



actual
experience

2015 ANNUAL REPORT



WELCOME TO OUR 2015 ANNUAL REPORT

Actual Experience is the leader and innovator of digital experience quality.

Our analytics are the missing link between digital experience quality and improvements in the performance of digital business.



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CHAIRMAN'S STATEMENT

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CHIEF FINANCIAL OFFICER'S REVIEW

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OUR BUSINESS STRATEGY

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"We are confident of further progress in the year ahead as we move through to the next stages of commercialisation."

CHAIRMAN'S STATEMENT

Stephen Davidson

Introduction

I am proud to present Actual Experience's full-year results for the year ending 30 September 2015. While the financial results show growth, with revenues increasing by 23% to £0.7m (2014: £0.57m), the real success of the year was the progress made in our commercial relationships with major channel partners, including the signing of two important contracts which we believe will lead to a significant increase in revenue growth.

Actual Experience's analytics are the missing link between digital experience quality and improvements in digital businesses. The analytics show the actual experience of the end-user in a way that has never been done before. This enables our customers to focus their resources on achieving consistent digital quality and improving business performance. The potential impacts are cost savings, reduction in lost customer revenues and improved brand experience. We are proud to be leading what could become one of the biggest sectors of the digital marketplace.

The operational and commercial progress achieved in 2015 has left Actual Experience well positioned for the future. It has been a year characterised by a transition from start-up to a more structured organisation which will be better positioned to support our planned global growth. Following years of selling, testing, proving and evaluation, we signed our largest contracts to date with two global businesses.

Actual Experience is now deploying its technology to analyse digital quality for a range of products and services both within their respective businesses and to their extensive customer networks. These represent significant revenue opportunities and serve as a compelling validation of our unique methodology of digital quality analysis.

In addition to the two contracts signed during the year, there are other channel partner opportunities in development with some of the world's largest technology and service companies. Combined, these opportunities have the potential to place us in front of many thousands of large global enterprise customers.

An opportunity of this scale requires strong operational infrastructure including the establishment of a robust around-the-clock global support capability, as well as an expanded sales and marketing presence and the further development of our technology, particularly into the mobile arena. To fund that investment we raised £15.2 million, before expenses, in June 2015 and have been pleased by the positive response displayed by the investment community.

Board

I am delighted that Robin Young has agreed to join the executive team as Chief Operations Officer; his extensive experience will be invaluable as we rapidly build our business. Robin will remain on the Board, as an Executive Director. We are in the process of appointing a new Non-executive Director and expect to announce further details in the near future.

Outlook

While we have taken many important steps on the path to building a world-class technology leader, there remains much to be achieved. We are confident of further progress in the year ahead as we move through to the next stages of commercialisation.

On behalf of the Board, I would like to thank all shareholders, customers and employees that have supported Actual Experience and who have played an integral part in the Company's successes to date. Actual Experience's journey is only just beginning and I look forward to the business fulfilling its considerable potential.

STEPHEN DAVIDSON

CHAIRMAN

12 January 2016



"Actual Experience's market opportunity is vast and growing and we have put in place many of the building blocks needed to capitalise on this."

CHIEF EXECUTIVE OFFICER'S REVIEW

Dave Page

Introduction

This year has been one of significant achievement for Actual Experience. Since our beginning in 2009 we have been developing our unique digital quality analytics and network of our channel partners. We are confident that Actual Experience has an innovation that has the potential to transform the quality of the digital world.

As a young company, with a very large commercial opportunity, we soon realised that the most effective way to take our technology to market would be by working with businesses that have an established global base of customers. Proving the potential of our technology to channel partners and building our technology into their global distribution processes are naturally time-consuming. This year we signed our first two agreements with channel partners. The first is with a major organisation, listed in the top 100 of Forbes' Most Valuable Brands. The second is with Verizon Enterprise Services, one of the world's leading communications businesses, who will be building our technology into one of their global service offerings. These agreements provide a compelling validation of both our technology and our strategy. Our focus in the year ahead is to begin to realise the potential of these initiatives and establish additional, similar relationships.

With increasing evidence of channel engagement, the Group is now focused on execution. The funds raised in June 2015 are being invested in resources that can effectively support our channel partners and customers anywhere in the world. Headcount has been increased in both the US and the UK and, for the first time, a significant investment is being made in marketing and brand to ensure that our offering is properly understood.

Market opportunity

The basis of Actual Experience's market opportunity is the continuing rapid growth of the digital world. A third of CEOs expect to attribute more than half their revenues to digital operations within five years,¹ and nearly 50% of all business-to-business purchases will be made on digital platforms by the end of 2015, with \$2 trillion in retail sales generated by digital sales and marketing platforms by 2016.²

As the digital world has matured and become fully integrated into business and society, we believe that quality is becoming as significant to users of digital products and services as it is to businesses and consumers in the non-digital world. Digital quality increasingly will determine which companies create or lose valuable brand share.

Successful businesses have long been aware of the need to consistently improve the performance of their non-digital supply chains and are now committing greater resources to solutions for managing their increasingly complex digital supply chains. This creates a vast opportunity for Actual Experience.

The requirement to give workers and customers a consistent high-quality experience is paramount for digital brand leaders and Actual Experience has the solutions to meet their needs.

Strategy

Actual Experience's analytics as a service has the potential to benefit the digital business of all organisations globally. We will service the global business markets primarily through channel partners, but will maintain select direct customer engagements.

Channel

Most Group revenues to date have been achieved through direct sales activities. However, we believe that the market is so sizeable that it can only be addressed efficiently through relationships with large channel partners, leveraging their global footprint and sales teams. Over the coming years, we expect channel business to comprise a significant portion of our revenue. To this end, we have invested considerable resources in nurturing channel opportunities over the last four years.

¹ BCG: The Internet Economy in the G-20, 2012.

² Six building blocks for creating a high-performing digital enterprise, McKinsey, 2015.

CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

Direct

Providing our services directly to well-known global brands achieves two important goals for Actual Experience. First, it helps to build awareness and know-how. Second, it demonstrates to potential channel partners the commercial interest and enthusiasm for our unique service offerings.

Consumer

Similarly, it is strategically important to continue to develop our consumer offering, Actual Home. Across the world, governments are increasingly focused on policies to harness the social and economic benefits of digital inclusion and competitiveness. We are able to show how fit for purpose any national digital infrastructure is and consequently where policy must focus to correct for any market failure.

This parallel investment by Actual Experience in understanding the consumers' experience of digital quality has a positive impact on business opportunities and will ultimately offer Actual Experience an unparalleled view of digital quality globally.

The continuous improvement of our technology and the market reach from global channels provides Actual Experience with compelling market potential. We believe the Group is well placed to establish long-term leadership in the business-critical market for the management of digital quality.

Customer highlights

Top 100 global brand

In May 2015, we were delighted to sign a significant three-year contract with a major global organisation. Actual Experience will continuously analyse the organisation's global digital supply chains to ensure that the quality of products delivered to end-customers is always visible to business leaders and that their customers' digital experience can be improved.

Verizon Enterprise Solutions

We announced in September 2015 the signing of a three-year contract to supply services to Verizon Enterprise Solutions, the division of Verizon that delivers communication services to businesses and government. Actual Experience now forms part of Verizon's enhanced managed service reporting capabilities, and is being actively promoted by Verizon to their customers worldwide. The service was soft launched in December 2015 and represents the largest potential roll-out of the Group's analytics service to date. We have begun to see Verizon account teams request information about the service for their own customers and expect this to have a significant positive impact on revenues in the years ahead.

Ofcom

We are pleased to have made positive, early progress with Ofcom, where our crowd-sourced data, enabled by the Actual Home (formerly BbFix) project, has been used to analyse the digital economy of Britain. The result of this early work was the publication of Ofcom's 'State of the Nation' report which highlighted our key findings, namely that digital quality is not solely dependent on speed but is affected by a number of additional factors that occur across the UK's national digital supply chains. This successful project confirms that our digital quality analytics can be leveraged equally by governments and businesses.

Fundraise and expansion of operations

We were delighted to successfully complete a placing in June 2015, raising gross proceeds of £15.2m. The funds were raised for investing across the business as well as strengthening our balance sheet and funding the Group's working capital requirements for the foreseeable future.

