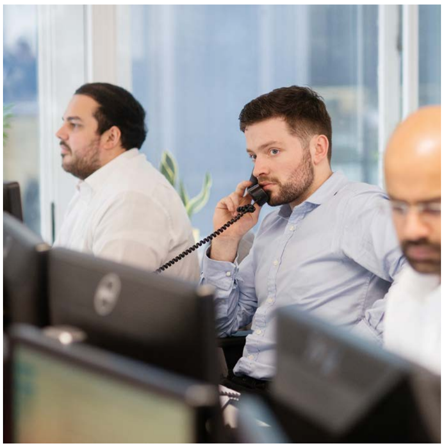
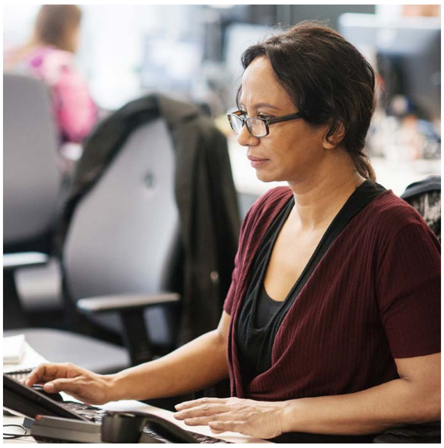
Company Registration number: 04799195

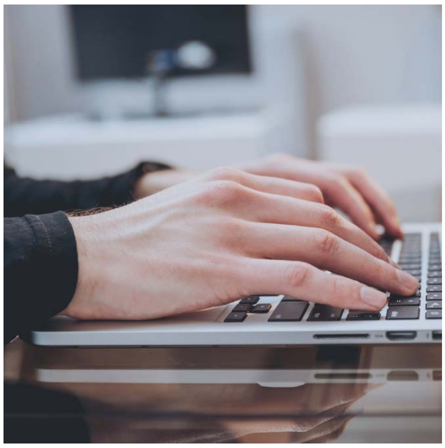
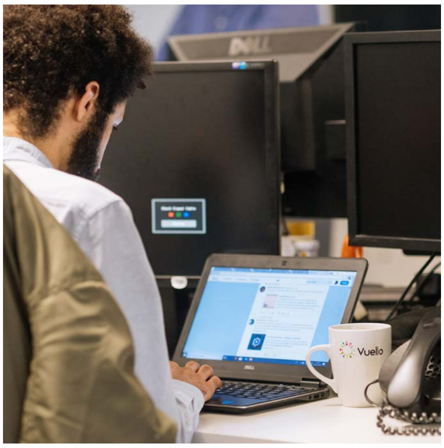
Intelligently #connected

Access Intelligence Plc
Annual Report and Accounts
For the year ended 30 November 2017

AccessIntelligence

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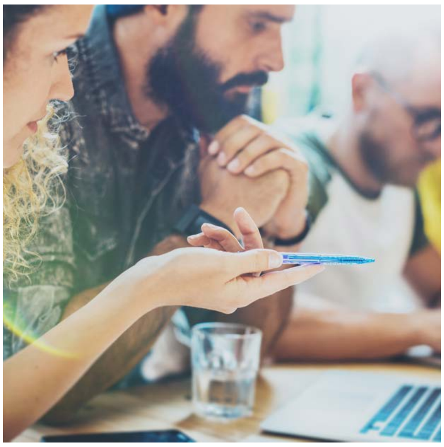
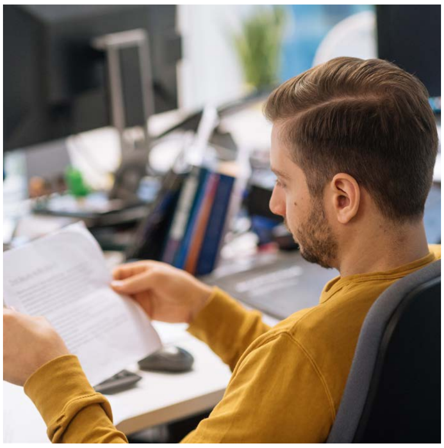
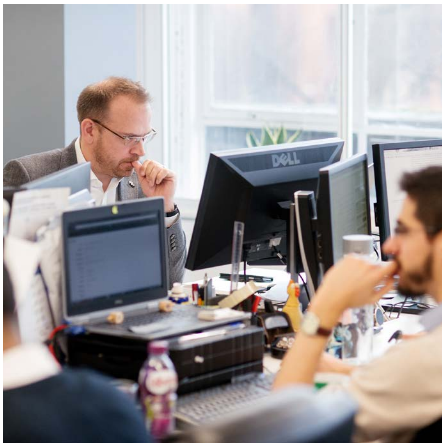
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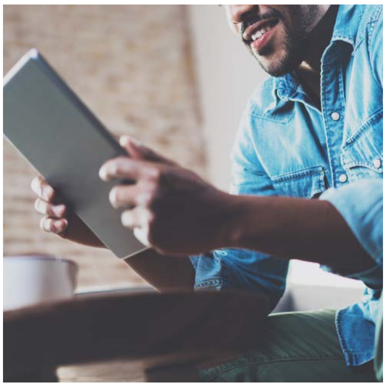
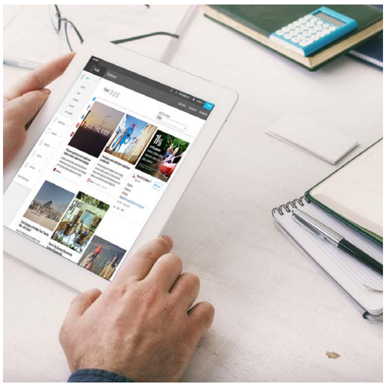
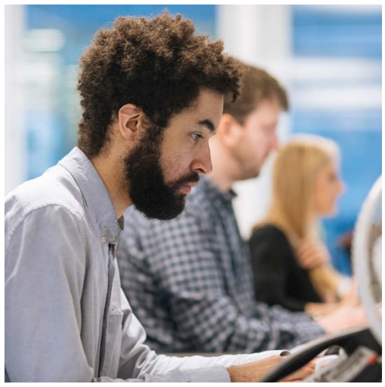
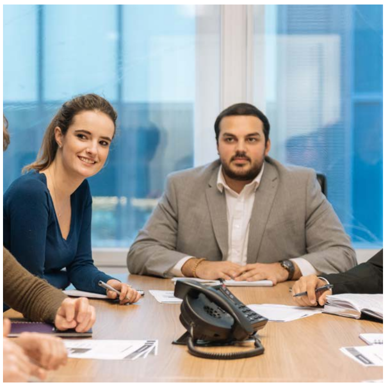
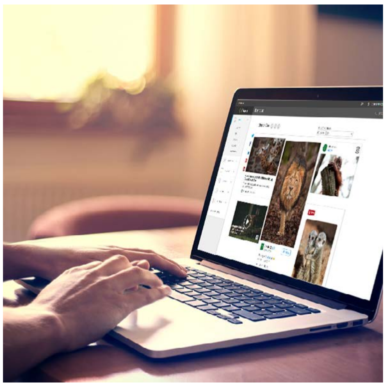
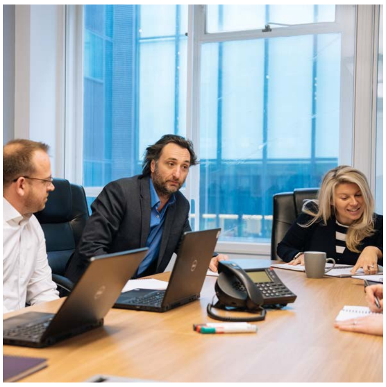
Access Intelligence is a leading provider of **#software** as a service solutions that manage **#reputation** and **#communications**

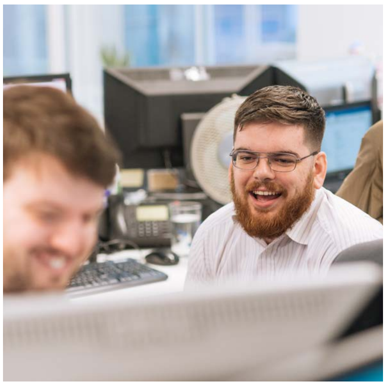
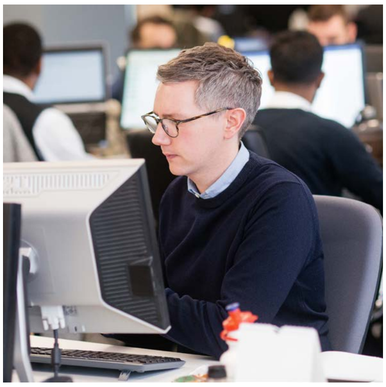
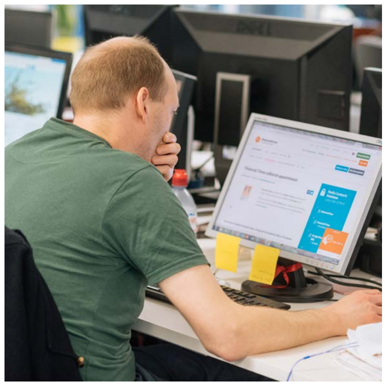
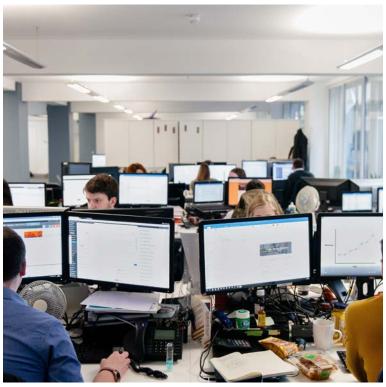
London, England

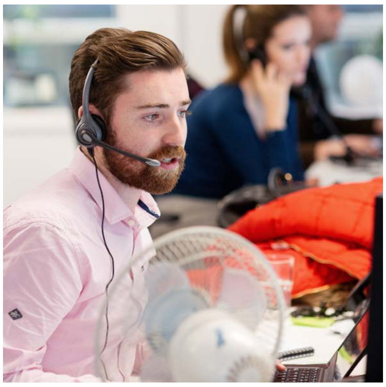
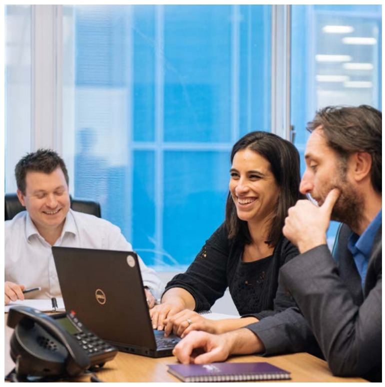
www.accessintelligence.com

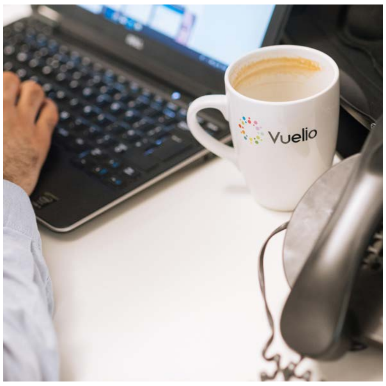


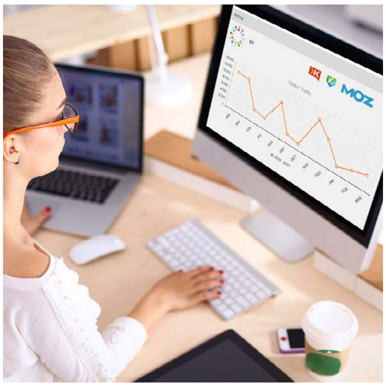








Contents

Chairman's
#Statement

I am pleased to announce our results for the year ended 30 November 2017.

When we concluded our restructuring in Q1 2017, Access Intelligence had transformed from a diverse portfolio into a streamlined operation focused on the Vuelio brand, and launched a unique reputation management platform integrating solutions for PR, public affairs and social engagement.

Throughout the remainder of 2017, this new Vuelio platform allowed us to grow our Annual Contract Value ('ACV') base through upsells into the existing customer base and increasing the number and value of new customer wins - all while maintaining industry-leading rates of customer retention.

New business sales increased from an average of £65,000 per month in August to October 2016 to an average of £160,000 per month from the second quarter 2017 onwards; customer retention is up from 56 per cent to a consistent performance of over 80 per cent by value; and we have achieved ACV growth of £600,000 over the past six months, reflecting an annualised run rate of £1.2 million net ACV growth. By 30 November 2017, our total future contracted revenue had increased 35% year on year to £7.1 million.

Simply put, the business is now stable and growing. From October 2017 onwards, having dramatically reduced our operational costs over the previous nine months we have started to generate cash. Through renegotiating supplier contracts, consolidating office space and reducing headcount by almost 50 per cent, we have achieved annualised savings of £1.2 million over the past 12 months – all while maintaining high levels of customer support reflected in our improved renewal rates.

The new year has brought further stability. In December 2017 we received notices from all holders of the £2.35 million convertible loan notes to convert these into equity. This has significantly strengthened our Balance Sheet and will result in an ongoing interest saving of around £0.2 million each year. 2018 also offers significant opportunity in the form of General Data Protection Regulation (GDPR) – Vuelio is uniquely positioned to help the communications market meet these stringent new data privacy requirements.

In the past six months we have welcomed a number of major brands as new customers, including Dyson, RAC, PZ Cussons, CPPIB, NICE, Greater Anglia, Highways England, Smith & Nephew and Deutsche Lufthansa. We are delighted that clients of this calibre will be joining us for the next stage of Access Intelligence's journey, as we continue to invest in our people and our product to disrupt and transform the communications management market.

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

Sincerely

M Jackson
Chairman
1st March 2018

Access Intelligence & Vuelio

A unique value proposition

Access Intelligence is a leader in the provision of corporate communications and reputation management software. Our flagship Vuelio offering is a fully integrated communications management platform that uniquely combines solutions for public relations, public affairs, stakeholder relations and influencer marketing. As such, the Vuelio platform helps organisations protect and enhance their brands, influence relevant political agendas, and communicate across the full-range of interested parties by providing them with the information and tools they require to identify, understand and engage with all relevant stakeholders.

Based in London, the company has over 1,600 customers, ranging from blue-chip large enterprises and communications agencies to public sector bodies and not-for-profit organisations. The Vuelio platform is sold on an annual subscription basis, with the subscription value determined by the number of modules and users, a SaaS model that both generates a very high level (99%) of recurring revenue and supports the ability to scale revenues through customer up-selling and cross-selling.

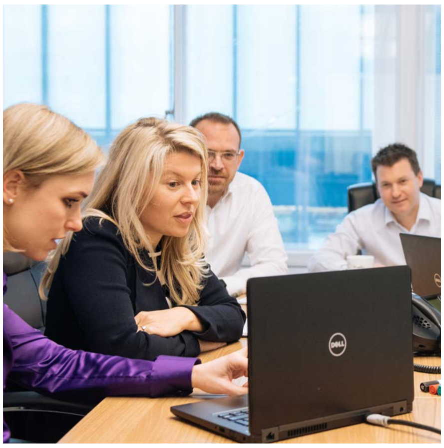
Access Intelligence exited a year of restructuring in Q1 2017, having transformed from a portfolio business with interests in compliance and risk management into a streamlined operation focused on the Vuelio platform, a reputation management offering whose customer base we increased significantly through integrating a previous major acquisition. Subsequent 2017 activity focused on product development, both to meet existing needs within this enhanced customer base and, more proactively, to establish Vuelio's unique proposition.

