, as follows:

	2016 £'000	2015 £'000
Proceeds of issue of convertible loan notes	**-**	1,100
Existing loan notes rolled over	**2,350**	1,250
Equity component	**(255)**	(255)
Deferred taxation	**(79)**	(79)
Initial fair value of liability component	**2,016**	2,016
Cumulative interest charged	**1,009**	792
Cumulative interest paid	**(709)**	(522)
Liability component at 30 November	**2,316**	2,286

The equity component of £255,000 (2015: £255,000) has been credited to equity reserve. The interest charged for the year is calculated by applying an effective rate of interest of 10.1% (2015: 9.8%) to the liability component for the 12-month period. The liability component is measured at amortised cost. The difference between the carrying amount of the liability component at the date of issue and the amount reported in the statement of financial position at 30 November 2016 represents the effective interest rate less interest paid to that date.

The movement on the convertible loan note liability is summarised below:

	2016 £'000	2015 £'000
Opening loan liability	**2,286**	1,301
Issue of convertible loan notes	**-**	941
Interest charged for the year	**217**	191
Interest paid in the year	**(187)**	(147)
Liability component at 30 November	**2,316**	2,286

On 22 June 2015 the Company issued £1,818,000 of non-convertible loan notes which carried an interest rate of 10% for one year rising to 12% thereafter. Interest is payable quarterly in arrears. The loans notes are fully repayable in five years.

	2016 £'000	2015 £'000
Opening loan liability	**1,830**	-
Issue of non-convertible loan notes	**-**	1,818
Costs associated with the issue of loans	**-**	(18)
Repayment of non-convertible loan notes	**(900)**	-
Interest charged for the year	**178**	75
Interest paid in the year	**(149)**	(45)
Liability component at 30 November	**959**	1,830

19. Trade and other payables

Due within one year	2016 £'000	2015 £'000
Trade payables	**1,041**	824
Other taxes and social security costs	**161**	190
VAT payable	**99**	211
	1,301	1,225

20. Deferred revenue

	2016 £'000	2015 £'000
At 1 December	**4,643**	3,186
Invoiced during the year	**10,464**	10,345
On acquisition of business	**-**	3,074
On disposal of business	**28**	(485)
Moved to held for sale	**(432)**	(621)
Revenue recognised during the year	**(10,931)**	(10,856)
At 30 November	**3,772**	4,643

21. Financial instruments

The Group's treasury activities are designed to provide suitable, flexible funding arrangements to satisfy the Group's requirements. The Group uses financial instruments comprising borrowings, cash, liquid resources and items such as trade receivables and payables that arise directly from its operations. The main risks arising from the Group financial instruments relate to the maintaining of liquidity across the five group entities and debt collection. The Board reviews policies for managing each of these risks and they are summarised below.

The Group finances its operations through a combination of cash resources, loan notes and equity. Short term flexibility is provided by moving resources between the individual subsidiaries. Exposure to interest rate fluctuations is minimal as all borrowings are at fixed rates of interest. The Group also has deposit facilities on which 1.25% interest was being earned throughout 2016 (2015: 1.25%) and will be optimising the use of these accounts going forward. The Group's exposure to interest rate risk is not significant and therefore no sensitivity analysis has been performed.

Small amounts of foreign currency risk exist in two subsidiaries which invoice in currencies other than sterling. Due to the relative size of the currency risks concerned no hedging takes place in Australian dollars, Euros or US dollars. At the year-end there were no open contracts, however the Group was holding a US dollar deposit of $271,334 (2015: $113,058) which was translated at the rate of 1.2481 (2015: 1.5031) for inclusion in the consolidated statement of financial position. This amounted to £217,398 (2015: £75,206). There are no hedges against this balance.

The Group did not hold any other significant assets or liabilities in foreign denominated currencies at the reporting date. The directors do not consider that there is a significant exposure to foreign exchange risk and therefore no sensitivity analysis has been performed.

At 30 November 2016 borrowings comprised convertible loan notes of £2,350,000 (2015: £2,350,000) and non-convertible loan notes of £918,000 (2015: £1,818,000). Of the convertible loan notes, £750,000 and £500,000 loan notes have been extended and may convert to equity on 31 December 2017 at 4 pence per share unless they have already been redeemed at par. The remaining loan notes will convert into equity on 7 December 2019 at 3 pence per share.