Expansion of our sales team and channel support

The funds raised have enabled us to grow client-facing teams in the UK and US, including channel development and support.

Investment in our technology

We have been able to significantly increase the size and skill base of our technology development team. The technical capabilities and features demanded by our target market are rapidly evolving, in particular with regard to trends in corporate adoption of mobile computing platforms. This year we have rolled out an update to our Analytics-as-a-Service business offering. It simplifies use and puts digital quality into the pockets of business leaders on mobile phones. Alongside increasing channel engagement, we are increasing our focus on data-centre scaling and security matters.

Strengthening our operational team

We were delighted to announce in early October 2015 the appointment of Robin Young, previously a Non-executive Director of the Company, as Chief Operations Officer. Robin stepped into this new role in response to the continuing growth of Actual Experience and the need to build a global operation to support its international customer base.

Robin has extensive CIO, COO, technology and operations experience, previously holding positions at blue-chip public companies, including Mitchells & Butlers, GlaxoSmithKline, Proctor & Gamble and Ford Motor Company.

Investment in brand and marketing

Our brand is being refreshed to more accurately reflect our commercial focus, to build on what we have learned, to differentiate our service and underline its relevance. We are creating the category 'digital experience quality' for our brand to occupy. Our offering has been honed and modernised, and the customer journey refined. We expect this work to support the creation of direct demand both to us and to our channel customers.

Outlook

We have made significant progress across key aspects of our business this year. Actual Experience's market opportunity is vast and growing and we have put in place many of the building blocks needed to capitalise on this potential. In the current financial year we will continue to invest in people and technology, develop further sales opportunities, both channel and direct, and also expect to see further significant revenue contribution from our existing customers.

DAVE PAGE

CHIEF EXECUTIVE OFFICER

12 January 2016

ACTUAL EXPERIENCE AT A GLANCE

Leader and innovator of digital experience quality.

Our patent-pending analytics are the missing link between digital experience quality and improvements in the digital business.

Why does this matter?

Businesses across the world are increasingly digital. Digital products and services are provided to employees to make them more productive whether they are in the office, on the road or in the home. Likewise, customers interact with businesses in an increasingly digital way through apps or browsers, and from anywhere.

As a result, business leaders are realising that they need to take digital quality seriously. More specifically, they are taking digital experience quality seriously.

Why?

Take brand for example. Some businesses have spent many years and huge resources establishing a brand for their physical products (e.g. groceries) and services (e.g. hotel rooms). Increasingly, customers are engaging to procure these products and services through a business' digital products such as websites and mobile apps. Consequently, customers that experience frustration with a business' digital products will be less likely to buy, and continued frustration will harm the brand.

Like physical products, digital customer experience and brand is largely built upon design and quality.

In the digital world, design relates to the customer journey – the steps a customer must take to conclude a bank transaction online, or purchase a product, or to order a new driving licence, and so on.

Quality relates to the consistency and repeatability of the customer journey. If images don't load, or explanatory videos don't run, or if click-to-talk is unintelligible, or forms stop working, this is poor digital quality.

Even if the digital design is excellent, a variable and inconsistent customer journey will wreck customer experience and digital brand.

Today, without Actual Experience, business leaders have no way to manage and improve digital quality.



How come?

In the manufacture of physical products and services, business have for decades used quality management techniques such as Six Sigma, Kaizen and others. At the heart of these methods is the so-called Voice of the Customer. Simply put, customers are asked what they think of a product, and their feedback is used by the manufacturer to improve the manufacturing process. Today, most manufacturing processes involve global supply chains, so the reality is that the

manufacturer uses the feedback to help manage and improve its supply chains.

However, in the digital world, these quality management techniques cannot be used.

Why not?

Simply put, talking to people, asking for their feedback, is much too slow.

In the digital world, the glitches that cause videos to freeze, or forms and images to stop loading, or audio to sound inaudible, happen in tiny fractions of a second. They are fleeting and transient. Not only that, but they occur somewhere in a global digital supply chain made up of thousands of businesses and technologies.

Therefore, asking customers what they think, even if it could be done continuously, is on a completely different timescale to the digital world, and there is consequently very little possibility for correlating customer feedback with the underlying cause of customer frustration.

This means that there is no way to connect digital experience quality with a quality management process to improve digital business. This is also the explanation for why digital experience quality in the home, on the phone or in the office is so inconsistent.

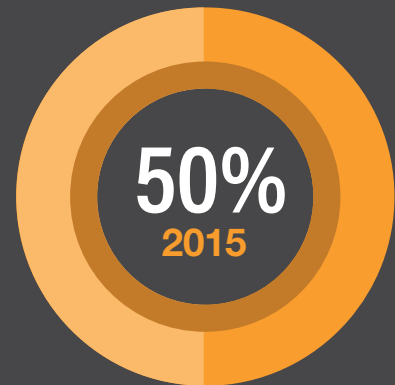
The growth of digital

Digital revenues will double to 41% by 2019. A third of CEOs expect to attribute more than half their revenues to digital within five years. Nearly 50% of all business-to-business purchases will be made on digital platforms by the end of 2015 and \$2 trillion in retail sales will be influenced by digital by 2016.

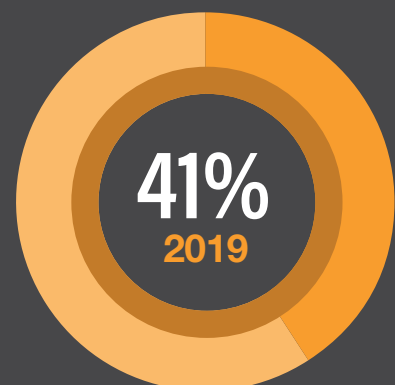
To move in that direction, this year, CEOs have technology-related change as a top priority, even higher than in 2014. Sixty-three per cent of CEOs intend to increase IT and digital investment in 2015. Research shows that companies have lofty ambitions: they expect digital initiatives to deliver annual growth and cost efficiencies of 5-10% or more in the next three to five years.

At the same time, board members at large companies estimated that 32% of their company's revenue would be under threat from digital disruption in the next five years; 60% of board members felt their boards should spend significantly more time on this issue in 2016.

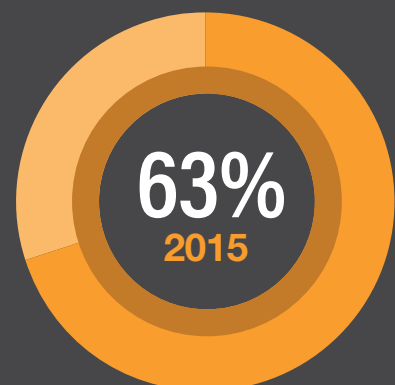
Digital quality increasingly will determine which companies create or lose valuable brand share with their customers, members, subscribers, employees, contractors, partners and suppliers.



Business-to-Business purchases made on digital platforms
*Six building blocks for creating a high performing digital enterprise,
McKinsey, 2015*



Digital revenue by 2019
2015 Gartner CEO Survey Committing to Digital



Percentage of CEOs intending to increase digital investment
2015 Gartner CEO Survey Committing to Digital

ACTUAL EXPERIENCE AT A GLANCE

Continued

“CEOs are coming in to MIT and saying I’m spending so much money on IT and technology and I feel like it’s a black hole with nothing coming out.”

The value of the customer experience quantified

Peter Kriss, HBR

So what do we do?

We provide digital quality analytics to businesses that provide digital products and services to their customers and employees.

Our patent-pending analytics are able to link digital experience quality with a digital quality improvement process, which will help make the digital business of our customers better and better.