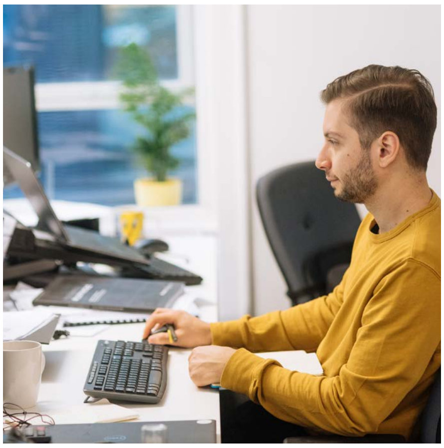
This new reputation management proposition was instrumental in growing the annual contract value base through upsells into the existing customer base and increasing the number and value of new customer wins, while maintaining industry-leading rates of customer retention.

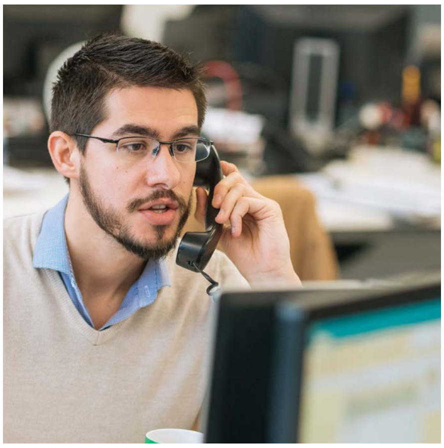
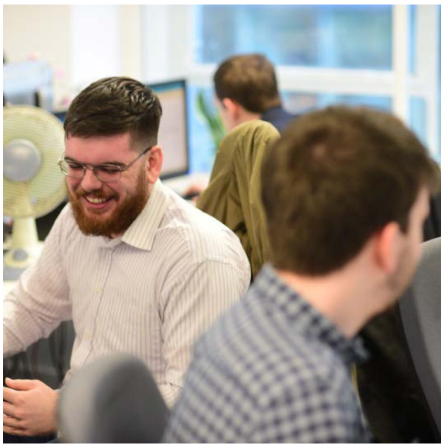
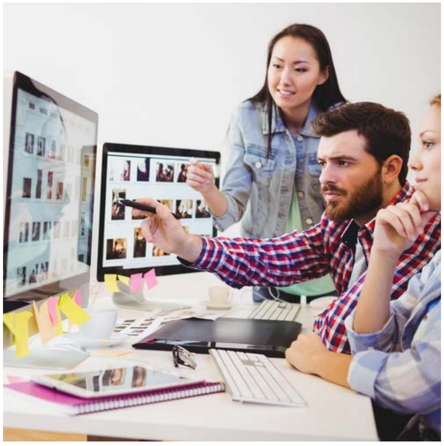
Building for sustainable growth

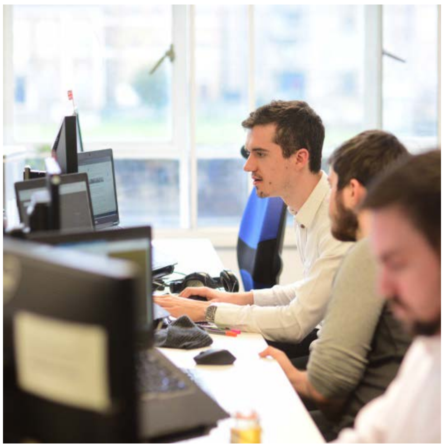
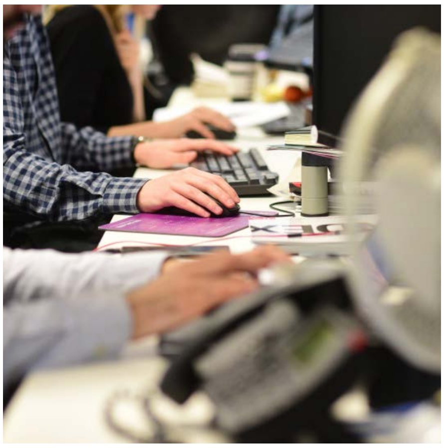
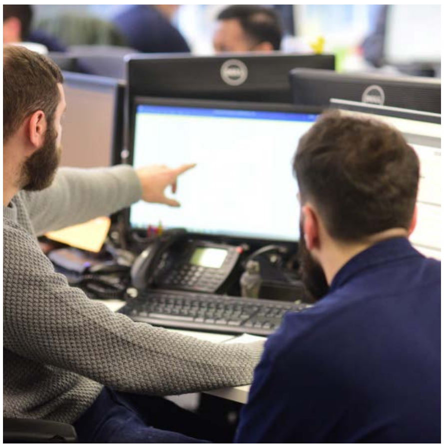
Continued development will be crucial to consolidating and building on the successes of 2017. There will be an initial focus on improving mobile applications and functionality for social media management, alongside providing more robust and flexible systems for measuring both communications activity and its consequences.

This roadmap responds to the established needs of an industry that increasingly works in real-time and on-the-move, while being asked to evidence ROI and link communications to broader business objectives. At the same time, we are laying the foundations for our longer-term vision, in which AI-supported systems make both Vuelio and our clients more efficient. As machine learning helps automate communications processes across the full spectrum of users, Vuelio will become the weapon of choice for more, and more efficient, communications.



Strategic Report

Results

2017 has seen the Group transition from a business focussing on the integration of acquired operations and customers into one with a unique product focussing on growth.

One of the key financial metrics monitored by the board is the change in customer Annual Contract Value ('ACV') base year on year. This metric reflects the annual value of new business won, plus upsells into our existing client base, less any customer losses. It is an important metric for the Group as it is a leading indicator of future revenue. During 2017, the Group's annual contract value base grew by £750,000, with the growth accelerating in the second half of the year and an average growth of £100,000 per month from June to November 2017, an annualised growth rate of nearly 15%.

The Group also monitors total contracted future revenue, comprising deferred income plus contracted revenue not invoiced. At 30 November 2017, total contracted future revenue grew by 35% to £7,123,000 (2016: £5,291,000). Included within this total was an amount relating to contracted revenue not invoiced of £2,986,000 (2016: £1,720,000). This is also an important metric for the Group as it is a leading indicator of multi-year growth in the business.

A.I. Talent Limited has been moved to Held for Sale. The comparative consolidated statement of comprehensive income has been re-presented to show the results of A.I. Talent Limited as discontinued operations separately from continuing operations.

Revenue from continuing operations reduced by 11% year on year to £8,063,000 (2016 restated: £9,108,000), with recurring revenue comprising 99% of the total (2016 restated: 99%), with sales teams incentivised to focus on high contribution SaaS products. The decrease in revenue, which brought about a reduction in gross margin to 65% during the year (2016 restated: 68%), reflects the decision by management to exit non-profitable contracts in combination with expected client churn. Due to the majority of the growth in the Group's annual contract value base occurring in the second half of the year, the benefit will flow through into revenue in the 2018 financial year.

The Group's continuing operations delivered an adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) loss for the year of £1,364,000 (2016 restated: £358,000). This figure being adjusted for non-recurring items of £854,000 (2016 restated: £1,529,000), a share of loss of associate of £254,000 (2016: £91,000) and a share based payments charge of £Nil (2016: £13,000), the EBITDA loss from continuing operations for the year was £2,472,000 (2016 restated: loss of £1,991,000).

Operating loss from continuing operations was £3,450,000 (2016 restated: £3,001,000). In arriving at the operating loss, the Group has incurred £1,595,000 (2016 restated: £1,059,000) in research and development expenditure, £107,000 (2016: £285,000) in restructuring costs and charged £978,000 (2016 restated: £1,010,000) in depreciation and amortisation.

The Group made a profit for the year from discontinued operations of £558,000 (2016 restated: £1,437,000). Further information relating to discontinued operations is provided on page 26 of the Strategic Report and within note 6 to the consolidated financial statements.

2018 will see continued focus on growth in revenue and gross margin, whilst the Group further develops the Vuelio product.

Loss per share

The basic loss per share from continuing operations was 1.01p (2016 restated: 1.08p). Basic earnings per share from discontinued operations was 0.17p (2016 restated: 0.46p).

Cash

In July 2017, the Group raised £1,020,000 by the issue of 31,384,615 Ordinary Shares at a price of 3.25p per share. Cash at the year-end stood at £673,000 (2016: £1,162,000) whilst net debt, calculated as loan notes and other loans less cash held, was £2,700,000 (2016: £2,113,000) at the year end.

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**	**2017**	2016 restated
Revenue	**8,063**	9,108
Gross margin (%)	**65%**	68%
Adjusted EBITDA - loss	**(1,364)**	(358)
EBITDA - loss	**(2,472)**	(1,991)
Loss before taxation	**(3,793)**	(3,396)
Loss after taxation	**(3,335)**	(3,400)
Cash balances	**673**	1,162
Recurring revenue	**8,020**	8,834

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 2017 (2016: £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 regularly 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 24 of the Strategic Report and within note 21 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 33.

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 on page 24 of the Strategic Report and in note 21 to the consolidated financial statements. At the year end the Group had no bank borrowings or overdrafts, but had a total of £3,313,000 of loan notes in issue and £60,000 of other loans. The Group held £673,000 of bank deposits. The Group does not enter into derivative contracts.

4% (2016 restated: 4%) 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 and Australian dollar 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 2017 there were no open exchange contracts.

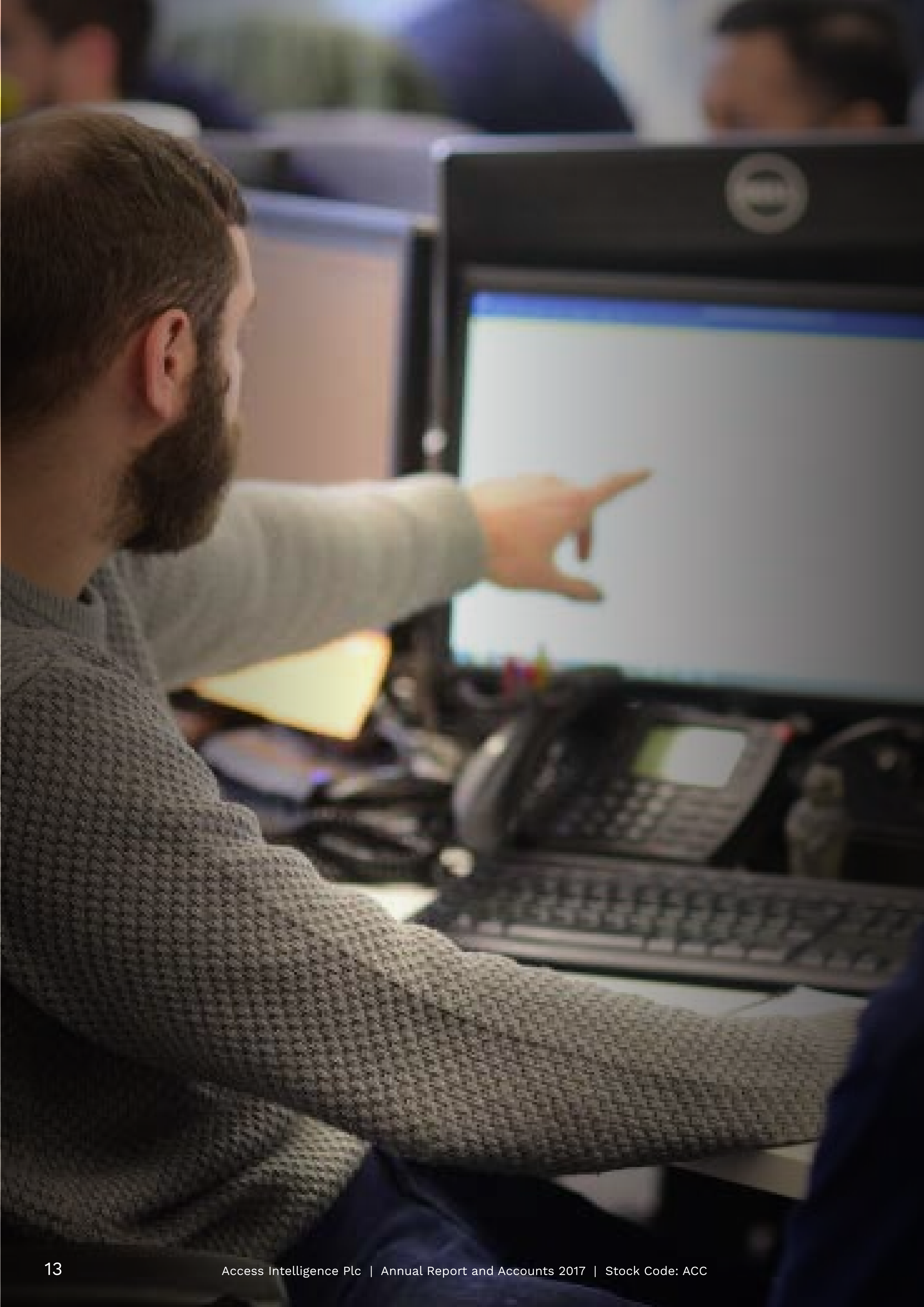
The most significant financial risk to which the Group is exposed is that of the credit worthiness of our customer base. Around 40% (2016 restated: 38%) of the Group's revenue from continuing operations is contracted with the public sector where the directors have judged the credit risk to be minimal.

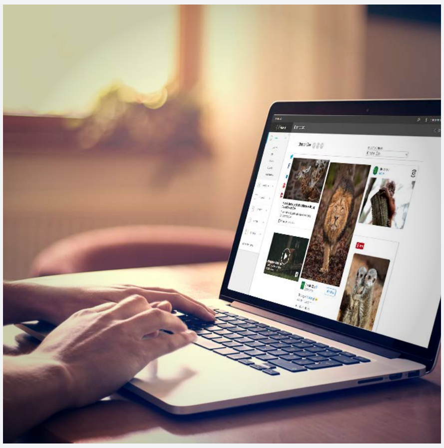
The remaining sales are with the private sector where we have experienced a small incidence of bad debts. We have not considered it necessary to take out credit insurance for the following reasons:

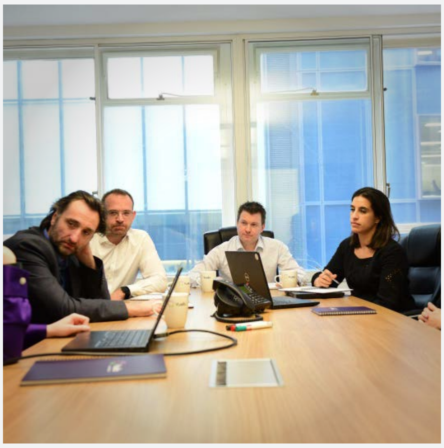
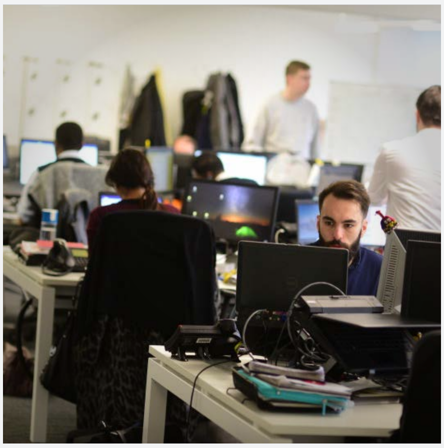
- almost all customers are invoiced in advance;
- most invoices are not of a high value;
- no significant concentration of invoices are with any one customer; and
- in many cases we are able to switch off the service the moment a debt becomes overdue.