There is no material difference between the fair values and book values of the Group's financial instruments. Short term trade receivables and payables have been excluded from the above disclosures.

The objectives of the Group's treasury activities are to manage financial risk, secure cost-effective funding where necessary and minimise the adverse effects of fluctuations in the financial markets on the value of the Group's financial assets and liabilities, on reported profitability and on the cash flow of the Group. Interest income is sought wherever possible and in 2016 produced £Nil (2015: £1,000) of income.

The Group's principal financial instruments for fundraising are through share issues.

	Loans, receivables and other payables £'000	**Total £'000**
2016		
Assets per the balance sheet		
Trade and other receivables excluding prepayments	**1,702**	**1,702**
Cash and cash equivalents	**1,162**	**1,162**
	2,864	**2,864**
Liabilities per the balance sheet		
Trade and other payables excluding accruals	**1,301**	**1,301**
Interest bearing loans and borrowings	**3,275**	**3,275**
	4,576	**4,576**
Undiscounted contractual maturity of financial liabilities		
Amounts due within one year		**1,541**
Amounts due between one and five years		**1,502**
Amounts that convert to equity		**2,315**
		5,358
Less: future interest charges		**(782)**
Financial liabilities carrying value		**4,576**

The above analysis excludes corporation tax receivable.

	Loans, receivables and other payables £'000	Total £'000
2015		
Assets per the balance sheet		
Trade and other receivables excluding prepayments	2,678	2,678
Cash and cash equivalents	1,523	1,523
	4,201	4,201
Liabilities per the balance sheet		
Trade and other payables excluding accruals	1,599	1,599
Interest bearing loans and borrowings	4,116	4,116
	5,715	5,715
Undiscounted contractual maturity of financial liabilities		
Amounts due within one year		1,599
Amounts due between one and five years		2,827
Amounts that convert to equity		2,648
		7,074
Less: future interest charges		(1,359)
Financial liabilities carrying value		5,715

The liquidity risk relating to the contractual liabilities listed above is managed on a local basis through their day to day cash management. The Group has invested significantly in restructuring the Group and building products written in current code bases, accordingly the Group is liquid with £1,162,000 (2015: £1,523,000) available cash resources against a liability payable within the next 12 months of £1,541,000 (2015: £1,599,000). Management monitor cash balances weekly. However should any subsidiary, or the Company, find that it does not have the liquidity to pay a debt as it becomes due an inter-company cash transfer will be made available by another member of the Group.

22. Financial and operational risk management

The Group's activities expose it to a variety of financial risks which are managed by the Group and subsidiary management teams as part of their day-to-day responsibilities. The Group's overall risk management policy concentrates on those areas of exposure most relevant to its operations. These fall into four categories:

- Competitive risk — that our products are no longer competitive or relevant to our customers
- Cash flow and liquidity risk — that we run out of the cash required to run the business
- Credit risk — that our customers do not pay
- Key personnel risk — that we cannot attract and retain talented people

Further information on these risks and the Group's actions to mitigate them is provided on page 26 of the Strategic Report.

23. Deferred tax assets and liabilities

The following are the major deferred tax assets and liabilities recognised by the Group and the movements thereon during the current year end the prior year:

	Accelerated depreciation £'000	Convertible loan notes £'000	Share-based payments £'000	Tax losses £'000	Accelerated tax on assets £'000	Total £'000
At 1 December 2014	(10)	-	-	389	(916)	(537)
Charge to profit or loss	18	1	-	347	682	1,048
Charge to equity	-	(30)	-	-	-	(30)
Disposal of subsidiary	20	-	-	-	-	20
Change in tax rate	1	-	-	(17)	44	28
At 30 November 2015	29	(29)	-	719	(190)	529
At 1 December 2015	29	(29)	-	719	(190)	529
Charge to profit or loss	(2)	-	-	(511)	13	(500)
Disposal of subsidiary	1	-	-	-	(24)	(23)
Moved to held for sale	(6)	-	-	-	-	(6)
At 30 November 2016	**22**	**(29)**	**-**	**208**	**(201)**	**-**
Attributable to:						
Continuing operations	22	(29)	-	208	(201)	-
Discontinued operations	-	-	-	-	-	-
Total	**22**	**(29)**	**-**	**208**	**(201)**	**-**

At the reporting date the Group had unused tax losses of approximately £6,000,000 (2015: £7,000,000) available for offset against future profits. A deferred tax asset has been recognised in respect of all available losses expected to be utilised against future taxable profits within three years based on the forecasts approved by the directors. The tax losses do not have any expiry date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets totalling £923,000 (2015: £606,000) arising in respect of losses have not been included in the statement of financial position due to uncertainties in regard to their recoverability.