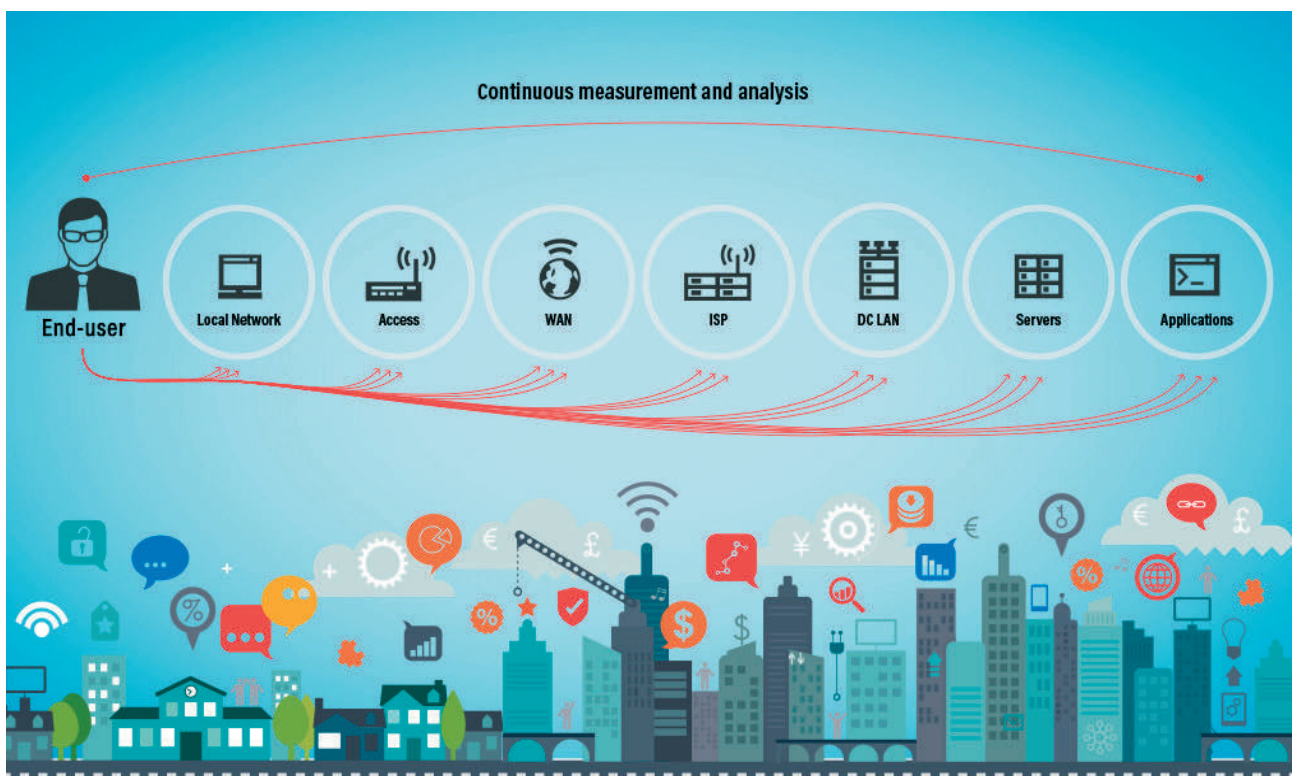
Continuous quality improvement is something that has been taken for granted in manufacturing for decades. Now it can be applied to the manufacturing of digital products and services.

How do we do this?

Small pieces of software called Digital Users are situated amongst real human users in, for example, the home or the office. They run on laptops, PCs and small devices like Raspberry Pi and Intel sticks.

The Digital Users make continuous measurements of the most important digital products and services that our customer provides to its customers and employees (applications in illustration). The Digital Users also simultaneously measure the behaviour of the many businesses and technologies in our customer’s global digital supply chain seeking the glitches that impact customer experience.

The Digital Users immediately send the results of these measurements to data centres, which host our cloud analytics-as-a-service platform.



Our cloud analytics platform transforms the measurements of the digital product and service into real-time digital Voice of the Customer quality scores. These scores represent the actual experience of a person and act as the lens through which we analyse the behaviour of the digital supply chain.

In our cloud, the Actual Experience lens allows us to correlate poor quality that frustrates customers or employees and harms brand or productivity, with the transient, fleeting glitches in the supply chain that cause poor quality.

Since this is done continuously and very quickly – in fractions of seconds – our analytics are able to locate the source of quality problems in the numerous businesses and technologies of our customers' global digital supply chain and hence provide actionable data in order for our customers to:

1. Reduce the number of quality problems by continuously improving the performance of the global digital supply chain by:
 - a. more targeted and efficient investment; and
 - b. better management and collaboration with their digital suppliers.
2. Resolve quality problems within important digital products and services in hours, not days, weeks or months, and do this in a substantially more automated way that reduces cost.

How do customers get their analytics?

Our customers buy a service from us called Actual Work (formerly Digital Supply Chain Director). They access the results of the Actual Work service in three ways:

1. Through web browsers and mobile apps
2. Via emails for alerting of predefined events or regular reports
3. Via electronic interfaces between the Group's systems and customer or partner systems.

Who do we do it for?

Actual Experience's analytics-as-a-service is of potential use to every business in every industry.

Any business that provides digital products and services to its customers or employees, or both, will need to continuously improve digital quality or risk losing out to competitors with better digital quality and hence better digital brand and productivity.

How do you address such a large market?

We will service this vast global market primarily through channel partnerships, with an important component of our business strategy focused on building relationships with selected direct enterprise customers. These relationships continue to accrue valuable intelligence on service use by business type, department, role, and other factors.

The value derived from our direct involvement with customers actively consuming this digital experience quality data to drive new and improved continuous improvement processes is realised in our channel relationships, where our learned best practices will improve the performance of all channel partners.

Current customers include channel partners Verizon and direct customers Condé Nast, Charles Stanley and Harrods.

A fundamental component of our strategy, particularly for this year, is the expansion of our customer-facing teams in the US and the UK. This is an important use of the £15.2m investment in June 2015. Global coordination of these activities will be considerably enhanced by our recent addition of Robin Young as COO.

"One of the hardest things we have with technology is user perception. Is it working well? Is it not working well?"

Customer

OUR BUSINESS STRATEGY

Audience	Business		Government	Consumers
Brand proposition	Our analytics are the missing link between digital experience quality and improvements in the digital business. We use the actual experience of the end-user as the lens that enables our clients to focus their resources on achieving consistent quality and improving business performance. The continuous improvement of experience quality makes the world work better.			
Customers	Service Providers, Consultancies	Direct enterprise customers	Agency, Regulatory, Legislative, NGO, Association	Direct partnerships
Value proposition	Branded commercial offering for digital quality analysis; integrate as component within service management frameworks.	Foundational data for business improvement processes, typically employed by market leaders across all categories.	Constituent view of digital quality and delivery against government targets for digital equality; meaningful KPIs to describe social benefits of state investment.	Understand what you can do to improve quality. Identify those responsible and know how to notify them.
Products	Actual Work		Actual Home	
Technology	High-intensity computer environments continuously analyse standard measurement data, via intellectual property built on algorithmic and correlative mathematics, to produce actionable data for managing digital experience quality.			
	Analyse standard, easily acquired measurements to produce actionable intelligence for improving business performance.			



History and future of our technology

Actual Experience was founded in 2009 to commercialise 10 years of research originally undertaken at Queen Mary, University of London, by our Chief Science Officer, Professor Jonathan Pitts, to analyse and evaluate the impact of digital supply chain behaviour on perceived human experience.

The research has been continuously developed since 2009 to work in the real world and at the scale and speed required to deliver actionable analytic results to our direct and channel partner customers.

The Directors consider that this development, together with low-friction deployment through large-scale channel partners, is the source of Actual Experience's competitive advantage.

Actual Experience has developed the Actual Work product to address the requirements of the market. While discussions with leading technology companies and industry analysts confirm our belief that Actual Work is a market-leading product, the technical capabilities and features demanded by our target market are rapidly evolving, in particular with regard to trends in corporate adoption of mobile computing platforms.

We believe that it is strategically important for Actual Work to maintain its rate of technological progression. Consequently, we are investing to further increase the size and skills base of our R&D team.

OUR MARKETS

- While nearly every organisation lays claim to being a digital enterprise, only 25% believe their organisation has the mindset to survive and thrive in the digital age.
- Just **24%** agree that the organisation's leadership team understands the digital issue.
- Only **17%** of respondents have restructured their businesses in line with their digital ambitions.
- Just over one in five chief executives are seen to be leading the digital agenda within their organisations, despite the importance of this to future success.
- Only **20%** in a recent management consultants' survey rated their company as having excellent Digital IQ, defined as how well they understand the value of technology and weave it into the fabric of their organisation.