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.

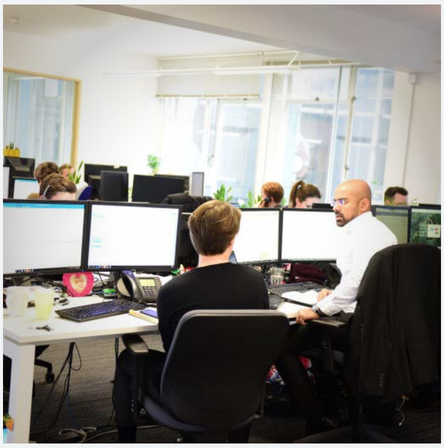
Information about the use of financial instruments by the Group is given in note 20 to the financial statements. The Group has also previously issued convertible loan notes as disclosed in the financial statements.

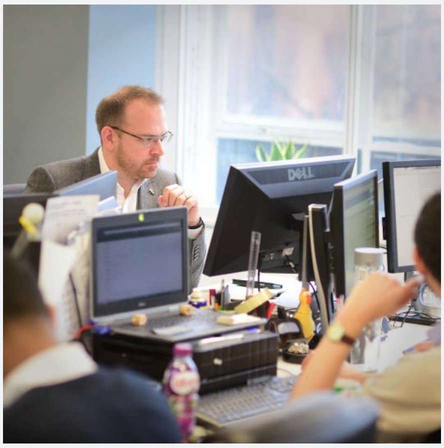








Why **#reputation** management?

Reputation is the overall estimation in which an organisation is held by its internal and external stakeholders based on its past actions and probability of its future behaviour. Research consistently shows that a good reputation demonstrably increases corporate worth and provides sustained competitive advantage, contributing to customer preferences and market valuations, as well as generating wider stakeholder support in times of controversy.

At the centre of building and maintaining reputation are communications that ensure that, as far as possible, the good is widely known and the bad explained, justified or diminished. Key to communications is the ability to identify, understand and engage the right audiences with appropriate messages via optimal channels. The global market size for software that supports this kind of communications management grew 6.55% to USD3.16 billion in 2016, exceeding the five-year average 5.72% CAGR. Europe represents a third of the total market[1].

Traditionally, the market comprises four complementary segments (influencer databases, channel distribution services, media monitoring and analysis) that together make up a communications cycle. Though longer-term growth prospects for sub-segments rooted in traditional media (e.g. print media monitoring, newswires) are limited, consolidation of traditional PR with digital marketing means the four main communications market segments continue to grow. The main media monitoring segment, worth over a billion dollars globally, shows CAGR of 6 per cent, while database and analysis segments show near-double digit growth. The market for political and social media services is growing at around 35 per cent CAGR[2].

1. Source: Burton Taylor International Consulting, "Communications industry breaks USD3bn mark for spend on media intelligence information & software – Burton Taylor Report", May 17 2017

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

A market ripe for #disruption

Vuelio

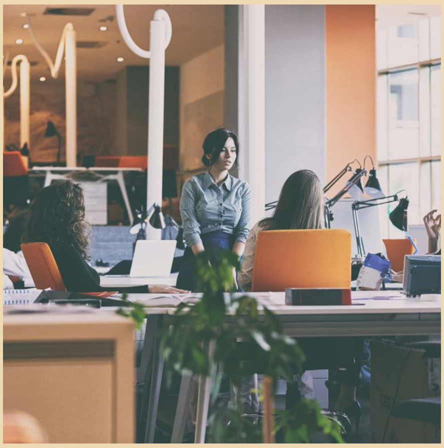
In the UK, the market contains a variety of legacy and emerging competitors. Three global, integrated players are currently responsible for around three quarters of the UK market, providing established offerings based on the four core segments of the traditional communications model.

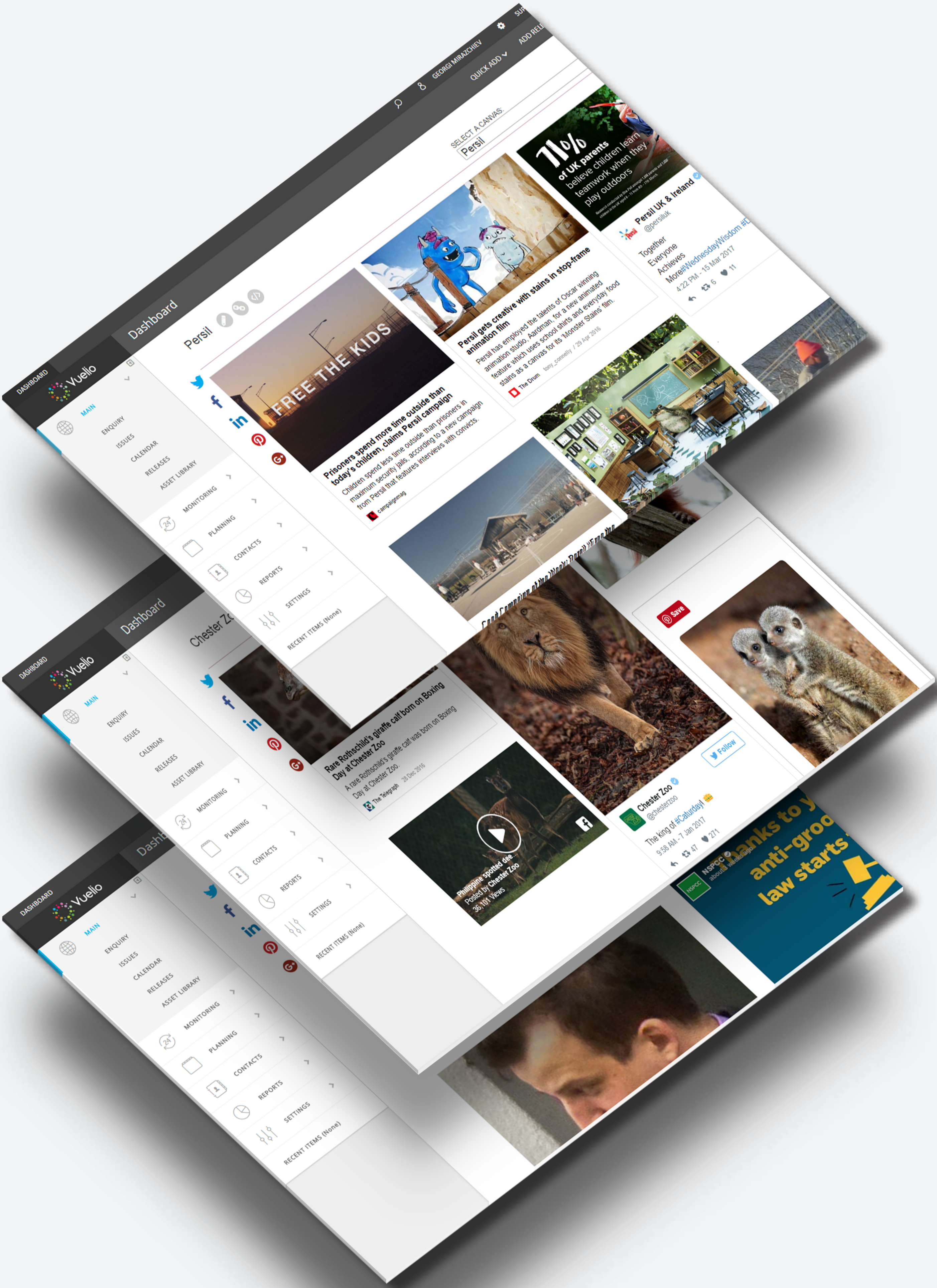
The foundations of these systems were firmly in place before the massive changes brought to media and communications by the internet, and, while incumbent providers have bolted on social media solutions, the integrated workflow their software provides reflects years of under-investment in the industry before the recent wave of global M&A. In the case of the largest competitor, which has driven this M&A, there is still significant work of integration to be done, and the big three UK incumbents face international challenges – all of which creates opportunity in the UK.

More than a quarter of the UK market is made up of small and medium-sized players, creating pressure through pricing and specialist point solutions for individual market segments. However, there is an important rising demand for the single, integrated solution that Vuelio offers, and social media is only accelerating this trend. Traditional PR end users need both traditional media and social media management services, while influencer marketers need integrated contact management, engagement, monitoring and analysis.

Furthermore, Vuelio offers a very timely unique layer of integration in the form of political communications services. We estimate the current value of the UK public affairs services market at around 10-15 per cent of the overall UK communications services market. There are a handful of legacy political service providers providing software solutions.

With recent political upheaval, we see three prime drivers of increased demand for public affairs services – and for integrated media and political communications services. Firstly, an uncertain political climate is encouraging more organisations to seek political intelligence, particularly the long-tail of smaller organisations hitherto priced out of more consultative political services. Secondly, mid-tier PR companies, following the multi-disciplinary precedent set by the largest firms, are seeking new opportunities in public affairs territory. Finally, traditional public affairs professionals are under pressure to demonstrate ROI, for which Vuelio, uniquely, provides all the tools.




DASHBOARD
Vuelio
Dashboard
Persil
MAIN
ENQUIRY
ISSUES
CALENDAR
RELEASES
ASSET LIBRARY
MONITORING
PLANNING
CONTACTS
REPORTS
SETTINGS
RECENT ITEMS (None)
GEORGI MIRAZCHIEV
QUICK ADD
SELECT A CANVAS:
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.
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.
71% of UK parents believe children learn teamwork when they play outdoors
Persil UK & Ireland
@persiluk
Together Everyone Achieves More#WednesdayWisdom
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.
Save
Follow
Chester Zoo
@chesterzoo
The king of #Caturday!
Thanks to your anti-grooming law starts

The rise of the #Vuelians

Having concluded our restructuring in Q1 2017, Access Intelligence was transformed from a portfolio business into a streamlined operation focused on the Vuelio platform – a lean and scalable organisation, and a SAAS model with 99 per cent recurrent revenues. Throughout the remainder of 2017, we focused on growing our annual contract value base through upsells into the existing customer base and increasing the number and value of new customer wins, while maintaining industry-leading rates of customer retention.

Vuelio has generated considerable momentum in the UK market over the past six months as an innovative alternative to market incumbents, with both standalone and integrated offerings. Our integrated platform is resonating with prospects looking for a consolidated communications memory for all their activity, particularly one that supports the stringent processes that will be required by General Data Protection Regulation ('GDPR') from May 2018. The combination of PR, public affairs and social media is unique, providing clear differentiation in the market and more opportunities for up-sell and cross-sell within the existing client base. And our uniquely strong relationships with the UK blogging and vlogging community not only serve to provide us with the most comprehensive, wide-ranging and up-to-date influencer database, but also position Vuelio at the forefront of contemporary communications.

We have already launched differentiated, innovative and well-received "features" into the market, such as our Canvas offering, which provides a digital means for clients to curate and showcase print news and features alongside social media, audio, video, PDFs, presentations and analytics – and as such provides a fresh alternative to the traditional clipbooks offered by legacy competitors. Over the next 12 months, we will continue to take advantage of growth opportunities presented by a market in rapid flux. Initially, this approach will see us develop our product to align with in three key areas: mobile, social and reputation measurement.

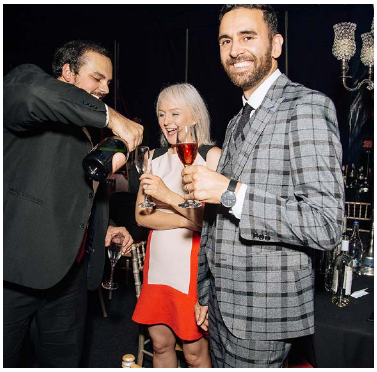











Vuelio
BLOG
AWARDS
2017











Vuelio


The Vuelio
#product suite

The Vuelio offering: tools, data and intelligence

The core elements of our platform:

Influencer Database

Vuelio includes an influencer database containing more than one million records covering journalists, editors, bloggers and other media contacts, as well as key political contacts such as MPs, councillors and special advisers, each with in-depth profiles and contact preferences, topics of interest, personal likes / dislikes and biographical information, all of which is compliant with incoming GDPR regulation

Engagement Workflow Tools

Vuelio provides customers with internally developed workflow tools that help customers to manage reputation through engagement with a wide variety of influencers, including technology for group email distribution and enquiry management, content amplification and publishing, and social media management

Online Media Centres

Vuelio's engagement and publishing services can plug directly into our Online Media Centres. These hosted, optimised, and fully customisable webpages function as standalone websites or add-ons to existing digital properties, for purposes ranging from investor newsrooms to campaign microsites to crisis management "darksites"

Vuelio

Stakeholder Management & Communications Memory

All platform activity can be recorded using the platform's fully integrated CRM-style functionality, so that each engagement along with its short- and long-term outcomes are recorded and associated with relevant user, influencer and group profiles. These records serve as a "communications memory" to help customers manage multi-faceted relationships with all stakeholders, whether based on the Vuelio research that populates the media and political database or their own contacts

Traditional, Political & Social Media Monitoring

Vuelio offers comprehensive media and political monitoring of traditional, digital and social media to capture all mentions of a customer's brand and understand its impact. As well as competitors, issues and trends, this monitoring uses both human and Natural Language Processing ('NLP') capabilities to ensure comprehensive results and to help customers understand their impact

Communications & Campaign Analysis

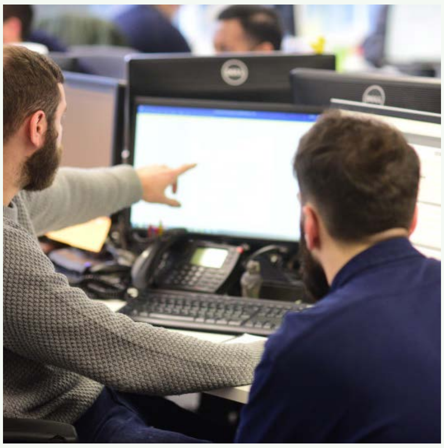
Vuelio uses a variety of intelligence techniques to analyse communications activity and its relationship with campaign performance, brand value, reputation and ROI and provides this aggregated intelligence to customers via a dashboard

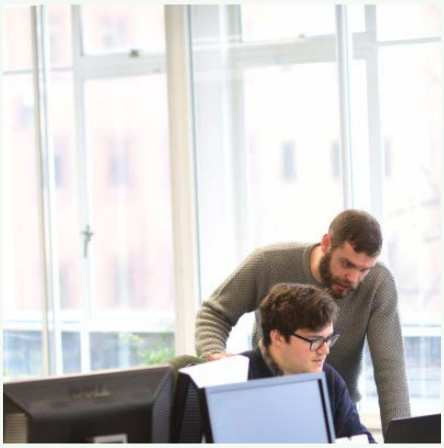
#Augmenting the current value proposition

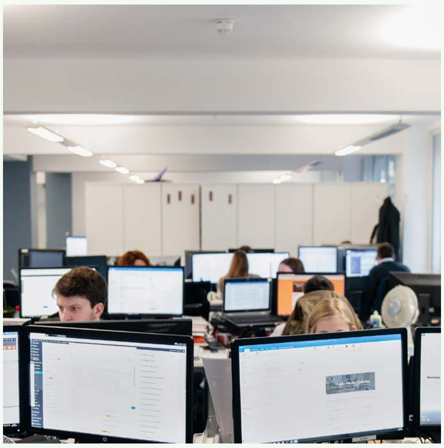
The communications industry is by its very nature a mobile market. Our customers are constantly out of the office, often at their own or other industry events, always developing relationships with journalists, bloggers, politicos and investors - and yet the software solutions that underpin their workflow remain fundamentally rooted to the desktop. Addressing this disconnect between the way our clients work and how the software market supports them is an imperative only heightened by the social media imperative to engage in real-time.