The following is the aggregate amounts of deferred tax balances in each group entity, after allowable offset, for financial reporting purposes:

	2016 £'000	2015 £'000
Deferred tax assets	**230**	865
Deferred tax liabilities	**(230)**	(336)
Total	**-**	529

24. Share capital

Equity: Ordinary shares of 0.5p each	2016 £'000	2015 £'000
Allotted, issued and fully paid 315,935,118 ordinary shares of 0.5p each (2015: 307,127,015 ordinary shares of 0.5p each)	**1,580**	1,535

During 2016, 6,808,103 shares were issued at 2.75p as a result of a director exercising share options and 2,000,000 were issued at 2.2p as a result of a former director exercising share options.

On 21 September 2011 29,666,667 ordinary shares of 0.5 pence, and with a total nominal value of £148,333 were returned to the Company and were held in treasury at the year end. The shares held in treasury have no voting rights, or rights to dividends and so the total issued share capital for voting and dividend purposes is 286,268,451 (2015: 277,460,348).

Transaction costs associated with share issues in the year amounted to £Nil (2015: £12,120). Transaction costs are accounted for as a reduction from the share premium account.

25. Equity-settled share-based payments

The Company has a share option scheme for employees of the Group.

Ordinary share options and warrants granted and subsisting at 30 November 2016 were as follows:

Date of grant	Option price	No of shares	Exercisable between
23 October 2008	2.75p	14,491,897	No time limit
03 April 2009	2.75p	1,000,000	Apr 2012-Apr 2019
08 April 2009	3.0p	1,302,282	Apr 2012-Apr 2019
29 September 2009	4.375p	2,000,000	Sep 2012-Sep 2019
04 December 2009	5.5p	220,000	Dec 2012-Dec 2019
19 December 2011	2.2p	1,500,000	Dec 2014-Dec 2021
07 March 2012	3.3p	838,894	Mar 2015-Mar 2022
09 January 2013	3.5p	1,000,000	Jan 2016-Jan 2023
13 June 2013	3.1p	1,000,000	Jun 2016-Jun 2023
24 October 2013	2.5p	1,000,000	Oct 2016-Oct 2023
		24,353,073	

Details of the movements in the weighted average exercise price ("WAEP") and number of share options during the current and prior year are as follows:

	At start of year	Granted	Exercised	Forfeited	At end of year
WAEP 2015	3.06	-	3.02	4,76	2.90
WAEP 2016	**2.90**	**-**	**2.63**	**4.64**	**2.94**
Options 2015	38,436,281	-	(1,950,000)	(2,527,605)	33,958,676
Options 2016	**33,958,676**	**-**	**(8,808,103)**	**(797,500)**	**24,353,073**

No options were cancelled in the year (2015: Nil).

The weighted average price of shares on the date of exercise during the year was 4.875 pence (2015: 4.375 pence).

The options grant detailed above resulted in a share-based payment charge for the Group of £13,000 (2015: £26,000). During 2016, there were no share options granted in the year.

Further details of share options exercisable at the year-end are provided in note 13.

There are no market, non-market or service conditions as part of the share option scheme. The only condition existing is that employees must still be in employment with the Company at the point they exercise the options.

26. Cash and cash equivalents

The Group monitors its exposure to liquidity risk based on the net cash flows that are available. The following provides an analysis of the changes in net funds:

	As at 30 November 2015 £'000	Cash outflow £'000	**At at 30 November 2016 £'000**
Cash and cash equivalents	1,523	(361)	**1,162**

	As at 30 November 2014 £'000	Cash outflow £'000	**At at 30 November 2015 £'000**
Cash and cash equivalents	1,144	379	**1,523**

27. Commitments

Capital commitments

The Group had no capital commitments at the end of the financial year or prior year.

Operating lease commitments

The Group was committed to making the following payments in respect of operating leases for land and buildings expiring:

	Land and buildings	
	2016	2015
	£'000	£'000
Not later than one year	**566**	580
Later than one year and not later than five years	**2,281**	2,279
Later than five years	**96**	664
	2,943	3,523

The Group leases various offices and storage units under non-cancellable fixed term operating lease agreements. The lease terms are up to 10 years, with break clauses ahead of the full term and the majority are not renewable at the end of the lease period.