Sources: McKinsey DQ Company Survey 2014-2015; PA Consulting's Digital Barometer; 6th Annual Digital IQ Survey (pwc)

Actual Experience's analytics as a service is of use to all businesses. Most of Actual Experience's revenues to date have been achieved through direct sales activities but it is believed that this sizeable international market can only be realistically addressed by putting in place relationships with large channel partners. To this end, Actual Experience have invested considerable resources in nurturing channel opportunities over the last three years.

We will service the global business markets primarily through channel partnerships and through select direct-enterprise customer relationships.

Providing digital performance quality management services to well-known global brands contributes to two important goals for Actual Experience. First, it helps to build our brand and our direct revenue. Second, it demonstrates to potential channel partners the interest and enthusiasm from business for our unique service offerings. Our customers are typically large businesses with well-established brands and our sponsors are business leaders who are painfully aware of the challenges in managing today's digital business. These businesses and leaders are eager for an analytics service platform that facilitates a data-driven approach to improving digital business performance.

We intend to extend our early focus on direct business sales by putting in place significant channel partner relationships that rapidly expand our revenue opportunity. Over the coming years, we expect channel partners to comprise a significant portion of our revenue as we leverage their direct customer relationships.

Parallel investment in understanding the digital quality experience of consumers has a positive impact on business opportunities and offers Actual Experience an unparalleled view of digital performance quality. The continuous improvement of our technology and the extended market reach from global channel partners provides Actual Experience with significant and compelling market potential. We believe the Company is well placed to establish long-term leadership in the business-critical market for digital quality management.

Direct

We are targeting the emerging and established digital leaders in all industry categories. The businesses that are the most sophisticated in relation to digitisation, digital supply-chain complexity and the concept of digital supply-chain management. These companies have mastered the concept and have the structure (or c-suite buy-in) and instrumentation in place to be able to deliver, but lack the ability to measure quality or identify drivers of variability.

These companies have some characteristics in common. They understand the consumer journey and how digital can enhance all of those experiences. Their leaders focus their digital strategies on enhancing those critical interactions. These companies are fast, they are on the ground, and they have the digital and business experts working together to go to market rapidly with new solutions and are continually optimising them. Their culture, leadership and mindset enables them to undertake the appropriate disruption to their current business models and then create new models for the future.

They operate as a unified organisation, they invest in the organisational capabilities that ensure the impact of their technologies. They are characterised by data-empowered decision-making and are agile in execution. They look for dynamic tools and flexible, scalable platforms that enable the organisation to be nimble, and are building an IT architecture that is modular and flexible enough to move quickly with stability and resiliency to keep core business services reliable.

We are also addressing managed service providers, which are heavily invested in supplying network, application and infrastructure services to business markets, that have shown keen interest in our capabilities for their own portfolios. Their interest includes providing the service to their customers, but their primary interest is better managing quality within their own digital product portfolios.

OUR MARKETS

Continued

Consumer

Across the world, governments are increasingly focused on policies to harness the social and economic benefits of digital inclusion and competitiveness. Actual Home, which analyses the quality of digital products and services from homes, provides:

- consumers with a clear understanding of whether their home setup, their Wi-Fi, or their broadband provider is the cause of quality problems; and
- regulators with a rich data set that shows how fit for purpose any national digital infrastructure is and consequently where policy must focus to correct for any market failure.

This parallel investment by Actual Experience in understanding the consumers' experience of digital quality has a positive impact on business opportunities and will ultimately offer Actual Experience an unparalleled view of digital experience quality globally.

At scale, we believe that Actual Home analytics will provide governments with the evidence to adjust digital policy and invest more efficiently in order to make universal service – high-quality Internet access for all citizens – a more realistic possibility.

Ofcom

Over the past two-and-a-half years Actual Experience has worked with Ofcom to analyse Internet services across the UK. The second and latest report for Ofcom was published in December 2015.

This work has been based on the premise that, even though access to fast and superfast broadband has steadily increased, consumers still experience poor and variable quality with the digital services they use.

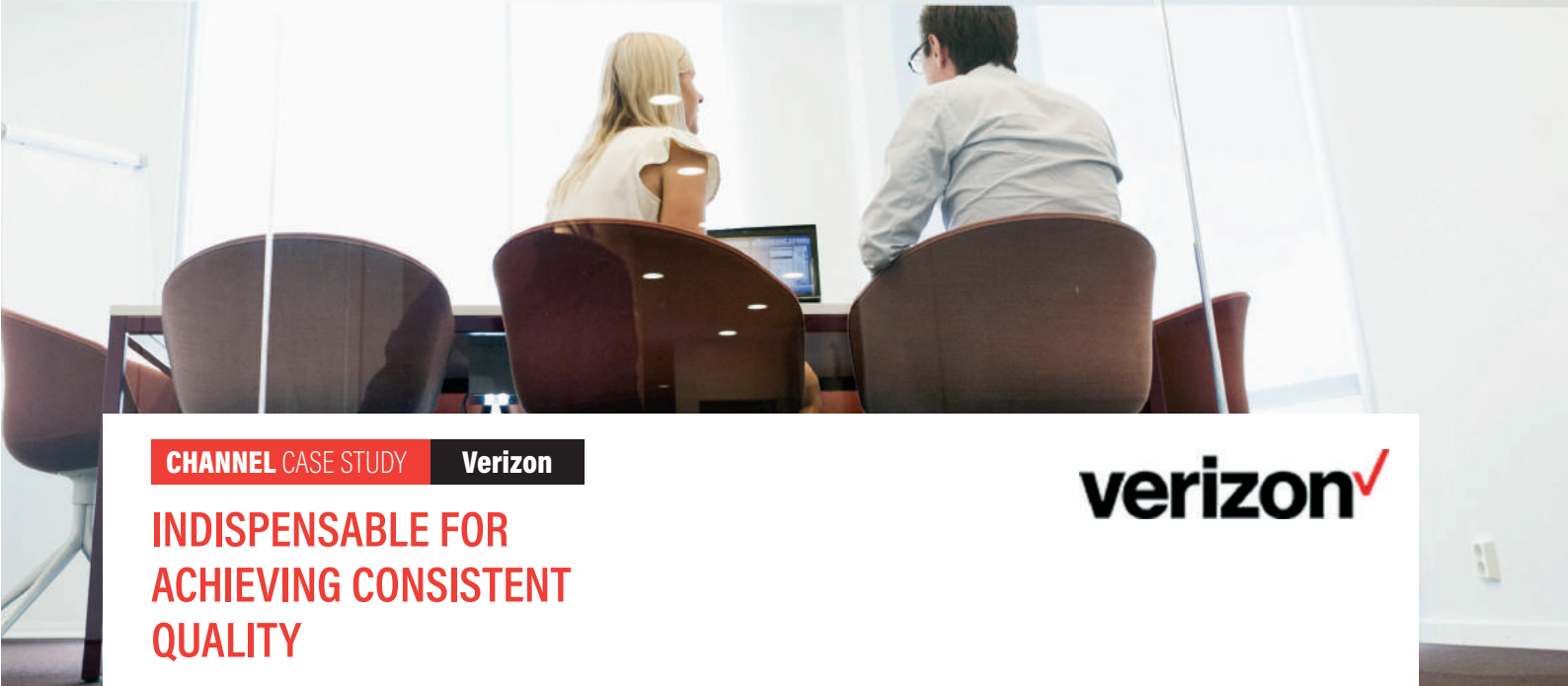
Ofcom asked Actual Experience to investigate popular digital services such as web browsing, video streaming and various small- and medium-sized business services to provide information around the causes of poor digital quality.

Results demonstrate that high access speeds are not sufficient to guarantee a high-quality Internet service. In fact, with access around 8–10Mbps, speed generally ceases to become the dominant factor in determining digital experience quality.

Actual Experience's methodology of analysing digital supply chains exposed quality-impacting issues in home environments, in broadband providers and upstream network and content providers.

Importantly, additional work demonstrated that Actual Experience's unique lens – our digital experience quality scores – correlates with consumers' surveyed opinions. Since this work was undertaken for a statistically significant sample of UK consumers, it provided another significant validation of Actual Experience's methods and algorithms.

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CHANNEL CASE STUDY

Verizon

INDISPENSABLE FOR ACHIEVING CONSISTENT QUALITY

verizon^v

Verizon Enterprise Solutions selected Actual Experience to deliver a new Verizon-branded digital quality analysis service to its global enterprise customers. This is an example of, and a template for, our channel strategy, which very swiftly brings the benefits of our service to market at global scale.