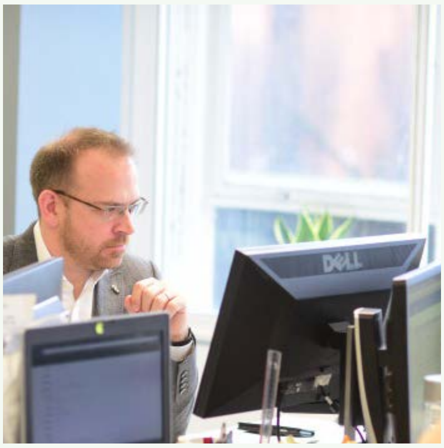
Social is driving growth across all communications management segments. In the last decade, the balance of PR activity has shifted dramatically towards social communications; at the same time, politicians have taken to social media, not merely to criticise opponents or engage with constituents, but even to make policy announcements. As social media itself continues to develop – new forms, new channels, new technologies – it remains an area in which we will invest, not so much to keep pace with the market as to accelerate ahead of it.

To be successful, our clients have always needed to communicate the value of their work, and its corresponding ROI, to their colleagues and, in particular, to senior management. With social and digital media rapidly transforming traditional behaviours, the ability to assess the value of communications activity is more important than ever – and new ways of communicating require new forms of measurement and new sources of data.



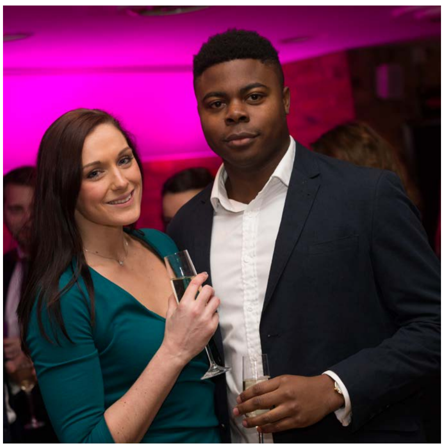






A foundation for **#sustainable** growth

2018 will also see Vuelio start to enhance operational efficiencies and expand our market through innovative development in the fields of machine learning and peer-to-peer communications. By developing what are already market-leading AI-capabilities, we can improve our approach to both monitoring and data to enhance operational scalability and margins throughout the business and mitigate risk in the supply chain. This technology will also support in-system recommendations for communications activity of all kinds, an essential layer of automation as we build the next generation communications platform - a hyper-personalised community galvanised by the power of AI.



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; and
- Capital risk — that we do not have an optimal structure to allow for future acquisition and growth.

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 and 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 three individual trading units, all of which have their individual working capital requirements during a trading month. At the end of 2017 we had no bank borrowings (2016: Nil) but £3,313,000 (2016: £3,275,000) of loan notes and £60,000 (2016: £Nil) of other loans. 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;
- We encourage subsidiary cash generation by monitoring the ageing of debtors; and
- We monitor cash performance against agreed budgets and forecasts.

Credit risk

Our sales are split 40%:60% (2016 restated: 38%:62%) 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 2017 40% (2016: 63%) 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 2018 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 348,674,357 (2016: 315,935,118) ordinary shares of 0.5p each. Further information on share capital is provided within note 23 to the consolidated financial statements.

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

Disposal of non-core assets

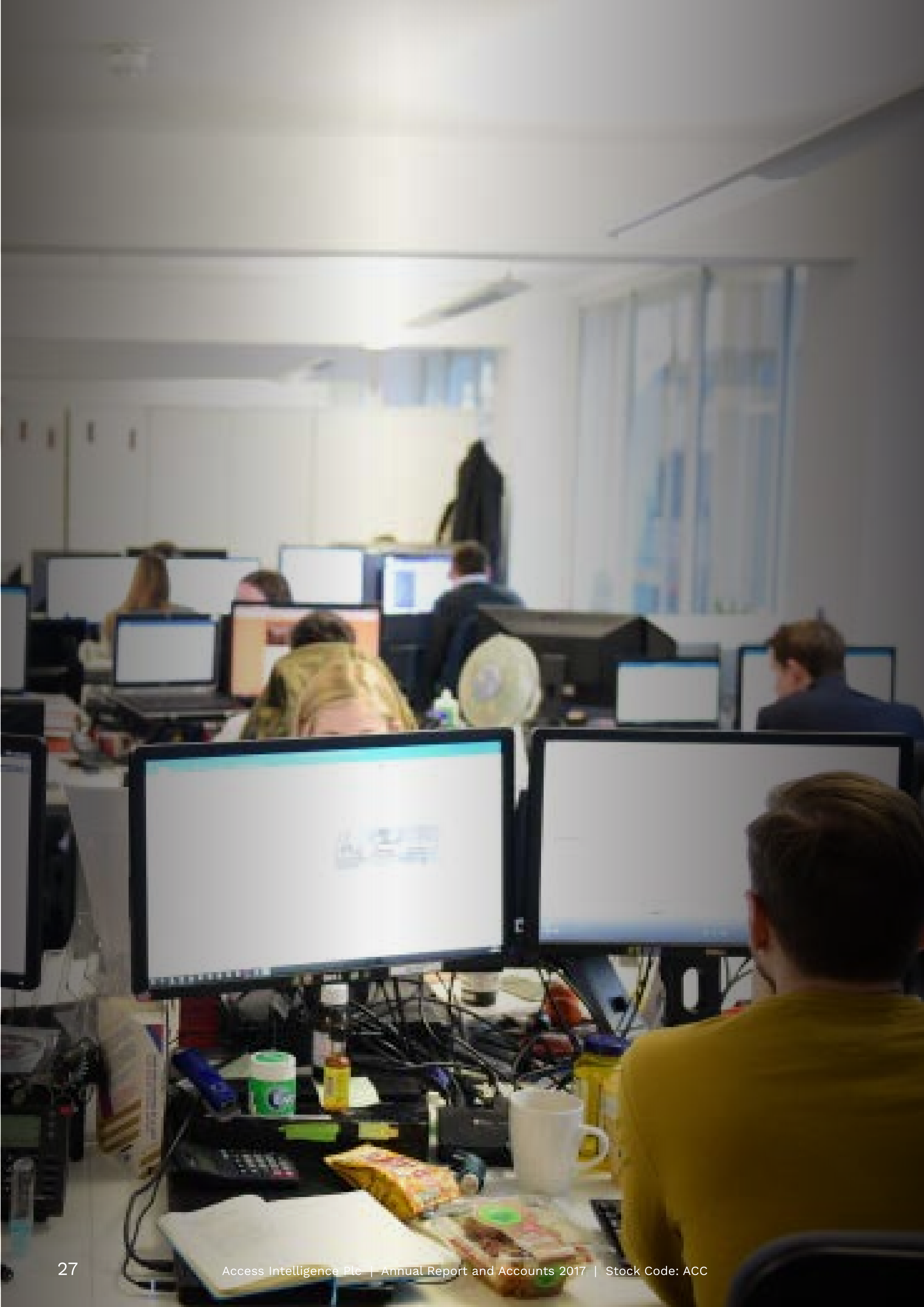
During the year and after the reporting date, the Group has continued to divest non-core subsidiary companies as part of its strategy to focus on the Vuelio reputation and communications management business.

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 £745,000. Group profit on disposal of the subsidiary was £592,000, Company profit on disposal was £615,000.

By order of the Board

J Arnold
Director
Approved by the directors on 1st March 2018



Directors and Advisers

Directors:

Executive director:
J Arnold (Chief Executive Officer)

Non-executive directors:
M Jackson (Chairman)
J Hamer (appointed 10 November 2017)
C Pilling

Company Secretary:

M Greensmith

Registered Office:

Longbow House
14-20 Chiswell Street
London
EC1Y 4TW

Company Registration Number:

04799195

Nominated Adviser and Broker:

Allenby Capital Limited
5 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 2017.

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 26.

Results

The consolidated trading results for the year and the year-end financial position are shown in the consolidated financial statements on pages 44 to 97. 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 26.

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 2017 are disclosed below:

	30-Nov-17 Beneficial No.	**30-Nov-17 Options No.**	30-Nov-16 Beneficial No.	30-Nov-16 Options No.
M Jackson	**35,252,807**	**-**	29,098,961	-
D Lowe (resigned 25 July 2017)	**122**	**1,841,897**	5,397,475	1,841,897
J Arnold	**5,615,385**	**3,000,000**	5,000,000	3,000,000
J Hamer	**6,751,761**	**2,000,000**	6,751,761	2,000,000

The high and low price of shares during the year were 4.625p and 3.125p 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	81,364,760	25.5	Indirect
Elderstreet VCT plc	39,675,690	12.4	Indirect
Unicorn AIM VCT plc	28,066,867	8.8	Indirect
Hawk Investment Holdings Ltd	15,720,513	4.9	Indirect
Octopus Asset Management Ltd	14,820,000	4.6	Indirect

In addition to the above the following substantial shareholders were also holders of Loan Instruments at the year end.

	As at 30 November 2017		**As at 30 November 2016**	
	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**	**-**	400,000	-
Hawk Investment Holdings Ltd	**300,000**	**300,000**	300,000	300,000
Octupus Asset Management Ltd.	**200,000**	**-**	200,000	-
	2,350,000	**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.

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 28 December 2017, the Company received notices from all of the holders of the £1,250,000 2009 convertible loan notes and the £1,100,000 2014 convertible loan notes to convert these into equity (refer to note 29).

The 2009 convertible loan notes converted into 31,250,000 new ordinary shares at a conversion price of 4.0p, with conversion being effective on 31 December 2017 and the new shares being admitted to trading on the AIM market of the London Stock Exchange on 3 January 2018.

The 2014 convertible loan notes converted into 36,666,665 new ordinary shares at a conversion price of 3.0p, with conversion being effective and the new shares being admitted to trading on the AIM market of the London Stock Exchange on 29 January 2018.

These notes are classified as current at the year end.

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 2017 (2016: £Nil).

Research and development and other technical expenditure

Throughout 2017 we have continued to invest in developing our products. The Group engaged an average of 41 (2016: 87) technical staff who both support the existing product offering as well as developing it. In 2017, £1,595,000 (2016 restated: £2,031,000) was spent across the Group on research and development and other technical expenditure. Of this £Nil (2016: £522,000) was capitalised and the balance was expensed through the consolidated statement of comprehensive income.

Further detail of research and development activity incurred by Group companies is set out in the Strategic Report on pages 10 to 26.

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 competitive risk, credit risk, cash flow and liquidity risk, and key personnel 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 (2016: £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 and cash flows for the year ended 30 November 2017. 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.

At the year end, the company had Convertible Loan Notes of £1,250,000 maturing in December 2017 and Convertible Loan Notes of £1,100,000 maturing in December 2019.

On 28 December 2017, the Company received notices from all of the holders of the £1.25 million 2009 convertible loan notes and the £1.1 million 2014 convertible loan notes to convert these into equity.

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

On 28 December 2017, the Company received notices from all of the holders of the £1.25 million 2009 convertible loan notes and the £1.1 million 2014 convertible loan notes to convert these into equity.

The 2009 convertible loan notes converted into 31,250,000 new ordinary shares at a conversion price of 4.0p, with conversion being effective on 31 December 2017 and the new shares being admitted to trading on the AIM market of the London Stock Exchange on 3 January 2018.

The 2014 convertible loan notes converted into 36,666,665 new ordinary shares at a conversion price of 3.0p, with conversion being effective and the new shares being admitted to trading on the AIM market of the London Stock Exchange on 29 January 2018.

Share capital

Details of the Company's share capital are set out in note 23 to the consolidated 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 24. In total, no options were granted in the year, 1,354,624 were exercised and 3,480,070 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;
- state whether, for the Group financial statements, they have been prepared in accordance with IFRS as adopted by the EU, subject to any material departures disclosed and explained in the Group financial statements
- state whether, for the Company financial statements, the 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 1st March 2018

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 2017, 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. J Hamer chairs the audit committee with M Jackson as the other member. The committee met on two occasions in 2017 (2016: 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 and M Jackson 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

Opinion

We have audited the financial statements of Access Intelligence Plc (the 'Parent company') and its subsidiaries (the 'Group') for the year ended 30 November 2017 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 Statement of Financial Position
- the Company Statement of Changes in Equity; and
- the Notes to the Consolidated financial statements and the Notes to the Company Financial Statements, including a summary of significant accounting policies.

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 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 and as applied in accordance with provisions of the Companies Act 2006.

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 2017 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; and
- the Parent company financial statements have been properly prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to SME listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Key audit matter:

The Group's accounting policy for revenue recognition is set out in the accounting policy notes on "Revenue" on page [62]. Under this policy, the amount of revenue recognised in a year will represent the fair value of the Group's entitlement to consideration in respect of services provided in that year. In determining the appropriate basis on which to recognise revenue, management is required to consider the varying contractual arrangements, such as rights to upgrades, and recognise and defer revenue appropriately.

Although the calculations for recognition and deferral of revenue from contracts over more than one period are relatively straightforward, we have identified revenue recognition as a key audit matter to reflect the judgement applied in respect of upgrades and the potential for non-standard contract terms.

Our response:

Our audit procedures over revenue recognition included general procedures on the methodology adopted and the related control environment, in addition to substantive testing.

General procedures included, but were not limited to:

- consideration of the Group's revenue accounting policy in respect of upgrades;
- review of a sample of contractual arrangements to identify any non-standard contract terms; and
- assessing the related internal control environment, including testing certain controls that we considered to be key in the determination of revenue to be recognised.

Substantive procedures included, but were not limited to:

- for a sample of contracts, assessment of revenue recognised and deferred by reference to contractual terms; and
- assessment of the adequacy of the credit note provision in the light of credit note issuances during the year and subsequent to the year end.

Our findings:

We concluded that the methodology used in determining the recognition and deferral of revenue was appropriate. No material errors in the application of the methodology were identified from our sample testing. No significant deficiencies in the operation of related controls were detected that required us to revise the nature and/or scope of planned audit procedures. On the basis of our audit procedures, we have not identified any misstatements in the level of revenue recognised in the financial statements.

Application of the going concern basis of preparation of financial statements

Key audit matter:

The Directors have summarised their assessment of the applicability of the going concern basis of preparation within the Directors' Report on page [33] and in the summary of significant accounting policies on page [55]. The Group is reporting net current liabilities at the year end and a loss on operations during the year. The Group expects to incur further losses and cash outflows until such a time as the contribution from projected revenue increases covers operating costs. The Group has in the past been reliant on financial support of its shareholders.

In light of the above, we have identified the applicability of the going concern basis of preparation of financial statements and the adequacy and appropriateness of the related financial statement disclosures as a key audit matter.