Other operating lease commitments comprise motor vehicles and office equipment expiring:

	Other	
	2016	2015
	£'000	£'000
Not later than one year	**-**	21
Later than one year and not later than five years	**-**	25
	-	46

Provisions and contingent liabilities

	Onerous Contracts £'000	Leasehold dilapidations £'000	Legal disputes £'000
At 1 December 2015	47	374	100
Charged to profit or loss	-	-	(18)
Released in year	(20)	-	(82)
At 30 November 2016	**27**	**374**	**-**
Due within one year	27	-	-
Due after more than one year	-	374	-
	27	**374**	**-**

Onerous contracts predominantly relate to office equipment and services no longer required after the business combination part way through the prior year. Inherent uncertainties in measuring the provision relate to the expected future lease payments on the equipment and the final agreed termination fee.

Leasehold dilapidations relate to the estimated cost of returning a leasehold property to its original state at the end of the lease in accordance with the lease terms. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease. The earliest point at which it is considered that this amount may become payable is September 2017.

28. Related party transactions

One (2015: one) of the directors has received a portion of their remuneration through their individual service companies during the year. The payments represent short term employee benefits. The amounts involved are as follows and relate to activities within their responsibilities as directors:

In all cases the directors are responsible for their own taxation and national insurance liabilities.

	2016 **£**	2015 £
C Pilling (via The Personal Web Company Ltd.)	**30,000**	19,500

During the prior year, Access Intelligence Plc invoiced Elderstreet Investments Limited, a company of which M Jackson is Chairman, £760 for rent and office support costs and credited Elderstreet Investments Limited for rent which was charged in advance but which, on termination of the lease, was no longer due of £9,099. The charges were based on usage and considered to be at arm's length and on standard commercial terms. There were no similar transactions during 2016.

Also during the prior year, Elderstreet Investments Limited invoiced Access Intelligence Plc 2015: £16,740 for legal and support costs it incurred on the Company's behalf. There were no similar transactions during 2016.

At the year-end Access Intelligence Plc owed Elderstreet Investments Limited £8,337 (2015: £10,766).

In the prior year, for the acquisition of AIMediaData Limited, Elderstreet Investments Limited provided a short term loan of £100,000 to the Group. No interest was charged on the loan and the amount was repaid shortly afterwards.

During the year, interest on convertible loans of £56,153 (2015: £49,000) and on non-convertible loans of £31,595 (2015: £Nil) was paid to Elderstreet VCT plc which is controlled by M Jackson.

During the prior year M Jackson, a director, provided short term loan amounts of £550,000 and £250,000 to fund the Group's investment activities. No interest was charged on the loans and the amounts were repaid shortly afterwards. Also due from M Jackson was an amount of £2,040 (2015: £2,040).

During the year Access Intelligence Media and Communications Limited received services from Macranet Limited, a company in which M Jackson is a board member totalling £107,400 (2015: £51,000). At the year end the Company owed £12,600 (2015: £Nil) to Macranet Limited.

During the year the Company recognised a share based payment charge of £3,208 (2015: £3,667) in respect of key management personnel.

29. Pension commitments

Individual subsidiaries of the Group operate defined contribution pension schemes for their employees. The assets of the schemes are held separately from those of the Group. The annual contributions payable are charged to the income statement when they fall due for payment.

During the year £191,000 (2015: £119,000) was contributed by the Group to individual pension schemes. At 30 November 2016 £Nil of pension contributions were outstanding (2015: £12,000).

30. Events after the reporting date

In December 2016, the Company agreed terms with Elderstreet VCT and Unicorn AIM VCT plc to extend the loans issued in June 2009 such that they mature on 31 December 2017, with interest at 8% during this extended period with conversion rights unchanged at 4p per share.

On 7 February 2017, 1,161,106 employee share options were exercised with an exercise price of 3 pence. The proceeds arising were £34,833. Also on 7 February 2017, 193,518 employee share options were exercised with an exercise price of 2.75 pence. The proceeds arising were £5,322.

In March 2017, the Company served notice to its landlord to exercise the break clause in its lease for one of the floors that it occupies at Longbow House, Chiswell Street, London, EC1Y 4TW. The break will be effective from 6 September 2017.