Verizon Enterprise Solutions uses its global networks, technology platforms and innovative products and solutions to give enterprises a competitive advantage.

Our service has been integrated into a new and innovative suite of Verizon products, to be released to its customers in early 2016.

In a world where digital supply chains are increasingly complex and heterogeneous, our service is a unique and indispensable tool for achieving consistent quality in managed services.

We will also work collaboratively with Verizon to implement our service successfully with its clients. We believe this is the best way to promote the benefits of the service and deliver the best value for Verizon and Actual Experience.

The ability to deliver the benefits of our service to more global brands and companies quicker, through relationships like Verizon, is a key aspect of our go-to-market channel strategy. Actual Experience delivers the service under the affiliate brand, and the affiliated provider takes the service to its customers. Verizon is one of our first examples of this strategy in the market.



DIRECT CASE STUDY

CHARLES STANLEY

CHARLES STANLEY

PINPOINTING THE ISSUE IN THE DIGITAL SUPPLY CHAIN

The customer

Charles Stanley is one of the oldest firms on the London Stock Exchange and a leading UK investment management company.

The company looks after the assets of approximately 95,000 clients with a total of £20 billion funds under management and administration and employs more than 800 people.

The challenge

Charles Stanley suffered repeated IT service problems for several months, with crucial internal services such as phonebook and workflow processes affected.

The slowdowns frustrated employees and naturally led to lower productivity. Data centre, network, application and server teams regularly gathered to investigate what was going on, costing time and money as they struggled to find solutions.

A number of technical tools were used to determine the source of the problem. No cause was found, yet Support was still being inundated with complaints of poor service.

"I had everyone saying it was everybody else's fault, yet nobody was coming up with any answers," said Michael Bennett, Chief Operating Officer at Charles Stanley.

The nature of its investment business meant

these service problems could be very costly. Charles Stanley needed to do something quickly, as prolonged problems could affect the high-quality service it's renowned for.

What we did

Actual Experience measured the experience users were having by replicating human interaction across the digital supply chains that deliver the services.

These Digital Users were able to measure the experience quality of the digital products Charles Stanley wanted to check. In this case it was the web front-end of the application server, database server and internal SharePoint Service. A single Digital User can record lightweight measurements across digital products and services at the same time. These are taken in real-time, continuously and automatically.

"It's new and unique," says Bennett. "It's not about network latency – it's looking into the process rather than just at the process."

The result

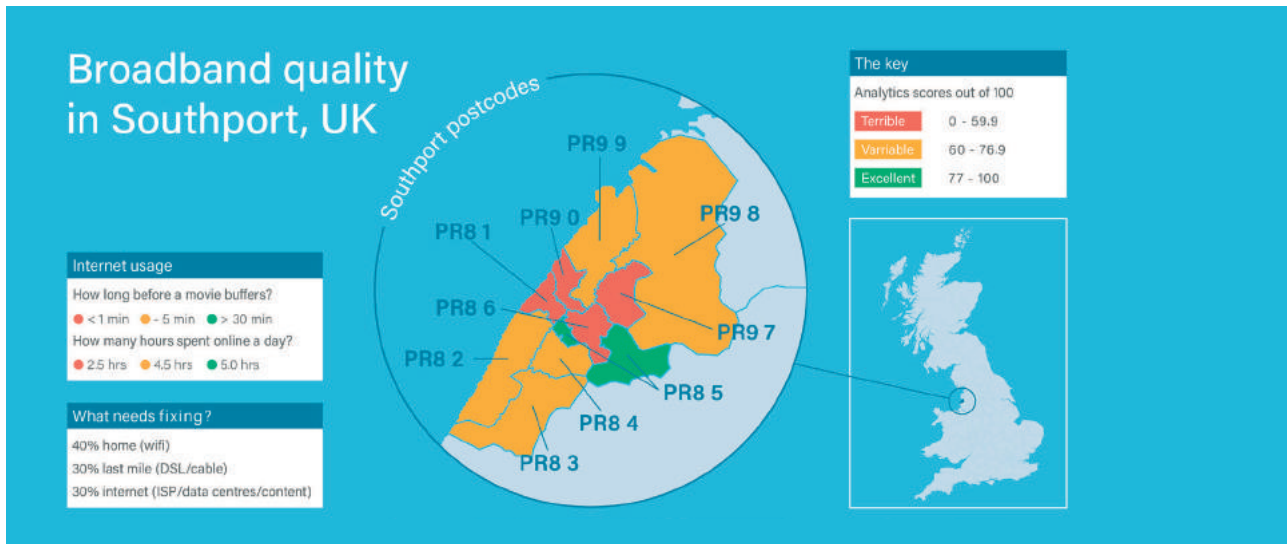
Actual Experience found there were no problems with the web server, database server or network, and identified an oversized application database as the source of the IT service problems. Once fixed, service performance quality improved markedly. "We found out what the issue

was in days," said Dave Page, CEO at Actual Experience. "Traditional analytics tools would have taken months to locate the issue, which could have been costly for Charles Stanley in terms of lost productivity and reputation."

Michael Bennett added, "The most important thing for us and what made Actual Experience extremely valuable was being able to pinpoint the issue in the digital supply chain, and say that's where your problem is – now go away, find and fix it."

Because of the success of the project, Actual Experience now works with all of Charles Stanley's branch locations as well as its headquarters, including all business-critical applications. Traditional IT domains are still benefiting from Actual Experience's continuous real-time, user-driven digital experience quality service. In the long-term, it enables Charles Stanley to continuously analyse and improve its digital business performance across time, measuring the cost of, and return on, its digital business investments.

"I find it incredibly valuable in helping to pinpoint specific issues and manage across the silos within our business," said Bennett. "Actual Experience provides us with the tools we need to oversee our entire digital business."



CONSUMER CASE STUDY

Actual Home

actualhome

THIS YEAR THE UK GOVERNMENT ANNOUNCED THAT MORE THAN THREE MILLION HOMES AND BUSINESSES HAVE BEEN REACHED BY ITS NATIONWIDE ROLLOUT OF SUPERFAST BROADBAND

Southport, a large coastal town in north-west England with a population of around 90,000, shouldn't have major broadband problems. It's the landing point for a transatlantic superfast fibre optic broadband cable connecting the UK to the US and the rest of the world.

However, people living or working in Southport sometimes have extremely frustrating experiences online, including videos buffering, websites loading slowly or not at all, and services such as online banking freezing or crashing.

Speed doesn't mean quality

So what is the problem? The answer is that high advertised speeds don't necessarily mean a home or business will have high digital experience quality.

Actual Home (formerly BbFix) is the free service offered by Actual Experience which analyses broadband digital experience quality. Actual Home scientifically measures the digital experience quality a user would receive from popular services and describes the reasons for poor and variable quality.

The Southport experience

There are obviously important factors hindering the digital quality experienced by people in Southport. Actual Experience has used Actual Home to better understand the issues around digital experience quality in the town.

Through a local information campaign, internet users in Southport were invited to download Actual Home. This crowd-sourced, anonymous data was then collected and analysed by Actual Experience.

Actual Experience identified where problems were occurring, whether in the home, through the broadband network or because of local infrastructure. The result was a detailed picture of what is determining the quality of digital experience that has been shared with Ofcom.

The results of the Actual Home data

Dave Page, CEO of Actual Experience, said, "We were able to produce a fantastic map of the area and it's stunning what it shows. The inner part of Southport is actually where consumers are struggling most with quality.

It highlights the importance of quality over speed; those people are very close to the broadband exchange so you'd expect it to be good, but actually it's the worst of the lot."

The analysis found that some of the problems suffered by Southport residents weren't down to internet connections. Instead, 40% of the problems originated in the home and can be fixed by upgrading in-home equipment or changing the position of the routers."

Of the remaining 60%, about half are experiencing problems due to the local infrastructure or their ISP. Some of these issues could simply be fixed by buying a more suitable broadband package for their needs.

Dave Page, Actual Experience CEO concludes; "Ofcom has also commissioned Actual Experience to provide evidence for its 'State of the Nation' report that highlights the importance of addressing UK broadband quality. In many areas, this won't be achieved by simply upgrading the speed capacity of the network. We believe this demonstrates the importance of understanding how to deliver digital experience quality to citizens, consumers and small businesses."