Our response:

Our audit procedures over the applicability of the going concern basis of preparation of the financial statements and the adequacy and appropriateness of the related financial statement disclosures included, but were not limited to, the following:

- review of management's financial projections, including consideration of the key assumptions on revenue growth and cost savings, and the projected level of cash headroom;
- review of management's sensitivity analysis, including consideration of the appropriateness of the sensitivities applied and the resulting projected level of cash headroom;
- consideration of management's contingency planning; and
- consideration as to whether, in light of the results of the above procedures, the related financial statement disclosures are adequate and appropriate.

Our findings:

We conclude that the Directors have a reasonable basis for concluding that the going concern basis of preparation of the financial statements is appropriate. We conclude the related financial statement disclosures are adequate and appropriate.

Impairment of goodwill and other intangible assets

Key audit matter:

The Group's accounting policy in respect of intangible assets is set out in the accounting policy notes on 'Intangible assets – Goodwill', 'Intangible assets – Research and development expenditure', 'Intangible assets – Database', 'Intangible assets – Customer Relationships', and 'Intangible assets – Brand Values' on pages [58] and [59]. The Group's policy on impairment of intangible assets is set out under 'Impairment of non-financial assets' on page [59]. The Group's commentary on the related accounting estimates is set out under 'Significant estimates' on page [56].

Goodwill requires an annual impairment review. For other intangible assets, a full impairment review is required where the Directors have identified an indicator that the assets may be impaired. The Directors have concluded that the Group's reported operating losses represent an indicator of potential impairment, and have therefore performed a full impairment review on all intangible assets.

Reflecting the uncertainty associated with the certain assumptions behind the financial projections that underpin the Directors' impairment review, we have identified the impairment of goodwill and other intangible assets as a key audit matter.

Our response:

Our audit procedures over the impairment of goodwill and other intangible assets included general procedures on the methodology adopted and the related controls, in addition to substantive testing:

General procedures included, but were not limited to:
- review of the methodology used by the Directors for the impairment review, and
- consideration of the review and approval processes adopted.

Substantive procedures included, but were not limited to:
- review of the financial projections underpinning the impairment review, including consideration of the key assumptions on revenue growth and cost savings, and the discount rate used;
- testing, on a sample basis. the calculations in the Directors' impairment review;
- review of management's sensitivity analysis, including consideration of the appropriateness of the sensitivities applied.

Our findings:

We conclude that the methodology used by the Directors in their impairment review on goodwill and intangible assets is appropriate. On the basis of our audit procedures, we conclude that the Directors' assessment that there is no impairment of goodwill and intangibles is reasonable.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of identified misstatements on the financial statements, and in forming our audit opinion. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements.

We established materiality based on the Group's total reported revenues, which the Group considers to be a Key Performance Indicator. We determined materiality for the Group financial statements to be £121,000 (2016: £156,000), representing approximately 1.5% of the Group's reported revenues.

We agreed with the Audit Committee that we would report to that committee all identified corrected and uncorrected audit differences in excess of £4,000 (2016: £5,000) together with differences below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our audit involved obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are discussed under "Key audit matters" within this report.

The Groups businesses and finance function operate from the Group head office in London. Our London-based audit team performed audit procedures, at the Group's head office, on the Parent company and all operating subsidiaries.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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; orthe parent company financial statements are not in agreement with the accounting records and returns; or
- the Parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page [34] and [35], the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. This report is made solely to the Parent 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 Parent 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 Parent company and the Parent company's members as a body for our audit work, for this report, or for the opinions we have formed.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Signed:

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

1st March 2018

Consolidated Statement of Comprehensive Income

Year ended 30 November 2017

	Note	**2017 £'000**	2016 (restated) £'000
Revenue	3	**8,063**	9,108
Cost of sales		**(2,823)**	(2,892)
Gross profit		**5,240**	6,216
Administrative expenses		**(6,604)**	(6,574)
Adjusted EBITDA		**(1,364)**	(358)
Non-recurring items	5	**(854)**	(1,529)
Share of loss of associate	14	**(254)**	(91)
Share based payments	24	**-**	(13)
EBITDA		**(2,472)**	(1,991)
Depreciation of tangible fixed assets	15	**(71)**	(176)
Amortisation of intangible assets acquired through business combination	13	**(558)**	(558)
Amortisation of software and development intangible assets	13	**(349)**	(276)
Operating loss	5	**(3,450)**	(3,001)
Financial expense	9	**(343)**	(395)
Loss before taxation		**(3,793)**	(3,396)
Taxation credit/(charge)	10	**458**	(4)
Loss for the year from continuing operations		**(3,335)**	(3,400)
Profit for the year from discontinued operations	6	**558**	1,437
Loss for the year		**(2,777)**	(1,963)
Other comprehensive income		**-**	-
Total comprehensive income for the period attributable to the owners of the Parent Company		**(2,777)**	(1,963)

Earnings per share		**Continuing Operations 2017**	Continuing Operations 2016 (restated)
Basic loss per share	12	**(1.01)p**	(1.08)p
Diluted loss per share	12	**(1.01)p**	(1.08)p

		Continuing and Discontinued Operations 2017	Continuing and Discontinued Operations 2016
Basic loss per share	12	**(0.84)p**	(0.62)p
Diluted loss per share	12	**(0.84)p**	(0.62)p

The notes on pages 54 to 97 form part of these financial statements.

Consolidated Statement of Financial Position

At 30 November 2017

	Note	**2017 £’000**	2016 £’000
Non-current assets			
Intangible assets	13	**6,231**	7,062
Investment in associate	14	**280**	534
Property, plant and equipment	15	**146**	100
Deferred tax assets	22	**206**	230
Total non-current assets		**6,863**	7,926
Current assets			
Trade and other receivables	16	**2,968**	2,565
Current tax receivables		**458**	436
Cash and cash equivalents	25	**673**	1,162
Assets classified as held for sale	7	**270**	381
Total current assets		**4,369**	4,544
Total assets		**11,232**	12,470
Current liabilities			
Trade and other payables	18	**1,558**	1,301
Accruals		**1,149**	941
Provisions	26	**-**	27
Deferred revenue	19	**4,137**	3,772
Interest bearing loans and borrowings	17	**2,489**	1,374
Liabilities classified as held for sale	7	**260**	507
Total current liabilities		**9,593**	7,922
Non-current liabilities			
Provisions	26	**226**	374
Interest bearing loans and borrowings	17	**884**	1,901
Deferred tax liabilities	22	**206**	230
Total non-current liabilities		**1,316**	2,505
Total liabilities		**10,909**	10,427
Net assets		**323**	2,043
Equity			
Share capital	23	**1,743**	1,580
Treasury shares		**(148)**	(148)
Share premium account		**2,352**	1,458
Capital redemption reserve		**191**	191
Share option reserve		**348**	377
Equity reserve		**255**	255
Retained earnings		**(4,418)**	(1,670)
Total equity attributable to the equity holders of the Parent Company		**323**	2,043

The consolidated financial statements were approved and authorised for issue by the Board of directors on 1st March 2018 and signed on its behalf by

J Arnold
Director

The notes on pages 54 to 97 form part of these financial statements.

Consolidated Statement of Changes in Equity

Year ended 30 November 2017

	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 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 1 December 2016	1,580	(148)	1,458	191	377	255	(1,670)	2,043
Total comprehensive loss for the year	-	-	-	-	-	-	(2,777)	(2,777)
Transactions with owners								
Issue of share capital	163	-	894	-	-	-	-	1,057
Share-based payments	-	-	-	-	(29)	-	29	-
At 30 November 2017	**1,743**	**(148)**	**2,352**	**191**	**348**	**255**	**(4,418)**	**323**

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 note 17: 'Interest bearing loans and borrowings'). 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 2017

	Note	**2017 £'000**	2016 £'000
Loss for the year		**(2,777)**	(1,963)
Adjusted for:			
Taxation	10	**(458)**	64
Depreciation and amortisation	13,15	**978**	1,078
Share option charge	24	**-**	13
Financial expense	9	**343**	395
Loss on disposal of property, plant and equipment	15	**-**	-
Share of loss of associate		**254**	91
Profit on sale of AIControlPoint Limited	6	**(592)**	-
Profit on sale of Due North Limited	6	**-**	(1,664)
Profit on sale of AITrackRecord Limited	6	**-**	(585)
Operating cash outflow before changes in working capital		**(2,252)**	(2,571)
(Increase)/Decrease in trade and other receivables		**(576)**	934
Increase/(Decrease) in trade and other payables		**731**	(1,228)
Net cash outflow from operations before taxation		**(2,097)**	(2,865)
Taxation received		**436**	-
Net cash outflow from operations		**(1,661)**	(2,865)
Cash flows from investing			
Acquisition of property, plant and equipment	15	**(118)**	(17)
Acquisition of software licenses	13	**(79)**	(57)
Cost of software development	13	**-**	(522)
Disposal of AIControlPoint (net of expenses)	6	**615**	-
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)
Move to held for sale of A.I. Talent Limited		**(5)**	-
Net cash inflow from investing		**413**	3,508
Cash flows from financing activities			
Interest paid		**(298)**	(336)
Issue of shares	23	**1,017**	-
Exercise of share options	23	**40**	232
Repayment of loan notes	17	**-**	(900)
Net cash inflow/(outflow) from financing		**759**	(1,004)
Net decrease in cash and cash equivalents	25	**(489)**	(361)
Opening cash and cash equivalents	25	**1,162**	1,523
Closing cash and cash equivalents	25	**673**	1,162

The notes on pages 54 to 97 form part of these financial statements.

Notes to the Consolidated Financial 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 and cash flows for the year ended 30 November 2017. 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.

On 28 December 2017, the Company received notices from all of the holders of the £1,250,000 2009 convertible loan notes and the £1,100,000 2014 convertible loan notes to convert these into equity.

The 2009 convertible loan notes converted into 31,250,000 new ordinary shares at a conversion price of 4.0p, with conversion being effective on 31 December 2017 and the new shares being admitted to trading on the AIM market of the London Stock Exchange on 3 January 2018.

The 2014 convertible loan notes converted into 36,666,665 new ordinary shares at a conversion price of 3.0p, with conversion being effective and the new shares being admitted to trading on the AIM market of the London Stock Exchange on 29 January 2018.

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 22); and
- the recoverability of trade receivables (refer to note 16).

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. A full impairment review has been performed on a "value in use" basis, which requires estimation of future net operating cashflows, the time period over which they occur, an appropriate discount rate and an appropriate growth rate. Further details, including sensitivity analysis are given in note 13 and the accounting policy is set out in note 2; 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 24).

New standards and interpretations

The adoption of the following mentioned amendments in the current year have not had a material impact on the Group's/Company's financial statements.

- IAS 1 (amendment) 'Presentation of Financial Statements' - Disclosure initiative
- IAS 16 (amendment) 'Property, Plant and Equipment' and IAS 38 (amendment) 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortisation
- IAS 27 (amendment) 'Separate Financial Statements' - Equity method in separate financial statements
- IFRS 10 (amendment) 'Consolidated Financial Statements', IFRS 12 (amendment) 'Disclosure of Interests in Other Entities' and IAS 28 (amendment) 'Investments in Associates and Joint Ventures' - Investment entities: Applying the consolidation exception
- IFRS 11 (amendment) 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations
- Annual Improvements to IFRS (2012 - 2014)

New standards, amendments and interpretations 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 9 'Financial Instruments' (Issued July 2014), IFRS 15 'Revenue from Contracts with Customers' (Issued May 2014), Clarifications to IFRS 15 'Revenue from Contracts with Customers' (Issued April 2016) and IFRS 16 'Leases' (Issued January 2016). The directors are undertaking a preliminary assessment of the implementation of these standards, however a more thorough review of the impact of the standards will be performed ahead of the next financial reporting period. IRFS 9 and IFRS 15 are effective for accounting periods beginning on or after 1 January 2018. IFRS 16 is effective for accounting periods beginning on or after 1 January 2019.

Effective for November 2018 financial statements

- Amendment to IAS 7 Statement of Cash Flows: Disclosure initiative
- Amendment to IAS 12 Income Taxes: Recognition of deferred tax assets for unrealised losses
- Annual Improvements to IFRSs (2014 - 2016): Clarification of the scope of IFRS 12 Disclosure of Interests in Other Entities

Effective for November 2019 financial statements

- Amendment to IFRS 2 Share-based Payment: Classification and measurement of share-based payment transactions
- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- Clarifications to IFRS 15 Revenue from Contracts with Customers
- Annual Improvements to IFRSs (2014 - 2016): IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 28 Investments in Associates and Joint Ventures
- IFRIC 22 Foreign Currency Transactions and Advance Consideration

Effective for November 2020 financial statements

- Amendments to IAS 28 Investments in Associates and Joint Ventures: Long-term interests in Associates and Joint Ventures
- Amendments to IFRS 9 Financial Instruments: Prepayment features with negative compensation
- IFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments

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 the Group. 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.

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 a straight-line 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 2017 there were no (2016: two) capitalised development projects. The prior year 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 profit or loss.

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 are recognised in the subsidiary employing the individual 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.

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 and therefore, the provision of these non-specific upgrades are accounted for as part of the related service contract as explained above.

For specific upgrades, customers are required to purchase these separately through signing a new contract which sets out the one-off professional service fee for the upgrade to cover migration costs and any increase in their annual subscription fee. The provision of this specific upgrade is therefore, accounted for as a separate service contract as explained above.

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

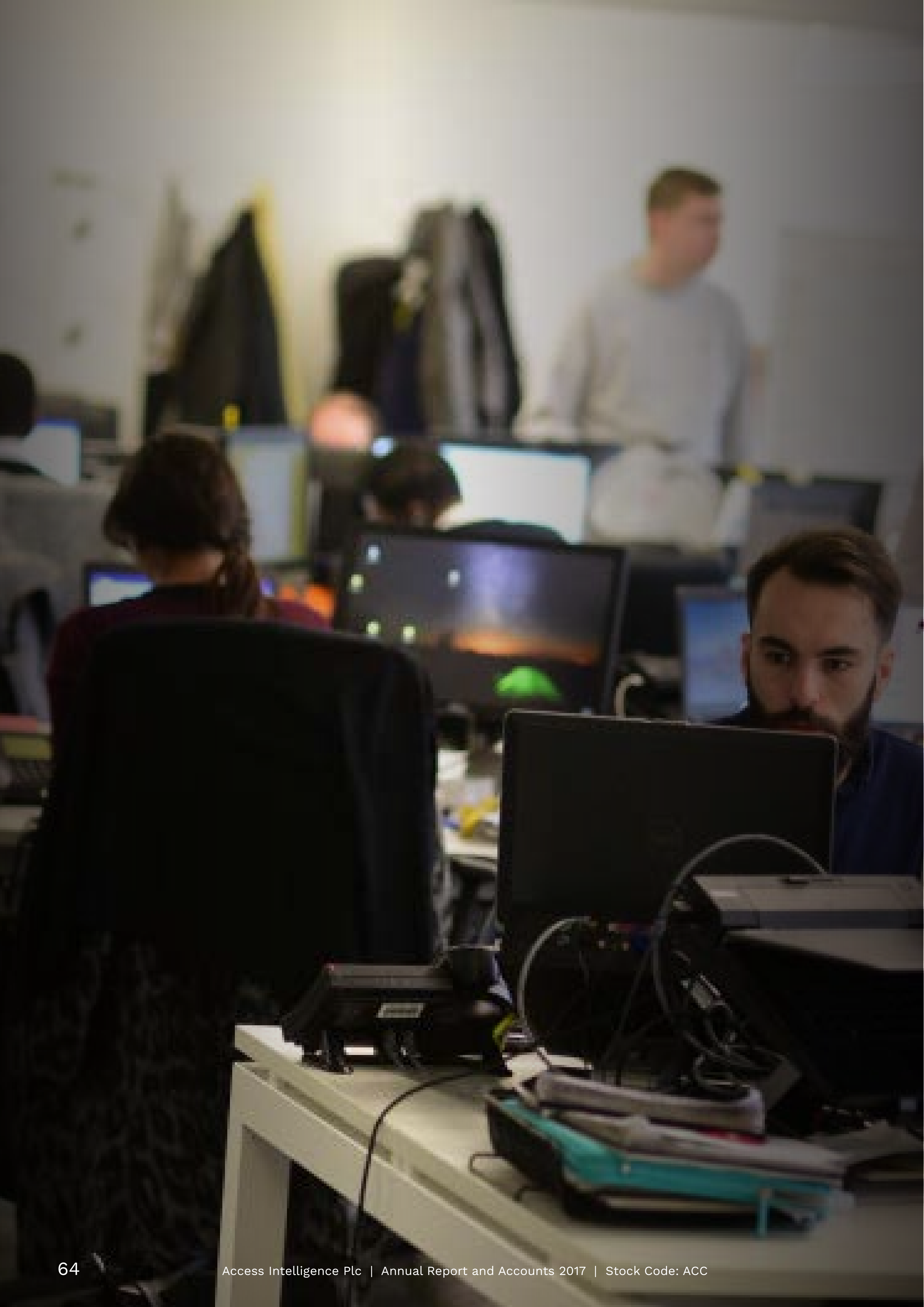
Dividend distributions are recognised as transactions with owners on payment when liability to pay is established.