On 14 March 2017, Access Intelligence Plc transferred the trade and assets of its branch AIControlPoint to its subsidiary company formed during the year, AIControlPoint Limited. On 16 March 2017, Access Intelligence Plc disposed of 100% of the issued share capital of AIControlPoint Limited, being the disposal group held for sale in note 7 for a consideration totalling £782,000. Group profit on disposal of the subsidiary was £588,000, Company profit on disposal was £639,000.

Company Statement of Financial Position

Company Number: 04799195
At 30 November 2016

	Note	2016 £'000	2015 £'000
Non-current assets			
Tangible assets	4	**49**	78
Investments	5	**3,636**	4,521
Intangible assets	6	**13**	41
Deferred tax assets		**224**	330
Total non-current assets		**3,922**	4,970
Current assets			
Trade and other receivables	7	**445**	496
Amounts due from group undertakings	8	**4,657**	5,072
Cash at bank and in hand		**702**	249
Total current assets		**5,804**	5,817
Total assets		**9,726**	10,787
Current liabilities			
Trade and other payables	9	**229**	404
Amounts due to group undertakings	8	**976**	5,282
Accruals		**292**	253
Provisions		**14**	147
Deferred revenue		**432**	383
Interest bearing loans and borrowings	10	**1,374**	1,277
Total current liabilities		**3,317**	7,746
Non-current liabilities			
Interest bearing loans and borrowings	10	**1,901**	2,839
Total non-current liabilities		**1,901**	2,839
Total liabilities		**5,218**	10,585
Net assets		**4,508**	202
Capital and reserves			
Called up share capital	11	**1,580**	1,535
Treasury shares		**(148)**	(148)
Share premium account		**1,458**	1,271
Capital redemption reserve		**191**	191
Share option reserve		**377**	364
Equity reserve		**255**	255
Profit and loss account		**795**	(3,266)
Equity shareholders' funds		**4,508**	202

The financial statements were approved by the Board of directors on 28 April 2017 and signed on its behalf by:

J Arnold
Director

Company Statement of Changes in Equity

Year ended 30 November 2016

	Share capital £'000	Treasury Shares £'000	Share premium account £'000	Capital redemption reserve £'000	Share option reserve £'000	Equity reserve £'000	Retained earnings £'000	Total £'000
Group								
At 1 December 2014	1,324	(148)	224	191	338	126	(68)	1,987
Total comprehensive loss for the year	-	-	-	-	-	-	(3,198)	(3,198)
Equity component of convertible loan notes net of deferred tax	-	-	-	-	-	129	-	129
Transactions with owners								
Issue of share capital	211	-	1,047	-	-	-	-	1,258
Share-based payments - current year	-	-	-	-	26	-	-	26
At 1 December 2015	**1,535**	**(148)**	**1,271**	**191**	**364**	**255**	**(3,266)**	**202**
Total comprehensive income for the year	-	-	-	-	-	-	4,061	4,061
Transactions with owners								
Issue of share capital	45	-	187	-	-	-	-	232
Share-based payments - current year	-	-	-	-	13	-	-	13
At 30 November 2016	**1,580**	**(148)**	**1,458**	**191**	**377**	**255**	**795**	**4,508**

Notes to the Company Financial Statements

Year ended 30 November 2016

1. General Information

The Company is incorporated in England and Wales.

2. Accounting Policies

The particular accounting policies adopted by the Company are described below.

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis as specified in the accounting policies below.

The Company's functional currency is Pound Sterling, being the currency of the primary economic environment in which the Company operates.

In preparing these financial statements, the Company has taken advantage of the disclosure exemptions, as permitted by FRS 102 paragraph 1.12. The Company has therefore complied with the applicable conditions, including providing notification of the use of exemptions to the Company's shareholders who have not objected to the use of such disclosure exemptions.

The Company has taken advantage of the following exemptions in preparing the Company financial statements:

- from preparing a Cash Flow Statement in accordance with Section 7 'Cash Flow Statements';
- from providing certain disclosures as required by Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues', as equivalent disclosures are provided in the consolidated financial statements; and
- from disclosing the Company's key management personnel compensation, as required by paragraph 7 of Section 33 'Related Party Disclosures'.

Going Concern

On the basis of current financial projections and available funds and facilities, the directors are satisfied that the Company, taking into account that it operates as part of the Access Intelligence plc Group, has adequate resources to continue in operation for the foreseeable future and therefore consider it appropriate to prepare the financial statements on the going concern basis (refer to the Group going concern assessment in note 2 to the consolidated financial statements).