OUR PRODUCT PORTFOLIO

actual work

In Actual Work (formerly Digital Supply Chain Director), Digital Users are located where digital products and services are consumed by the customers or employees of our customer. These Digital Users measure the digital products or services identified by our customer as critical to their brand or productivity.

In fact, this approach can be used to analyse our customer's digital products and services from the perspective of their customers, employees, contractors, members, subscribers, suppliers or partners. Our analytics provides a quantification of digital experience quality from these perspectives and identifies what needs to be done by the business to improve the quality of brand or productivity-related products and services.

The analysis is streamed to customisable, role-based dashboards and is both live and historic. The data provided is relevant and actionable. It enables our customers to:

1. Reduce the number of quality problems by continuously improving the performance of the global digital supply chain by:
 - a. more targeted and efficient investment; and
 - b. better management and collaboration with their digital suppliers.
2. Resolve quality problems within important digital products and services in hours, not days, weeks or months, and to do this in a substantially more automated way that reduces cost.

actual work web

In Actual Work Web, Digital Users are pre-deployed by Actual Experience, and are located in data centres, globally. In moments, this product can start to analyse the quality of any digital product or service provided by our customer to their customers. This is particularly useful for businesses where their website is their primary channel.

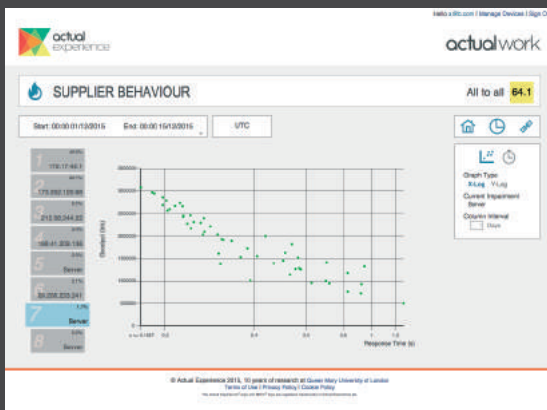
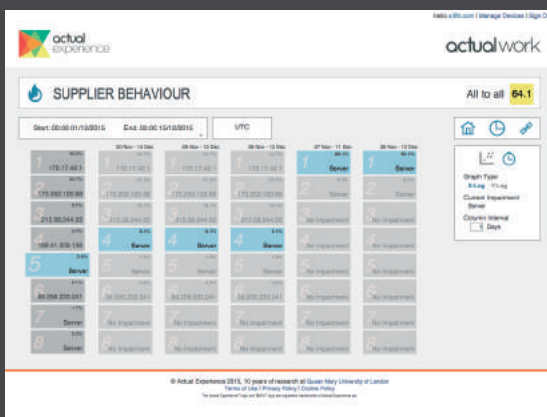
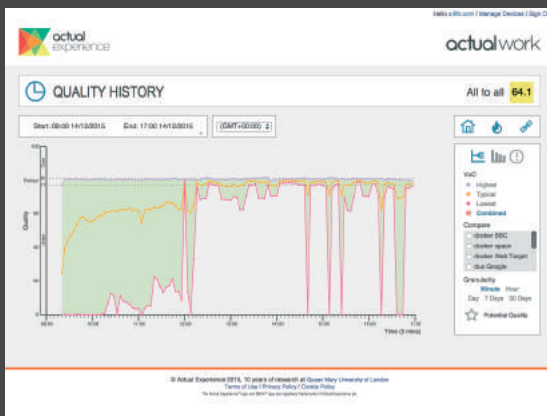
The analysis is streamed to a dashboard and is both live and historic. The data provided is both relevant and actionable.

actual home

Actual Home (formerly BbFix) is primarily a UK project that delivers digital quality analysis to consumers for free. Consumers participate by installing a Digital User on their home laptop or PC. Via a simple browser-based dashboard, this allows us to provide consumers with an analysis of their broadband connection in terms of its fitness to support common consumer uses such as working from home, watching videos, shopping, banking and so on. It also reveals whether the consumer's home environment, their Wi-Fi set up, or their broadband provider is the source of quality problems.

Aggregated across the UK, Actual Home provides the source data for our analysis of the UK's digital economy for customers such as Ofcom.

PRODUCT INTERFACE DASHBOARD



“One of the real interesting things to talk through is that sometimes we talk about ‘what’s my level of investment in this experience?’. Maybe I’m over-invested in my experience for the customer because it can’t be any better than what I’m experiencing. Maybe I can dial back on investment. Getting people to think about those kinds of conversations is just very different – the approach is fresh. It’s well-received, it’s invoking good thought.”

Customer

OUR PRODUCT PORTFOLIO

Continued

"The key word is perception. Perception is king. Perception and emotion. Delivering products into an organisation and company, whether from a consumer or user point of view, we always get wrapped up in the emotion of things not working, or things not being delivered in the way they want them to be delivered at the end of the day."

Direct customer


Pricing model

Actual Experience employs a simple charging structure, whereby the primary driver of recurring revenue is the purchase of analytic capacity at a level suitable for the needs of the customer's business.

Our engagement with customers directly, or with channel partners, has a pricing model structured into three components.

1. A one-time set-up charge, varying by business size, which includes all necessary training and support to maximise value derived from our product.
2. A monthly recurring Analytics charge, for capacity used.
3. Certain bespoke customer services, all of which are one-time charges.

Analytic capacity and associated fees vary by scale of digital business, from small businesses to large global corporations and fixed or mobile broadband providers.

A man with dark hair and glasses is seated at a table, focused on his work. He is wearing a dark green sweater over a collared shirt. His hands are on the keyboard of a silver laptop. The table in front of him is cluttered with several white mugs, some containing water, and various papers and documents. The background is a brightly lit office space with a grid ceiling and recessed lighting. The overall atmosphere is professional and busy.

"What Actual Experience does is provide a very simple and elegant way to look at the problem from this often disregarded vantage point, and that is what is actually happening from where the end-user community is. They do a great job at removing the human from that equation in terms of voicing an opinion about quality of experience."

Customer



"Actual Experience is investing in the growth of its operations to address what it believes to be a significant commercial opportunity."

CHIEF FINANCIAL OFFICER'S REVIEW

Steve Bennetts

Trading results

Revenue recognised in the year was £700,449 (2014: £567,469) arising from the supply of analytical services and associated consultancy activities to customers.

Administrative expenses comprising R&D, administration and sales costs totalled £2,617,679, an increase of £1,154,420 compared to the year ended 30 September 2014, after excluding 2014 AIM flotation expenses. This increase reflects the continued investment made by the Group in technology development and customer-facing teams. Personnel costs continue to be the largest expense and represents approximately 60% of the Group's cost base.

The tax credits recognised in the current and previous financial year primarily arose from the receipt of R&D tax credits.

Losses after tax for the year ended 30 September 2015 totalled £2,225,455 (2014: loss of £1,303,931). These losses are primarily generated by employee costs and related expenses. The loss for 2014 included AIM flotation expenses of £450,488.

The loss per share for the year was 7.12p (2014: loss of 4.74p). Earnings per share have been impacted by the increases in operating costs and the issue of new shares during the year.

Statement of financial position

Actual Experience is investing in the growth of its operations to address what it believes to be a significant commercial opportunity and its cash flow from operations was therefore negative during the year ended 30 September 2015, as expected. The Group's costs are mostly operating related, with very little investment

required in capital infrastructure.

Cash used by operating activities was £1,973,356 for the year, compared to £1,306,007 for the year ended 30 September 2014. This operating cash requirement was substantially funded by cash reserves augmented by the net proceeds arising from the issue of share capital amounting to £14,656,147 in June 2015. The Group ended the year with cash and cash equivalent assets totalling £15,275,222 (2014: £2,942,805).

The Directors believe that the software development capitalisation criteria in IAS38 have been met and accordingly development costs, net of amortisation charges, of £366,386 have been capitalised as at 30 September 2015 (2014: £186,354).

Accounting policies

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards. The Group's significant accounting policies have been applied consistently throughout the year and are described on pages 46 to 51.