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 generated from the following territories:

	Continuing Operations 2017 £'000	Continuing Operations 2016 £'000
United Kingdom	**7,296**	8,333
European Union	**448**	390
Rest of the world	**319**	385
	8,063	9,108

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 segment derives its revenues from software subscription sales and support and training revenues. As a result of the Group's divestments during the year the segments reported have changed to reflect the Board's focus. The segments are:

- Reputation
- Discontinued - Disposals & Held for Sale
- Head Office

2017

The segment information for the year ended 30 November 2017, is as follows:

	Reputation £'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	8,063	-	-	**8,063**	328	388	-	**716**	8,779
Operating (loss)/profit	(3,297)	(303)	404	**(3,196)**	151	(185)	-	**(34)**	(3,230)
Share of loss of associate	-	(254)	-	**(254)**	-	-	-	**-**	(254)
Profit on sale of subsidiary	–	-	–	**-**	–	–	592	**592**	592
Financial income	-	-	-	**-**	-	-	-	**-**	-
Financial expense	(5)	(338)	-	**(343)**	-	-	-	**-**	(343)
Taxation	458	-	-	**458**	-	-	-	**-**	458
(Loss)/Profit after taxation	(2,844)	(895)	404	**(3,335)**	151	(185)	592	**558**	(2,777)
Reportable segment assets	8,583	9,751	(7,324)	**10,980**	-	270	-	**270**	11,250
Reportable segment liabilities	13,996	4,262	(7,591)	**10,667**	-	260	-	**260**	10,927
Other information: Additions to property, plant and equipment	28	90	-	**118**	-	-	-	**-**	118
Depreciation and amortisation	1,366	35	(423)	**978**	-	6	-	**6**	984

2016

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

	Reputation £'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	-	-	**9,108**	1,333	490	-	**1,823**	10,931
Operating (loss)/profit	(2,784)	(432)	306	**(2,910)**	(730)	(41)	40	**(731)**	(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	(73)	13	**(4)**	(27)	(33)	-	**(60)**	(64)
(Loss)/Profit after taxation	(2,728)	1,509	(2,181)	**(3,400)**	(757)	(74)	2,268	**1,437**	(1,963)
Reportable segment assets	10,058	9,468	(7,757)	**11,769**	292	409	-	**701**	12,470
Reportable segment liabilities	12,648	4,747	(7,690)	**9,705**	507	215	-	**722**	10,427
Other information: Additions to property, plant and equipment	14	3	-	**17**	-	-	-	**-**	17
Depreciation and amortisation	1,304	54	(348)	**1,010**	63	5	-	**68**	1,078

5. Operating Loss

Operating loss is stated after charging

	2017 £'000	2016 £'000
Depreciation of property, plant and equipment	**71**	184
Amortisation of development costs	**287**	265
Amortisation of brand values	**60**	60
Amortisation of software licences	**62**	71
Amortisation of database	**332**	272
Amortisation of customer list	**166**	226
Loss/(Profit) on foreign currency translation	**11**	(6)
Non-recurring items (see below)	**854**	1,529
Operating lease charges - land and buildings	**509**	571
Auditor's remuneration (see below)	**55**	62
Share based payments	**-**	13
Research and development and other technical expenditure (income statement) (a further £Nil (2016: £522,000) was capitalised)	**1,595**	1,664
Increase in provision for receivables	**54**	39

Non-recurring items in the year ended 30 November 2017 were incurred as a result of restructuring and one off termination of employment costs for staff, along with associated legal fees. The non-recurring costs are made up of the following:

	2017 £'000	2016 £'000
Compensation and notice payments - all staff	**107**	285
Non-recurring transitional hosting and migration costs	**747**	1,244
	854	1,529

Auditor's remuneration is further analysed as:

	2017 £'000	2016 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**24**	25
The audit of the Company's subsidiaries, pursuant to legislation	**23**	27
Tax services	**8**	10
	55	62

6. Discontinued operations

Due North Limited

In February 2016, the Group sold its subsidiary Due North Limited.

	2017 £'000	2016 £'000
Results of discontinued operation		
Revenue	**-**	258
Expenses	**-**	(308)
Results from operating activities	**-**	(50)
Tax	**-**	-
Results from operating activities, net of tax	**-**	(50)
Gain on sale of discontinued operation	**-**	1,664
Tax on gain on sale of discontinued operation	**-**	-
Profit for the year	**-**	1,614
Basic earnings per share	**0.0p**	0.51p
Diluted earnings per share	**0.0p**	0.51p

	2017 £'000	2016 £'000
Cash flows from/(used in) discontinued operation		
Net cash from operating activities	**-**	403
Net cash used in investing activities	**-**	(15)
Net cash used in financing activities	**-**	(465)
Net cash flows for the year	**-**	(77)

AITrackRecord Limited

In July 2016, the Group sold its subsidiary AITrackRecord Limited.

	2017 **£'000**	2016 £'000
Results of discontinued operation		
Revenue	**-**	285
Expenses	**-**	1,352
Results from operating activities	**-**	1,637
Tax	**-**	-
Results from operating activities, net of tax	**-**	1,637
Gain on sale of discontinued operation	**-**	585
Tax on gain on sale of discontinued operation	**-**	-
Profit for the year	**-**	2,222
Basic earnings per share	**0.0p**	0.70p
Diluted earnings per share	**0.0p**	0.70p

	2017 **£'000**	2016 £'000
Cash flows from/(used in) discontinued operation		
Net cash from operating activities	**-**	(145)
Net cash used in investing activities	**-**	-
Net cash used in financing activities	**-**	-
Net cash flows for the year	**-**	(145)

AIControlPoint Limited

In March 2017, the Group sold its subsidiary AIControlPoint Limited for cash consideration of £745,000. This business unit had been reported as a discontinued operation and classified as held for sale at 30 November 2016 following the commitment of the Group's management in 2016 to sell the entity.

	2017 £'000	2016 £'000
Results of discontinued operation		
Revenue	**328**	789
Expenses	**(178)**	43
Results from operating activities	**151**	833
Tax	**-**	(27)
Results from operating activities, net of tax	**151**	805
Gain on sale of discontinued operation	**592**	-
Tax on gain on sale of discontinued operation	**-**	-
Profit for the year	**743**	805
Basic earnings per share	**0.23p**	0.26p
Diluted earnings per share	**0.23p**	0.26p

	2017 £'000	2016 £'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	**-**	-

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

	2017 £'000
Goodwill	**89**
Property, plant and equipment	**9**
Intangible assets	**-**
Trade and other receivables	**166**
Cash and cash equivalents	**-**
Deferred tax assets	**6**
Trade and other payables	**(247)**
Net assets	**23**
Consideration received, satisfied in cash	**745**
Cash and cash equivalents disposed of	**-**

A.I. Talent Limited

A.I. Talent Limited is presented as a disposal group held for sale following the commitment of the Group's management in 2017, to sell the business. This business unit had not been reported as a discontinued operation or classified as held for sale at 30 November 2016 and the comparative consolidated statement of comprehensive income has been re-presented to show the results of discontinued operations separately from continuing operations.

	2017 £'000	2016 £'000
Results of discontinued operation		
Revenue	**388**	490
Expenses	**(573)**	(531)
Results from operating activities	**(185)**	(41)
Tax	**-**	(33)
Results from operating activities, net of tax	**(185)**	(74)
Gain on sale of discontinued operation	**-**	-
Tax on gain on sale of discontinued operation	**-**	-
Loss for the year	**(185)**	(74)
Basic earnings per share	**(0.06)**	(0.02)
Diluted earnings per share	**(0.06)**	(0.02)

	2017 £'000	2016 £'000
Cash flows from/(used in) discontinued operation		
Net cash from operating activities	**(236)**	86
Net cash used in investing activities	**-**	-
Net cash used in financing activities	**-**	-
Net cash flows for the year	**(236)**	86

All discontinued operations

The following tables provide combined information for all discontinued operations. The current year figures include the results of AIControlPoint Limited and A.I. Talent Limited plus consolidation adjustments. The prior year comparative figures also include the results of Due North Limited and AITrackRecord Limited which were sold during the year ended 30 November 2016.

	2017 £'000	2016 £'000
Results of discontinued operation		
Revenue	**716**	1,823
Expenses	**(750)**	(2,554)
Results from operating activities	**(34)**	(731)
Tax	**-**	(60)
Results from operating activities, net of tax	**(34)**	(791)
Gain on sale of discontinued operation	**592**	2,228
Tax on gain on sale of discontinued operation	**-**	-
Profit for the year	**558**	1,437
Basic earnings per share	**0.17p**	0.46p
Diluted earnings per share	**0.17p**	0.46p

The profit from discontinued operations of £558,000 (2016: £1,437,000) is entirely attributable to the owners of the Company.

	2017 £'000	2016 £'000
Cash flows from/(used in) discontinued operation		
Net cash from operating activities	**(236)**	344
Net cash used in investing activities	**-**	(15)
Net cash used in financing activities	**-**	(465)
Net cash flows for the year	**(236)**	(136)

7. Disposal group held for sale

A.I. Talent Limited is presented as a disposal group held for sale following the commitment of the Group's management in 2017 to sell the business. Efforts to sell the disposal group had therefore commenced before the year end.

At the prior year end, AIControlPoint 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 14 March 2017 (see note 29).

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

Assets classified as held for sale

	2017 £'000	2016 £'000
Goodwill	**-**	89
Development costs	**-**	-
Other intangible fixed assets	**2**	3
Property, plant and equipment	**-**	-
Trade and other receivables	**263**	289
Cash and cash equivalents	**5**	-
	270	381

Liabilities classified as held for sale	**2017 £'000**	2016 £'000
Trade and other payables	**12**	75
Deferred income	**248**	432
Deferred tax liabilities	**-**	-
	260	507

8. Particulars of employees

	2017	2016
The average number of persons (including directors) employed by the Group during the year was:		
Technical and support	**41**	87
Commercial	**40**	80
Finance and administration	**13**	19
	94	186

Costs incurred in respect of these employees were:

	2017 £'000	2016 £'000
Wages and salaries costs	**4,054**	6,637
Social security costs	**452**	699
Pension costs	**130**	191
Health insurance	**16**	30
Employee benefits	**-**	13
Compensation for loss of office	**107**	285
	4,758	7,855

The compensation for loss of office charge of £107,000 (2016: £285,000) relates to 16 employees (2016: 22 employees) who were made redundant during the year.

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	**2017 £**	2016 £
Executive Directors				
J Arnold	212,225	-	**212,225**	209,981
Non-Executive Directors				
M Jackson	40,000	-	**40,000**	40,000
D Lowe	20,000	-	**20,000**	30,000
C Pilling	-	30,000	**30,000**	30,000
J Hamer	-	5,000	**5,000**	-
	272,225	35,000	**307,225**	309,981

J Arnold received health insurance benefits during the year of £615 (2016: £883).

J Arnold received payments into a personal retirement money purchase pension scheme during the year of £7,725 (2016: £7,731).

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

The number of directors at 30 November 2017 accruing retirement benefits under money purchase schemes was one (2016: one).

The interests of the directors in share options are detailed in the Directors' Report on page 31 of this report. No directors exercised share options during the year.

9. Financial expense

	2017 £'000	2016 £'000
Effective interest charged on convertible loan notes	**231**	217
Interest charged on non-convertible loan notes	**106**	178
Other interest	**6**	-
Total financial expense	**343**	395

10. Taxation

	2017 £'000	2016 £'000
Current income tax:		
UK corporation tax credit for the year	**(458)**	(333)
Adjustment in respect of prior year	**-**	(103)
Total current income tax credit	**(458)**	(436)
Deferred tax (note 22)		
Impact of change in tax rate	**-**	-
De-recognition of deferred tax assets	**-**	194
Origination and reversal of temporary differences	**-**	306
Total deferred tax	**-**	500
Total tax (credit)/charge	**(458)**	64

As shown above the tax assessed on the loss on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

The differences are explained as follows:

Factors affecting tax credit	2017 £'000	2016 £'000
Loss on ordinary activities before tax from continuing operations	**(3,793)**	(3,396)
Profit on ordinary activities before tax from discontinued operations	**558**	1,497
Loss on ordinary activities before tax	**(3,235)**	(1,899)
Loss on ordinary activities multiplied by effective rate of tax	**(647)**	(380)
Items not deductible for tax purposes	**25**	666
Items not taxable for tax purposes	**(85)**	-
Adjustment in respect of prior years	**-**	(103)
Additional R&D claim CTA 2009	**(193)**	(260)
Deferred tax not recognised	**442**	141
Total tax (credit)/charge	**(458)**	64
Tax (credit)/charge reported in the Consolidated Statement of Comprehensive Income	**(458)**	4
Tax charge attributable to discontinued operations	**-**	60
Total tax (credit)/charge	**(458)**	64

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.

11. 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 2017.

12.Earnings per share

The calculation of earnings per share is based upon the total Group loss for the year of £2,777,000 (2016: loss of £1,963,000) divided by the weighted average number of ordinary shares in issue during the year which was 328,645,382 (2016: 315,301,844).