Results of the Company

As permitted by Section 408(3) of the Companies Act 2006, the profit and loss account of the Company is not presented as part of these accounts. The Company's profit after taxation, for the financial year amounted to £4,061,000 (2015: loss £3,198,000).

Significant judgements

In addition to going concern, the areas involving a high degree of judgement or complexity relate to:
• the recognition of deferred tax assets in relation to losses (refer to note 23 of the consolidated financial statements for further details).

Significant estimates

Further to the significant judgements above the areas where key assumptions and estimates have been made by management relate to:
• the charge for share-based payment transactions which include assumptions on future share prices movements, expected future dividends, and risk-free discount rates (refer to note 25 of the consolidated financial statements for further details).

Share-based payments

The Company issues equity-settled share-based payments to certain employees. These equity-settled share-based payments are measured at fair-value at the date of the grant. Where material, the fair value as determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

Fair value is measured by use of the Black–Scholes method. Further details in relation to share-based payments are set out in note 25 of the consolidated financial statements.

Tangible assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is charged to the income statement on both a straight-line and reducing balance basis over the estimated useful lives of fixtures, fittings and equipment taking into account any estimated residual value. The estimated useful lives are as follows:

Fixtures, fittings and equipment - 3 - 5 years
Leasehold improvements - over lease term

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Intangible assets

Research and development expenditure

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:
• the technical feasibility of completing the intangible asset so that the asset will be available for use or sale
• its intention to complete and its ability and intention to use or sell the asset;
• how the asset will generate future economic benefits;
• the availability of resources to complete the asset; and
• the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins from the date development is complete and the asset is available for use, which may be before first sale. It is amortised over the period of expected future benefit. Amortisation is recorded in administration expenses. During the period of development, the asset is tested for impairment annually. In 2016 there was no (2015: one) capitalised development project. The directors assess the useful life of the completed capitalised development projects to be five years from the date of the first sale or when benefits begin to be realised and amortisation will begin at that time.

Software licences

Software licences include software that is not integral to a related item of hardware. These items are stated at cost less accumulated amortisation and any impairment. Amortisation is calculated on a straight-line basis over the estimated useful economic life. Although perpetual licences are maintained under support and maintenance agreements, a useful economic life of five years has been determined.

Impairment of non-financial assets

The carrying amounts of the Company's assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated based upon the value in use.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated to the carrying amount of the assets in the unit on a pro rata basis, applied in priority to non-current assets ahead of more liquid items. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Reversals of impairment

An impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, trade and other payables and other financial liabilities.

Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or are cancelled.

Trade and other receivables are recorded initially at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. Specific impairment provisions are made when management consider the debtor irrecoverable and these are charged to the income statement. Trade and other payables are recorded initially at fair value and subsequently measured at amortised cost, using the effective interest method.

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short term highly liquid investments.

Loans and borrowings and other financial liabilities, which include the convertible redeemable loan notes, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method. Interest expense is measured on an effective yield basis and recognised in the income statement over the relevant period.

Issue costs are apportioned between the liability and equity components of the convertible loan notes based upon their relative carrying amounts at the date of issue. The portion relating to the equity component is recognised in equity.

Finance payments associated with financial liabilities are dealt with as part of finance expenses.

The Company may enter into derivative financial instruments for risk management purposes. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value with gains and losses recognised through profit or loss. The Company does not hold or issue derivative financial instruments for trading purposes.

Convertible loan notes

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, in the case of a convertible loan note denominated in the functional currency of the issuer that may be converted into a fixed number of equity shares, the fair value of the liability component is estimated at the present value of the stream of future cash flows (including both coupon payments and redemption) discounted at the market rate of interest that would have been applied to an instrument of comparable credit quality with substantially the same cash flows, on the same terms, but without the conversion option. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component and deferred tax liability from the fair value of the compound instrument as a whole. This is recognised and included in equity, and is not subsequently re-measured.

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that the obligation will be required to be settled, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are discounted when the time value of money is material.

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future, against which the reversal of temporary differences can be deducted. Recognition, therefore, involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

Historical differences between forecast and actual taxable profits have not resulted in material adjustments to the recognition of deferred tax assets.