Principal risks and uncertainties

The principal risks and uncertainties facing the Group are set out on pages 26 and 27.

Key performance indicators

As the Group is in the process of development and commercialisation of its services, the Directors consider the key quantitative performance indicators to be sales revenues of £700,449 (2014: £567,469) and the level of cash and cash equivalents held in the business of £15,275,222 (2014: £2,942,805). The Board performs regular reviews of actual results against budget, and management monitors

cash balances on a monthly basis to ensure that the business has sufficient resources to enact its current strategy. Certain non-financial measures, such as the number of deployed Digital Users, are monitored on a monthly basis. The Board will continue to review the KPIs used to assess the business as it grows.

Environmental matters

As far as the Directors are aware the Group's business does not cause an adverse impact on the environment.

Human rights policy

Actual Experience has adopted a formal equal opportunities policy which is contained in its employee handbook. The aim of the policy is to ensure that there is no discrimination against any employee or job applicant either directly or indirectly on the grounds of race, sex, disability, sexual orientation, marriage or civil partnership, pregnancy or maternity, religion or belief, or age.

Employees

As at 30 September 2015 the Group employed 33 people in three offices (2014: 23 people), of which 30 were male and three were female. As at the date of this document of the seven senior members of management, one is female.

Directors

Details of the Directors who served during the year ending 30 September 2015 are noted in the Remuneration Report. All six of the Directors serving on the Board at the year end were male.

On behalf of the Board.

STEVE BENNETTS
CHIEF FINANCIAL OFFICER
12 January 2016

RISKS

Key risks and uncertainties

In common with all businesses Actual Experience is exposed to risks and uncertainties that could limit its ability to achieve its core strategic objectives.

The Board is responsible for the Group's system of risk management and internal control. Strong and effective risk management is central to how the Directors run the business and supports the achievement of the Group's strategic objectives. It establishes the level of risk which can be taken by the executive management without further specific Board approval. This is managed through delegated authorities, terms of reference and Group policies.

The key challenges, risks and uncertainties facing the Group arise from the early stage of the Group's maturity, the anticipated rapid growth in its operations and the constantly changing nature of associated technologies such as mobile telephony and cloud computing. Like any business, Actual Experience is exposed to risk as an inherent part of creating value for its shareholders. The Board believes that ongoing consideration and regular updates to the risk management framework enables the effective balancing of risk and reward.

The Group's financial risks are detailed in note 3 to the consolidated financial statements. The Board considers that the principal operational risks to Actual Experience achieving its strategic objectives are as follows:

Operational risks

Risk	Mitigation
<p>Technological change and competition</p> <p>Our revenue and profitability are affected by the extent to which there is increasing demand for, and development by our competitors of, additional products and product features. For example, the increased adoption and sophistication of mobile telephones in a business context requires us to introduce Digital Users that can operate with the iOS and Android operating systems. In addition, customers are increasingly seeking to consume the analytics data from a mobile device. We make significant investments in new product development to address these trends, and there can be no guarantee that we will be able to generate sufficient revenue to offset the associated development costs. There are also risks relating to difficulties and delays in the development process of new products, and their acceptance by customers. If a future competitor successfully launches new products or features, which we are unable to match, then we could lose market share with a corresponding impact on our results of operations.</p>	<p>Product innovation</p> <p>We have an ongoing programme, both internal and with our commercial partners, to constantly identify evolving customer needs and potential competitor advances. The resulting feedback informs our new product development priorities and helps to ensure that the Group maintains its technology leadership in the evolving digital supply-chain management sector. We focus our development efforts on features that meet an identified market requirement and are likely to generate sufficient revenue to fund their development. We have established internal processes for prioritising and reviewing our development projects.</p>
<p>Managing rapid growth</p> <p>The anticipated rapid growth of our business may place a significant strain on our management, operational and financial resources. If we are unable to address this growth in a timely and profitable manner, as a result of not being able to recruit skilled employees or effectively scale our operations then this could have a material adverse effect on our financial position.</p>	<p>Investing in operational excellence</p> <p>The Board and management are continually reviewing and enhancing our internal controls and processes and hiring additional skilled employees in critical areas of the business.</p>

Risk	Mitigation
<p>Revenue model</p> <p>The business is still at an early stage of development and the financial performance of the Group continues to be dependent on the development of the revenue model and the continued acceptance of its analytics pricing structure.</p>	<p>Investing in sales management</p> <p>The Group continues to develop its CRM system. Sales prospects, orders and revenue are reviewed and analysed on a daily basis by sales management, with detailed monthly summaries prepared for the Board. The Group regularly monitors its pricing and sales commission plans, and discounts are approved by senior management prior to tendering.</p>
<p>Dependence on key executives and personnel and recruitment and retention of new talent</p> <p>The Group is dependent on its senior management and skilled technical personnel. Whilst much of the Group's proprietary know-how is documented, senior managers and members of the technical team each contribute valuable skills and know-how to the business and, despite contractual confidentiality agreements in favour of the Group, there can be no guarantee that those individuals will not join competitors or establish themselves in competition with the Group in the future.</p> <p>Failure to retain the services of any of these people may adversely affect the Company's ability to achieve its commercial objectives. In addition, the Group is expanding rapidly and intends to recruit new employees in the UK and other countries. It is essential that the Group is able to attract employees of a high calibre to drive its future success.</p>	<p>Strengthening the human resources function</p> <p>The Group has retained the services of an experienced human resources consultant to optimise its recruitment activities, improve employee communications, and ensure that the Group continues to be compliant with employment legislation and good practice. The Group also believes that share-based compensation has proven to be an important component of attracting, retaining and motivating key talent and will continue to issue share options in accordance with its policy in this area.</p>
<p>Information security</p> <p>The Group regards information within the business as a key asset and recognises the risk and impact on the business of breaches to the integrity of information relating to the business.</p>	<p>Effective protection of information security and integrity</p> <p>The Group has in place systems and processes for the classification and control of access to information within a number of areas of the business, and the security around access to Company information has been strengthened by the enforcement of enhanced security processes and practices. The level of monitoring performed of the production cloud infrastructure is reviewed regularly to identify any areas for improvement and the Company is vigilant to security vulnerability announcements in the industry to ensure that any protective action is taken as soon as practicable. Information integrity is protected by regular off-site back-ups, and a Disaster Recovery Plan is in place to ensure continued operations in the event of a disaster.</p>

BOARD BIOGRAPHIES



STEPHEN DAVIDSON
NON-EXECUTIVE CHAIRMAN

Appointed to Board: **February 2014**

Independent: **Yes**

Committee Memberships:

Remuneration Committee – **Member**

Nominations Committee – **Chairman**

Stephen is currently non-executive chairman of JSE and AIM-listed Datatec Limited and non-executive director of Inmarsat plc, Informa plc, Restore plc and Jaywing plc. He has recently been chief executive of Mecom Group plc, where he was previously non-executive chairman. In his earlier career, Stephen was CFO, then CEO, of Telewest Communications plc and vice chairman of investment banking at WestLB Panmure.



DAVE PAGE
CHIEF EXECUTIVE OFFICER

Appointed to Board: **April 2009**

Independent: **No**

Committee Memberships:

Nominations Committee – **Member**

Dave has diverse commercial and technical IT experience. For the last 18 years, he has advised on multinational corporate business systems, with roles in enterprise, outsourcing, software and hardware companies. Dave was the founding member of the management team at Nexagent, a venture-funded software business acquired by EDS in 2008. In 1998, Dave established and led the Consulting team for the \$1 billion European Service Provider line of business at Cisco. Before this, Dave worked at IBM Global Services, BT Global Services and NatWest on numerous aspects of corporate IT infrastructure.



SIR BRYAN CARSBERG
NON-EXECUTIVE DIRECTOR

Appointed to Board: **July 2014**

Independent: **Yes**

Committee Memberships:

Audit Committee – **Chairman**

Remuneration Committee – **Member**

The former Director General of OFT and Oftel, Sir Bryan Carsberg brings to the Board vast experience of the communications industry. He was instrumental in introducing competition regulation in the telecoms industry, has held board positions with Cable & Wireless, Inmarsat plc, RM plc and was Expert Adviser to the Joint Parliamentary Committee to undertake pre-legislative scrutiny of the proposed new Communications Bill. His expertise will be particularly valuable in Actual Experience's ongoing work in improving the digital quality of the internet and project work with Ofcom.