In 2017 and 2016 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:

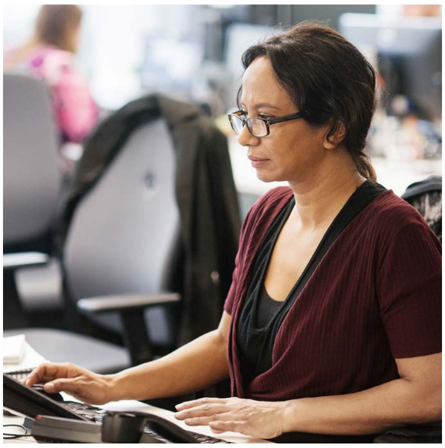
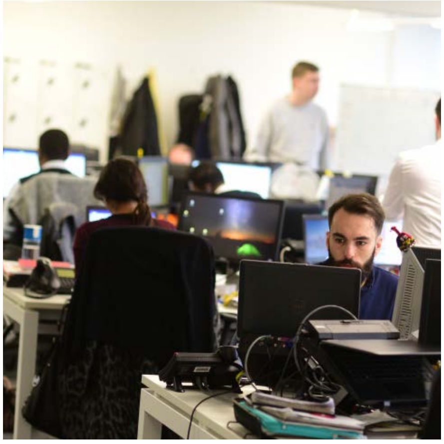
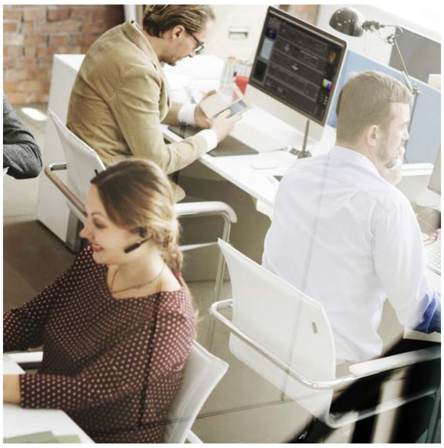
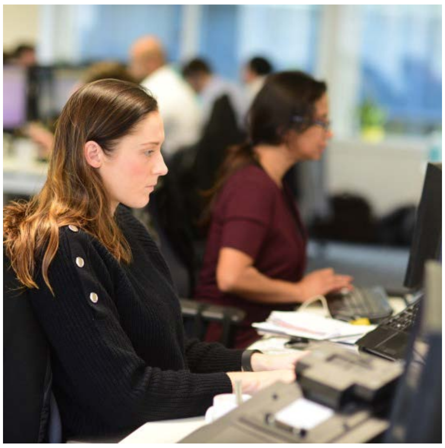
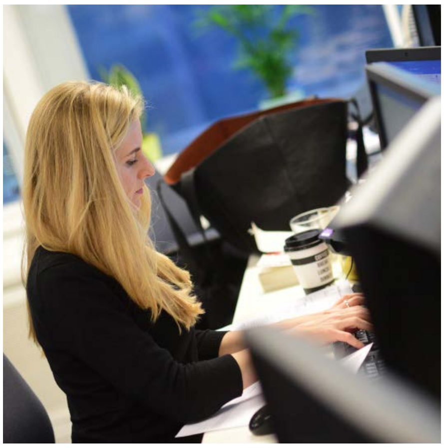
	Continuing Operations	**Discontinued Operations**	**Total**	Continuing Operations	Discontinued Operations	Total
Numerator	**2017 £'000**	**2017 £'000**	**2017 £'000**	2016 £'000	2016 £'000	2016 £'000
(Loss)/Profit for the year and earnings used in basic EPS	**(3,335)**	**558**	**(2,777)**	(3,400)	1,437	(1,963)
Earnings used in diluted EPS	**(3,335)**	**558**	**(2,777)**	(3,400)	1,437	(1,963)
Denominator						
Weighted average number of shares used in basic EPS ('000)	**328,645**	**328,645**	**328,645**	315,302	315,302	315,302
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 ('000)	**328,645**	**328,645**	**328,645**	315,302	315,302	315,302
Basic (Loss)/ earnings per share (pence)	**(1.01)**	**0.17**	**(0.84)**	(1.08)	0.46	(0.62)
Diluted loss per share for the year (pence)	**(1.01)**	**0.17**	**(0.84)**	(1.08)	0.46	(0.62)

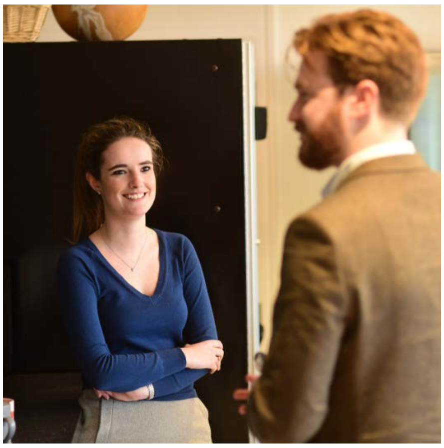
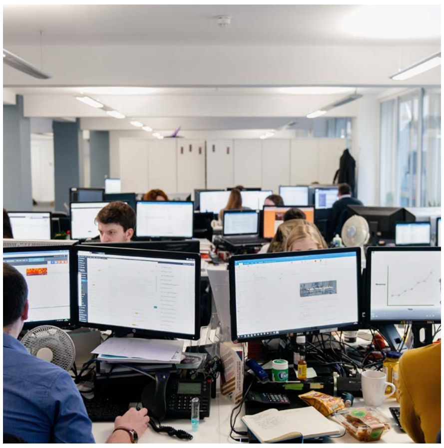
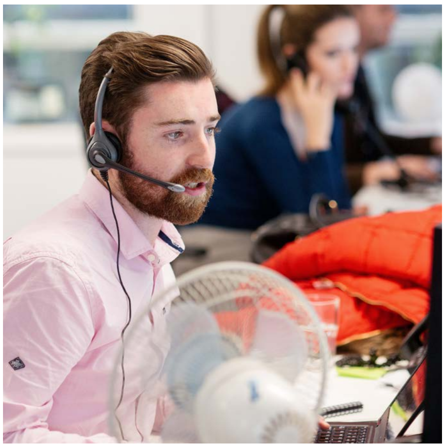
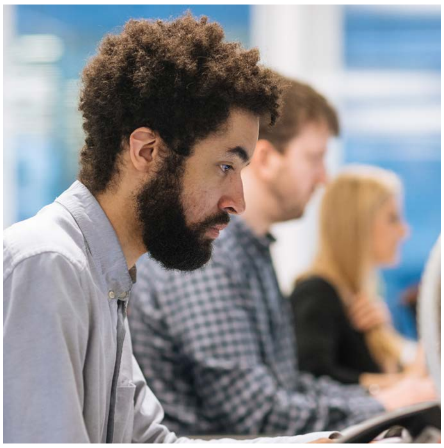
The total number of options and warrants granted at 30 November 2017 of 19,518,379 (2016: 24,353,073) would generate £567,305 (2016: £716,379) in cash if exercised. At 30 November 2017, 2,220,000 (2016: 220,000) were priced above the mid-market closing price of 4.0p per share (2016: 4.625p per share) and 17,298,379 (2016: 24,133,073) were below.

At 30 November 2017 3,220,000 (2016: 7,872,941) staff options were eligible for exercising at an average price of 2.69p (2016: 2.96p). Also eligible for exercising are the 14,298,379 (2016: 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 2017 and the amount of shares they subsequently converted into as a result of the holders serving the Company notice to convert on 28 December 2017.

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	29 January 2018
Hawk Investments	300	10,000	29 January 2018
Kestrel Partners LLP	400	13,333	29 January 2018
Octopus AIM VCT	200	6,667	29 January 2018
Total	2,350	67,917	


13.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 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**
Capitalised during the year	-	-	-	79	-	-	79
Disposals	-	-	-	-	-	-	-
Held for sale	-	-	(765)	(26)	-	-	(791)
At 30 November 2017	**1,369**	**9,176**	**1,153**	**196**	**997**	**830**	**13,721**
Amortisation and impairment							
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**
Charge for the year	60	-	287	62	332	166	907
Disposals	-	-	-	-	-	-	-
Held for sale	-	-	(765)	(23)	-	-	(788)
At 30 November 2017	**589**	**5,205**	**402**	**90**	**742**	**462**	**7,490**
Net Book Value							
At 30 November 2017	**780**	**3,971**	**751**	**106**	**255**	**368**	**6,231**
At 30 November 2016	840	3,971	1,038	92	587	534	7,062

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

	Carrying amount		Remaining amortisation period	
	2017 £'000	2016 £'000	2017 Years	2016 Years
Brand				
Access Intelligence Media and Communications	**780**	840	**13**	14
Development Costs				
Access Intelligence Media and Communications - Vuelio Platform Development	**210**	338	**4**	5
AIMediaData - Vuelio Platform Development	**541**	700	**4**	5
Database				
AIMediaData - PR & Media Contacts Database	**255**	587	**1**	2
Customer Relationships				
AIMediaData - Acquired Customer Relationships	**368**	534	**3**	4

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 goodwill allocated to each CGU is:

2017	Goodwill £'000
Continuing operations	
Access Intelligence Media and Communications Limited	**1,928**
AIMediaData Limited	**2,043**
	3,971

2016	Goodwill £'000
Continuing operations	
Access Intelligence Media and Communications Limited	1,928
AIMediaData Limited	2,043
	3,971

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 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, with a terminal value after year five.

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 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 and Communications Limited and AIMediaData Limited as the value-in-use calculations exceeded the carrying values of goodwill 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 43% in EBITDA delivered by Access Intelligence Media and Communications Limited would result in the carrying value of its goodwill and intangible assets being equal to the recoverable amount. For AIMediaData Limited, a 37% reduction in EBITDA would result in the carrying value of its goodwill and intangible assets being equal to the recoverable amount. For both companies, an increase in the discount rate by 12 percentage points would result in the carrying value of goodwill and intangible assets being equal to 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 2017, no development costs (2016: £Nil) 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 2017.

14. Investment in associate

	Investment in associate £'000
Cost	
At 1 December 2015	-
Additions	625
At 30 November 2016	**625**
Additions	-
At 30 November 2017	**625**
Share of loss of associate and impairment	
At 1 December 2015	-
Share of loss of associate	91
At 30 November 2016	**91**
Share of loss of associate	254
At 30 November 2017	**345**
Net Book Value	
At 30 November 2017	**280**
At 30 November 2016	534

As part of the consideration for the disposal of AITrackRecord Limited during the prior 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 £254,000 (2016: £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 associate

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 2017 £'000	Track Record Holdings Limited 2016 £'000
Total current assets	**799**	2,160
Total non-current assets	**787**	703
Total current liabilities	**(187)**	(193)
Net assets	**1,399**	2,670
Access Intelligence Plc share of net assets (20%)	**280**	534

Reconciliation to carrying amounts	Track Record Holdings Limited 2017 £'000	Track Record Holdings Limited 2016 £'000
Opening net assets 1 December	**2,670**	-
Issue of share capital	**-**	313
Share premium on issue of shares	**-**	2,812
Loss for the period	**(1,271)**	(455)
Net assets	**1,399**	2,670

Summarised statement of comprehensive income	Track Record Holdings Limited 2017 £'000	Track Record Holdings Limited 2016 £'000
Revenue	**430**	359
Loss for the period from continuing operations	**(1,271)**	(455)
Other comprehensive income	**-**	-
Total comprehensive income	**(1,271)**	(455)

15. Property, plant & equipment

	Fixtures, fitting and equipment £'000	Leasehold improvements £'000	Total £'000
Cost			
At 1 December 2015	576	187	763
Additions	17	-	17
Disposals	(115)	-	(115)
Classified as held for sale	(2)	-	(2)
At 1 December 2016	**476**	**187**	**663**
Additions	26	92	118
Disposals	(1)	-	(1)
Classified as held for sale	(47)	-	(47)
At 30 November 2017	**454**	**279**	**733**
Depreciation			
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 1 December 2016	**415**	**148**	**563**
Charge for the year	50	21	71
Disposals	(1)	-	(1)
Classified as held for sale	(46)	-	(46)
At 30 November 2017	**418**	**169**	**587**
Net Book Value			
At 30 November 2017	**36**	**110**	**146**
At 30 November 2016	61	39	100

16. Trade and other receivables

	2017 £'000	2016 £'000
Current assets		
Trade receivables	**1,925**	1,780
Less: provision for impairment of trade receivables	**(137)**	(78)
	1,788	1,702
Prepayments and other receivables	**1,180**	863
	2,968	2,565

All trade receivables are reviewed by management and are considered collectible. The ageing of trade receivables which are past due and not impaired is as follows:

	2017 £'000	2016 £'000
Days outstanding:		
31–60 days	**505**	829
61–90 days	**157**	119
91-180 days	**377**	178
	1,039	1,127

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

	2017 £'000	2016 £'000
At 1 December	**78**	330
Increase in provision	**84**	39
Written off in year	**(25)**	(291)
At 30 November	**137**	78

Ageing of impaired debt

	2017 £'000	2016 £'000
Days outstanding		
91-180 days	**18**	26
181-270 days	**21**	25
More than 270 days	**98**	27
	137	78

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 £673,000 (2016: £1,162,000). The Group does not hold any collateral as security.

As disclosed in note 21, 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.

17. Interest bearing loans and borrowing

	2017 £'000	2016 £'000
Current		
Convertible loan notes	**2,359**	1,264
Non-convertible loan notes	**110**	110
Other	**20**	-
	2,489	1,374
Non-current		
Convertible loan notes	**-**	1,052
Non-convertible loan notes	**844**	849
Other	**40**	-
	884	1,901

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.

On 28 December 2017, the Company received notices from all of the holders of the £1.25 million 2009 convertible loan notes and the £1.1 million 2014 convertible loan notes to convert these into equity.

The 2009 convertible loan notes converted into 31,250,000 new ordinary shares at a conversion price of 4.0p, with conversion being effective on 31 December 2017 and the new shares being admitted to trading on the AIM market of the London Stock Exchange on 3 January 2018.

The 2014 convertible loan notes converted into 36,666,665 new ordinary shares at a conversion price of 3.0p, with conversion being effective and the new shares being admitted to trading on the AIM market of the London Stock Exchange on 29 January 2018.

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:

	2017 £'000	2016 £'000
Proceeds of issue of convertible loan notes	**-**	-
Existing loan notes rolled over	**2,350**	2,350
Equity component	**(255)**	(255)
Deferred taxation	**(79)**	(79)
Initial fair value of liability component	**2,016**	2,016
Cumulative interest charged	**1,240**	1,009
Cumulative interest paid	**(897)**	(709)
Liability component at 30 November	**2,359**	2,316

The equity component of £255,000 (2016: £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% (2016: 10.1%) 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 2017 represents the effective interest rate less interest paid to that date.

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

	2017 £'000	2016 £'000
Opening loan liability	**2,316**	2,286
Interest charged for the year	**231**	217
Interest paid in the year	**(188)**	(187)
Liability component at 30 November	**2,359**	2,316

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. £900,000 of these loan notes were repaid on 22 April 2016.

	2017 £'000	2016 £'000
Opening loan liability	**959**	1,830
Issue of non-convertible loan notes	**-**	-
Costs associated with the issue of loans	**-**	-
Repayment of non-convertible loan notes	**-**	(900)
Interest charged for the year	**105**	178
Interest paid in the year	**(110)**	(149)
Liability component at 30 November	**954**	959

18. Trade and other payables

Due within one year	2017 £'000	2016 £'000
Trade payables	**1,262**	1,041
Other taxes and social security costs	**206**	161
VAT payable	**90**	99
	1,558	1,301

19. Deferred revenue

	2017 £'000	2016 £'000
At 1 December	**3,772**	4,643
Invoiced during the year	**9,064**	10,464
Revenue recognised during the year	**(8,063)**	(10,931)
On disposal of business	**-**	28
Revenue recognised on items moved to held for sale during the year	**(388)**	-
Deferred revenue moved to held for sale	**(248)**	(432)
At 30 November	**4,137**	3,772

20. 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 four 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 2017 (2016: 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 $2,044 (2016: $271,334) which was translated at the rate of 1.3399 (2016: 1.2481) for inclusion in the consolidated statement of financial position. This amounted to £1,526 (2016: £217,398). 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 2017 borrowings comprised convertible loan notes of £2,350,000 (2016: £2,350,000) and non-convertible loan notes of £918,000 (2016: £918,000).