Employee benefits

The Company operates a defined contribution pension schemes for its employees. The assets of the schemes are not managed by the Company and are held separately from those of the Company. The annual contributions payable are charged to the income statement when they fall due for payment.

Revenue

Revenue represents the amounts derived from the provision of goods and services, stated net of Value Added Tax. The methodology applied to income recognition is dependent upon the goods or services being supplied.

Revenues from the delivery of infrastructure are recognised on installation with associated training and consultancy fees recognised when specified contractual milestones are met or on project completion. In the event that these services are invoiced in advance they will be credited to deferred revenue and released to profit or loss once delivered. The revenue recognised on delivery and installation of infrastructure is the amount stated in the contract for such services. The contractual fee for the delivery and installation of infrastructure is calculated separately to fees for associated licensing arrangements based on fair value. For infrastructure this is measured using third party cost plus an appropriate profit margin basis in accordance with our business model. The professional services element for installation would be provided to the customer on a time and materials basis. The Directors consider that the cost of providing the service (i.e. the third party costs) plus an appropriate profit margin represents an approximation of the fair value of the service provided.

In respect of income relating to annual or multi-year service contracts and/or hosted services which are invoiced in advance, it is the Company's policy to recognise revenue on a straight-line basis over the period of the contract. The full value of each sale is credited to deferred revenue when invoiced to be released to profit or loss in equal instalments over the contract period.

During the course of a customer's relationship with the Company, their system may be upgraded. These upgrades can be separated into two distinct types:

• Specific upgrades, i.e. moving from an old legacy system to one of the Company's latest products. This would require the migration of the customer's data from the old system and the set-up of their new system; and
• Non-specific upgrades, i.e. enhancements to customers' systems as a result of internal development effort to improve the stability or functionality of the platform for all customers.

Customers do not have a contractual right to non-specific upgrades. For specific upgrades, customers are required to separately purchase these through signing a new contract which sets out the one-off professional services fee for the upgrade to cover migration costs and any increase in their annual licence fee.

Different accounting treatment is applied to specific and non-specific upgrades due to the differing obligations and performance of the Company. No additional amounts are charged to customers for non-specific upgrades as these are provided to all customers without obligation. Specific upgrades are completed on an individual customer basis and are contracted for separately with additional fees.

The Group does not have any further obligations that it would have to provide for under the licensing arrangements.

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Finance income and finance expenses

Finance income and finance expenses are recognised in profit or loss as they accrue, using the effective interest method. Finance income relates to interest income on the Company's bank account balances. Interest payable comprises interest payable or finance charges on loans classified as liabilities.

In relation to interest relating to the convertible redeemable loan notes, the charge to profit or loss is an 'effective interest charge' over the period as opposed to the actual interest paid or payable. The effective interest charge is higher than the actual interest paid.

Foreign exchange

The financial statements of the Company are presented in the currency of the primary economic environment in which it operates (its functional currency). The results and financial position of the Company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the year.

3. First time adoption of FRS102

This is the first financial year that the Company has presented its financial statements in accordance with FRS 102 The Financial Reporting Framework Applicable in the UK and Republic of Ireland. For financial years up to and including the year ending 30 November 2015, the Company prepared its financial statements in accordance with previously existent UK GAAP.

The date of transition to FRS 102 is therefore 1 December 2014. In carrying out the transition to FRS 102, none of the optional exemption in respect of operating lease incentives has been taken in respect of the optional exemptions permitted by Section 35 Transition to this FRS have been applied. There have been no changes to accounting policies or accounting treatments required to be made upon transition to FRS 102. Accordingly the Company's opening equity position as at the 1 December 2014 and its financial position and performance for the years ended 30 November 2015 and 30 November 2016 are unchanged from that previously presented under previously extant UK GAAP.

4. Tangible fixed assets

	Fixtures fittings and equipment £'000	Leasehold improvements £'000	Total £'000
Cost			
At 1 December 2015	262	65	327
Additions	4	-	4
At 30 November 2016	**266**	**65**	**331**
Depreciation			
At 1 December 2015	230	19	249
Charge for the year	26	7	33
At 30 November 2016	**256**	**26**	**282**
Net Book Value			
At 30 November 2016	**10**	**39**	**49**
At 30 November 2015	32	46	78

5. Investments

	Investment in subsidiaries £'000	Investment in associates £'000	Total £'000
Cost			
At 1 December 2014	15,754	-	15,754
Additions	12	-	12
Disposals	(1,238)	-	(1,238)
At 1 December 2015	14,528	-	14,528
Additions	-	625	625
Disposals	(6,134)	-	(6,134)
At 30 November 2016	**8,394**	**625**	**9,019**
Impairment			
At 1 December 2014	9,510	-	9,510
Impairment charge	497	-	
At 1 December 2015	10,007	-	10,007
Impairment charge	-	91	91
Disposals	(4,715)	-	(4,715)
At 30 November 2016	**5,292**	**91**	**5,383**
Net Book Value			
At 30 November 2016	**3,102**	**534**	**3,636**
At 30 November 2015	4,521	-	4,521

Additions in the year comprise a capital contribution for the Company's obligation to settle share options on behalf of subsidiaries an investment in a newly incorporated dormant subsidiary, AIControlPoint Limited, and the investment in Track Record Holdings Limited as a result of the disposal of AITrackRecord Limited. The value of the investment in AIControlPoint Limited was £100.

At 30 November 2016 the Company was the beneficial owner of the entire issued share capital and controlled all the votes of its subsidiaries, all of which are incorporated in England and Wales. The subsidiaries are set out below:

Subsidiary	Activity	Share type	% holding
AIMediaData Limited	Software development	Ordinary	100%
Access Intelligence Media and Communications Limited	Software development	Ordinary	100%
A.I. Talent Limited	Software development	Ordinary	100%
AIControlPoint Limited	Dormant	Ordinary	100%
Backup and Running plc	Dormant	Ordinary	100%

At 30 November 2016 the Company was the beneficial owner of the following share capital of associates, all of which are incorporated in England and Wales:

Associate	Activity	Share type	% holding
Track Record Holdings Limited	Software development	Ordinary	20%

6. Intangible assets

	Development costs £'000	Software licence £'000	Total £'000
Cost			
At 1 December 2015	298	127	425
Additions	-	-	-
At 30 November 2016	**298**	**127**	**425**
Depreciation			
At 1 December 2015	295	89	384
Charge for the year	2	26	28
At 30 November 2016	**297**	**115**	**412**
Net Book Value			
At 30 November 2016	**1**	**12**	**13**
At 30 November 2015	3	38	41

7. Trade and other receivables

	2016 £'000	2015 £'000
Trade receivables	**242**	217
Prepayments and other debtors	**203**	279
	445	496

8. Amounts due from/to group undertakings

	2016 £'000	2015 £'000
Amounts due from group undertakings	**4,657**	5,072

	2016 £'000	2015 £'000
Amounts due to group undertakings	**976**	5,282

Amounts due from/to group undertakings are unsecured, interest free and repayable on demand.

9. Trade and other payables

	2016 £'000	2015 £'000
Trade payables	**191**	347
Other taxes and social security	**38**	57
	229	404

10. Interest bearing loans and borrowings

	2016 £'000	2015 £'000
Current		
Convertible loan notes	**1,264**	1,277
Non-convertible loan notes	**110**	-
	1,374	1,277
Non-current		
Convertible loan notes	**1,052**	1,009
Non-convertible loan notes	**849**	1,830
	1,901	2,839

See note 18 of the consolidated financial statements for further details.

11. Share capital

See note 24 of the consolidated financial statements for further details.

12. Equity-settled share-based payments

See note 25 of the consolidated financial statements for further details

13. Commitments

Capital Commitments

The Company had no capital commitments at the end of the financial year or prior year.

Operating lease commitments

The Company was committed to making the following payments in respect of operating leases for land and buildings expiring:

	Land and buildings	
	2016 £'000	2015 £'000
Not later than one year	**106**	117
Later than one year but not later than five years	**442**	437
Later than five years	**58**	170
	605	724

Provisions and contingent liabilities

	Onerous contracts £'000	Legal disputes £'000
At 1 December 2015	**47**	100
Charged to profit or loss		(18)
Released in year	**(33)**	(82)
At 30 November 2016	**14**	-
Due within one year	**14**	-
Due after more than one year	**-**	-
	14	

See note 27 of the consolidated financial statements for further details.

14. Related party transactions

The Company has taken the exemption permitted by Section 33 'Related Party Disclosures' not to disclose transactions with members of Access Intelligence Plc group. See note 28 of the consolidated financial statements for details of other related party transactions.

15. Events after the reporting date

See note 30 of the consolidated financial statements for further details.

Notes

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