On 28 December 2017, the Company received notices from all of the holders of the £1,250,000 2009 convertible loan notes and the £1,100,000 2014 convertible loan notes to convert these into equity.

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 (2016: £Nil) of income.

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

	Loans, receivables and other payables £'000	Total £'000
2017		
Assets per the balance sheet		
Trade and other receivables excluding prepayments	**1,788**	**1,788**
Cash and cash equivalents	**673**	**673**
	2,461	**2,461**
Liabilities per the balance sheet		
Trade and other payables excluding accruals	**1,558**	**1,558**
Interest bearing loans and borrowings	**3,373**	**3,373**
	4,931	**4,931**
Undiscounted contractual maturity of financial liabilities		
Amounts due within one year		**1,759**
Amounts due between one and five years		**1,156**
Amounts that convert to equity		**2,359**
		5,274
Less: future interest charges		**(342)**
Financial liabilities carrying value		**4,931**

The above analysis excludes corporation tax receivable.

	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 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 £673,000 (2016: £1,162,000) available cash resources against a liability payable within the next 12 months of £1,759,000 (2016: £1,541,000). 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.

21. 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; and
- Capital risk — that we do not have an optimal structure to allow for future acquisition and growth.

Further information on these risks and the Group's actions to mitigate them is provided on page 24 and 25 of the Strategic Report.

22. 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 and 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 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)	-
At 1 December 2016	22	(29)	-	208	(201)	-
Charge to profit or loss	8	-	-	(32)	24	-
Disposal of subsidiary	-	-	-	-	-	-
Moved to held for sale	-	-	-	-	-	-
At 30 November 2017	**30**	**(29)**	**-**	**176**	**(177)**	**-**
Attributable to:						
Continuing operations	30	(29)	-	176	(177)	-
Discontinued operations	-	-	-	-	-	-
Total	**30**	**(29)**	**-**	**176**	**(177)**	**-**

At the reporting date the Group had unused tax losses of approximately £7,000,000 (2016: £6,000,000) 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 £1,299,000 (2016: £923,000) 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:

	2017 £'000	2016 £'000
Deferred tax assets	**206**	230
Deferred tax liabilities	**(206)**	(230)
Total	**-**	-

23. Share capital

Equity: Ordinary shares of 0.5p each	**2017 £'000**	2016 £'000
Allotted, issued and fully paid 348,674,357 ordinary shares of 0.5p each (2016: 315,935,118 ordinary shares of 0.5p each)	**1,743**	1,580

	2017	2016
Number of shares at 1 December	**315,935,118**	307,127,015
New shares issued in year	**31,384,615**	-
Share options exercised	**1,354,624**	8,808,103
Number of shares at 30 November	**348,674,357**	315,935,118

During 2017, 1,161,106 shares were issued at 3.0p as a result of a former employee exercising share options and 193,518 were issued at 2.75p as a result of the same former employee exercising warrants, and 31,384,615 ordinary shares were issued at 3.25p to existing institutional shareholders and management.

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 319,007,690 (2016: 286,268,451).

Transaction costs associated with share issues in the year amounted to £3,000 (2016: £Nil). Transaction costs are accounted for as a reduction from the share premium account.

24. 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 2017 were as follows:

Date of grant	**Exercise price**	**No of shares**	**Exercisable between**
23 October 2008	2.75p	14,298,379	No time limit
03 April 2009	2.75p	1,000,000	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	1,000,000	Dec 2014-Dec 2021
24 October 2013	2.5p	1,000,000	Oct 2016-Oct 2023
		19,518,379	

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 2016	2.90	-	2.63	(4.64)	2.94
WAEP 2017	**2.94**	**-**	**2.96**	**(3.13)**	**2.91**
Options 2016	33,958,676	-	(8,808,103)	(797,500)	24,353,073
Options 2017	**24,353,073**	**-**	**(1,354,624)**	**(3,480,070)**	**19,518,379**

No options were cancelled in the year (2016: Nil).

The weighted average price of shares on the date of exercise during the year was 4.50 pence (2016: 4.875 pence).

The option movements detailed above resulted in a share-based payment charge for the Group of £Nil (2016: £13,000). During 2017, there were no share options granted in the year.

Further details of share options exercisable at the year-end are provided in note 12.

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.

25. 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 2016 £'000	Cash outflow £'000	**At at 30 November 2017 £'000**
Cash and cash equivalents	1,162	(489)	**673**

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

26. Commitments

Capital commitments

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

Operating lease commitments

Commitments for minimum lease payments in relation to operating leases are payable as follows:

	Land and buildings	
	2017	2016
	£'000	£'000
Not later than one year	**246**	566
Later than one year and not later than five years	**759**	2,281
Later than five years	**-**	96
	1,005	2,943

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.

There were no other operating lease commitments.

Provisions and contingent liabilities

	Onerous Contracts £'000	Leasehold dilapidations £'000
At 1 December 2016	27	374
Charged to profit or loss	-	-
Released in year	(27)	(148)
At 30 November 2017	**-**	**226**
Due within one year	-	-
Due after more than one year	-	226
	-	**226**

Onerous contracts predominantly relate to office equipment and services no longer required after a business combination. There was no remaining liability at 30 November 2017.

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 December 2018.

27. Related party transactions

Two (2016: one) of the directors have 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.

	2017 **£**	2016 £
C Pilling (via The Personal Web Company Limited)	**30,000**	30,000
J Hamer (via Fin Dec Limited)	**5,000**	-

At the year-end Access Intelligence Plc owed Elderstreet Investments Limited, a company of which M Jackson is Chairman £8,337 (2016: £8,337).

During the year, interest on convertible loans of £56,110 (2016: £56,153) and on non-convertible loans of £36,000 (2016: £31,595) was paid to Elderstreet VCT plc, a company of which M Jackson is Chairman.

At the year end, an amount of £2,040 (2016: £2,040) was due from M Jackson.

During the year, Access Intelligence Plc recharged certain costs to Track Record Holdings Limited, an associate company. The total amount invoiced was £80,754 (2016: £22,039) and the outstanding balance at the year end was £Nil (2016: £22,039).

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 £75,900 (2016: £107,400). At the year end the Company owed £12,600 (2016: £12,600) to Macranet Limited.

During the year the Company recognised a share based payment charge of £Nil (2016: £3,208) in respect of key management personnel.

28. 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 £130,000 (2016: £119,000) was contributed by the Group to individual pension schemes. At 30 November 2017 no pension contributions were outstanding (2016: £Nil).

29. Events after the reporting date

On 28 December 2017, the Company received notices from all of the holders of the £1,250,000 2009 convertible loan notes and the £1,100,000 2014 convertible loan notes to convert these into equity.

The 2009 convertible loan notes converted into 31,250,000 new ordinary shares at a conversion price of 4.0p, with conversion being effective on 31 December 2017 and the new shares being admitted to trading on the AIM market of the London Stock Exchange on 3 January 2018.

The 2014 convertible loan notes converted into 36,666,665 new ordinary shares at a conversion price of 3.0p, with conversion being effective and the new shares being admitted to trading on the AIM market of the London Stock Exchange on 29 January 2018.

Company Statement of Financial Position

Company Number: 04799195
At 30 November 2017

	Note	2017 £'000	2016 £'000
Non-current assets			
Tangible assets	4	**113**	49
Investments	5	**11,025**	3,636
Intangible assets	6	**1**	13
Deferred tax assets		**185**	224
Total non-current assets		**11,324**	3,922
Current assets			
Trade and other receivables	7	**236**	445
Amounts due from group undertakings	8	**-**	4,657
Cash at bank and in hand		**215**	702
Total current assets		**451**	5,804
Total assets		**11,775**	9,726
Current liabilities			
Trade and other payables	9	**457**	229
Amounts due to group undertakings	8	**1,811**	976
Accruals		**432**	292
Provisions		**-**	14
Deferred revenue		**-**	432
Interest bearing loans and borrowings	10	**2,489**	1,374
Total current liabilities		**5,189**	3,317
Non-current liabilities			
Interest bearing loans and borrowings	10	**884**	1,901
Total non-current liabilities		**884**	1,901
Total liabilities		**6,073**	5,218
Net assets		**5,702**	4,508
Capital and reserves			
Called up share capital	11	**1,743**	1,580
Treasury shares		**(148)**	(148)
Share premium account		**2,352**	1,458
Capital redemption reserve		**191**	191
Share option reserve		**348**	377
Equity reserve		**255**	255
Profit and loss account		**961**	795
Equity shareholders' funds		**5,702**	4,508

The Company reported a profit for the financial year ended 30 November 2017 of £137,000 (2016: profit of £4,061,000).

The financial statements were approved by the Board of directors on 1st March 2018 and signed on its behalf by:

J Arnold
Director

Company Statement of Changes in Equity

Year ended 30 November 2017

	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
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 1 December 2016	1,580	(148)	1,458	191	377	255	795	4,508
Total comprehensive income for the year	-	-	-	-	-	-	137	137
Transactions with owners								
Issue of share capital	163	-	894	-	-	-	-	1,057
Share-based payments - current year	-	-	-	-	(29)	-	29	-
At 30 November 2017	**1,743**	**(148)**	**2,352**	**191**	**348**	**255**	**961**	**5,702**

Notes to the Company Financial Statements

Year ended 30 November 2017

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 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).

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 22 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 impairment testing of goodwill and capitalised development costs and other non-current assets. A full impairment review has been performed on a "value in use" basis, which requires estimation of future net operating cashflows, the time period over which they occur, an appropriate discount rate and an appropriate growth rate. Further details, including sensitivity analysis are given in note 13 to the consolidated financial statements and the accounting policy is set out in note 2 to the consolidated financial statements; 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 24 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 24 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 a straight-line 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 2017 there were no (2016: none) capitalised development projects. 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.

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 and therefore, the provision of these non-specific upgrades are accounted for as part of the related service contract as explained above

For specific upgrades, customers are required to purchase these separately through signing a new contract which sets out the one-off professional service fee for the upgrade to cover migration costs and any increase in their annual subscription fee. The provision of this specific upgrade is therefore, accounted for as a separate service contract as explained above.

The Group does not have any further obligations that it would have to provide for under the subscription 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. Result for the year

As permitted by s408 of the Companies Act 2006, no separate Profit and Loss account or Statement Of Comprehensive Income is presented in respect of the parent Company. The result attributable to the Company is disclosed in the footnote to the Company Balance Sheet.

The auditor's remuneration for audit and other services is disclosed in note 9 to the consolidated financial statements.

The average monthly number of employees (including executive directors) was:

	2017	2016
Technical and support	**4**	20
Commercial	**2**	6
Finance and administration	**8**	10
	14	36

Their aggregate remuneration comprised:

	2017 **£'000**	2016 £'000
Wages and salaries costs	**711**	1,735
Social security costs	**76**	172
Pension costs	**9**	29
Health insurance	**6**	7
Compensation for loss of office	**11**	132
	813	2,075

4. Tangible fixed assets

	Fixtures fittings and equipment £'000	Leasehold improvements £'000	Total £'000
Cost			
At 1 December 2016	266	65	331
Additions	4	88	92
At 30 November 2017	**270**	**153**	**423**
Depreciation			
At 1 December 2016	256	26	282
Charge for the year	8	20	28
At 30 November 2017	**264**	**46**	**310**
Net Book Value			
At 30 November 2017	**6**	**107**	**113**
At 30 November 2016	10	39	49

5. Investments

	Investment in subsidiaries		Investment in associate	Total
	Shares £'000	Loans £'000	£'000	£'000
Cost				
At 1 December 2015	14,528	-	-	14,528
Additions	-	-	625	625
Disposals	(6,134)	-	-	(6,134)
At 1 December 2016	8,394	-	625	9,019
Additions	-	-	-	-
Reclassification*	-	7,389	-	7,389
Disposals	(85)	-	-	(85)
At 30 November 2017	**8,309**	**7,389**	**625**	**16,323**
Impairment				
At 1 December 2015	10,007	-	-	10,007
Impairment	-	-	91	91
Disposals	(4,715)	-	-	(4,715)
At 1 December 2016	5,292	-	91	5,383
Impairment	-	-	-	-
Disposals	(85)	-	-	(85)
At 30 November 2017	**5,207**	**-**	**91**	**5,298**
Net Book Value				
At 30 November 2017	**3,102**	**7,389**	**534**	**11,025**
At 30 November 2016	3,102	-	534	3,636

* The amount owed by a subsidiary (which is unsecured, interest free and repayable on demand) has been reclassified from 'Amounts due to group undertakings' to reflect its nature as a component of the Company's investment in that entity.

At 30 November 2017 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%
Backup and Running plc	Dormant	Ordinary	100%

The registered office of all subsidiaries is the same as the registered office of the Company (see page 28).

At 30 November 2017 the Company was the beneficial owner of the following share capital of an associate, which is incorporated in England and Wales:

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

6. Intangible assets

	Development costs £'000	Software licence £'000	Total £'000
Cost			
At 1 December 2016	298	127	425
Additions	-	-	-
Disposals	298	-	298
At 30 November 2017	**-**	**127**	**127**
Depreciation			
At 1 December 2016	297	115	412
Charge for the year	1	11	12
Disposals	298	-	298
At 30 November 2017	**-**	**126**	**126**
Net Book Value			
At 30 November 2017	**-**	**1**	**1**
At 30 November 2016	1	12	13

7. Trade and other receivables

	2017 £'000	2016 £'000
Trade receivables	**5**	242
Prepayments and other debtors	**231**	203
	236	445

8. Amounts due from/to group undertakings

	2017 £'000	2016 £'000
Amounts due from group undertakings	**-**	4,657

	2017 £'000	2016 £'000
Amounts due to group undertakings	**1,811**	976

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

9. Trade and other payables

	2017 £'000	2016 £'000
Trade payables	**398**	191
Other taxes and social security	**59**	38
	457	229

10. Interest bearing loans and borrowings

	2017 £'000	2016 £'000
Current		
Convertible loan notes	**2,359**	1,264
Non-convertible loan notes	**110**	110
Other	**20**	-
	2,489	1,374
Non-current		
Convertible loan notes	**-**	1,052
Non-convertible loan notes	**844**	849
Other	**40**	-
	884	1,901

See note 17 of the consolidated financial statements for further details.

11. Share capital

See note 23 of the consolidated financial statements for further details.

12. Equity-settled share-based payments

See note 24 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

Commitments for minimum lease payments in relation to operating leases are payable as follows:

	Land and buildings	
	2017 £'000	2016 £'000
Not later than one year	**-**	106
Later than one year but not later than five years	**-**	442
Later than five years	**-**	58
	-	605

Provisions and contingent liabilities

	Onerous contracts £'000
At 1 December 2016	**14**
Charged to profit or loss	**-**
Released in year	**(14)**
At 30 November 2017	**-**
Due within one year	**-**
Due after more than one year	**-**
	-

See note 26 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 27 of the consolidated financial statements for details of other related party transactions.

15. Events after the reporting date

See note 29 of the consolidated financial statements for further details.

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