ROBIN YOUNG
CHIEF OPERATIONS OFFICER

Appointed to Board: **September 2014**
Independent: **No**

Robin Young was appointed Chief Operational Officer in October 2015, having previously joined the Board as a Non-executive Director in September 2014. Robin has extensive CIO, COO, technology and operations experience, serving at blue-chip public companies including Mitchells & Butlers, GlaxoSmithKline, Procter & Gamble and Ford Motor Company. He also brings considerable City knowledge and expertise having spent almost a decade with HBOS and Citigroup.



STEVE BENNETTS
CHIEF FINANCIAL OFFICER

Appointed to Board: **October 2013**
Independent: **No**

Steve joined Actual Experience in October 2013. He qualified as a Chartered Accountant with Ernst & Young and subsequently has spent most of his career in the technology sector. Initially, Steve worked as EMEA Finance Director at several Nasdaq quoted technology companies where he gained valuable international experience as well as leading the accounting, HR, legal, and administrative functions. This period included leadership of the team put in place to establish Amazon's European operations, including managing the early hyper-growth in the UK and Germany. Subsequently, Steve has worked at VC-funded UK-based technology companies, such as Nexagent Limited and Tribold Limited. A highlight of this period included the trade sale of Content Technologies for approximately \$1 billion.



DR MARK REILLY
NON-EXECUTIVE DIRECTOR

Appointed to Board: **February 2014**
Independent: **No**

Committee Memberships:
Audit Committee - **Member**
Remuneration Committee - **Chairman**
Nominations Committee - **Member**

Mark Reilly runs the Technology Division of IP Group plc, one of the UK's leading university intellectual property commercialisation specialists and an investor in Actual Experience. He has led investments in, and played a key role in the growth of, numerous high-tech companies, including successful IP Group exits such as mobile software company Overlay Media (sold to inMobi in 2012) and wind turbine power electronics pioneer Amantys. Prior to joining IP Group, Mark was the founder and Managing Director of Remarkable Innovation, a Singapore-based technical due-diligence company. He spent his early career in the ICT sector, working with a range of organisations from blue-chip multinationals and NGOs to early stage start-ups. Mark holds a PhD in Engineering from Cambridge University.

CORPORATE GOVERNANCE REPORT

I am pleased to introduce the Corporate Governance Report for 2015 on behalf of the Board.

In this report we provide an overview of our corporate governance policies. It highlights the roles and responsibilities of the Board, its members and Committees and provides an overview of the Group's management structure and controls.

I can confirm that your Board remains committed to delivering the long-term success of the Group through an effective framework of leadership, management and controls.

Stephen Davidson

Chairman

12 January 2016

Actual Experience is an AIM quoted company and, accordingly, compliance with the UK Corporate Governance Code (the 'Code') is not mandatory. However, the Group remains committed to high standards of corporate governance and seeks to comply with the spirit of the Code to the extent practicable for a public company of its size.

The report set out below describes how the Company applies certain principles identified in the Code. In addition, the Company seeks to follow the recommendations of the Quoted Companies Alliance in relation to the corporate governance of companies on AIM.

BOARD COMPOSITION

Actual Experience is led by a strong and effective Board of Directors. The Board structure is comprised of the following individuals:

EXECUTIVE

Dave Page Chief Executive Officer

Steve Bennetts Chief Financial Officer

NON-EXECUTIVE

Stephen Davidson Chairman

Sir Bryan Carsberg

Dr Mark Reilly

Robin Young

(Robin Young was appointed Chief Operations Officer on 1 October 2015 and became an Executive Director at that date.)

The Board considers that the composition and operation of the Board demonstrates an appropriate range of experience and that the Board members are of sufficient calibre to bring independent judgement of issues of strategy, performance, resources, and standards of conduct, which are vital to the success of the Group.

Brief biographies of the Directors, together with their membership of Board Committees, are set out on pages 28 to 29.

INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

The Board considers many criteria in assessing the independence of the Non-executive Directors including the criteria recommended by the Quoted Companies Alliance. The Non-executive Chairman and the Non-executive Directors are all considered by the Board to be independent of management and free of any relationship which could materially interfere with the exercise of their independent judgement, subject to the following: Dr Mark Reilly is an employee of the Company's largest shareholder, IP Group.

BOARD OPERATION

The Board met six times during the year ended 30 September 2015, excluding ad hoc meetings convened solely to deal with procedural matters. Attendance at the scheduled Board meetings during the year was as follows:

Number of scheduled meetings	6
Stephen Davidson (Chairman)	6
Sir Bryan Carsberg	5
Dr Mark Reilly	6
Robin Young	5
Dave Page	6
Steve Bennetts	6

In addition to the formal scheduled meetings the Board held informal discussions with Executive Directors and senior operational managers on strategic business development and other topics important to the Group's progress throughout the year.

The Chairman provides leadership to the Board. He is responsible for setting the agenda for Board meetings, ensuring that the Directors receive on a timely basis the information that they need to participate in Board meetings, and that the Board has sufficient time to discuss issues on the agenda, especially those relating to strategy and governance.

The Chief Executive Officer is responsible for leadership of Actual Experience management team and its employees on a day-to-day basis. In conjunction with senior management he is responsible for the execution of strategy approved by the Board and the implementation of Board decisions.

The Board is collectively responsible for the long-term success of the Group. The Board provides leadership for Actual Experience within a framework of prudent and effective controls, which enables risk to be assessed and managed. The Board considers the management team's strategic proposals and, following a rigorous review, determines the Group's strategy and ensures that the necessary resources are in place for the management team to execute that strategy.

The Board has a schedule of matters reserved for its approval, which includes strategy, acquisition and disposal of subsidiaries and intellectual property, annual budgets and progress to the achievement of these budgets, reviews of any significant risks facing the Group, receiving reports on the views of Company shareholders, consideration of major capital projects, and significant financing matters.

The Board has delegated all authorities other than those contained in the schedule of matters reserved to the Executive Directors on the understanding that they will at all times act in accordance with the best interests of the Group, its shareholders and employees, and that their actions will be consistent with the Group's financial and strategic plans and objectives and in conformity with relevant legislation and best practice and that they will report regularly to the Board on the execution of these responsibilities.

CONFLICTS OF INTEREST

To address the provisions of Section 175 of the Companies Act 2006 relating to conflicts of interest, the Company's Articles of Association allow the Board to authorise situations in which a Director has, or may have, a conflict of interest. Directors are required to give notice of any potential situation or transactional conflict that are to be considered at the next Board meeting and, if considered appropriate, conflicts are authorised. Directors are not permitted to participate in such considerations or to vote regarding their own conflicts.

The Board has received no notice from Directors of potential or actual conflicts of interest.

REAPPOINTMENT OF DIRECTORS

The Company's Articles of Association require that at each Annual General Meeting (the 'AGM') one-third of Directors shall retire and seek reappointment by shareholders. Additionally, any new Director appointed by the Board is required by the Articles of Association to retire at the next AGM and to seek appointment by shareholders.

CORPORATE GOVERNANCE REPORT CONTINUED

INSURANCE

The Board has in place Directors' and Officers' Liability insurance.

BOARD COMMITTEES

The Board has delegated certain powers and duties to the Board Committees, all of which operate within clearly defined terms of reference and in accordance with the Code, where applicable. The Code recommends that all the members of the Remuneration and the Audit Committees are independent Non-executive Directors; while seeking to follow this recommendation as closely as practicable, as noted above, Dr Reilly is considered not to be independent due to his employment by IP Group. As allowed by the Code, the Chairman is a member of, but not Chairman of, the Remuneration Committee.

The workload of the Committees is greater than the scheduled meetings would indicate as ad hoc meetings and communications between meetings are frequently required.

The following Committees deal with specific aspects of the Group's affairs:

AUDIT COMMITTEE

The Audit Committee meets at least three times a year and reports to the Board its conclusions and recommendations on matters related to the interim and annual financial statements and the effectiveness of internal controls and risk management. It discusses with management on an ongoing basis the reporting of operational results and the financial condition of the Group and presents its findings to the Board.

Details of the membership and attendance at Audit Committee meetings are shown below.

Number of scheduled meetings	3
Sir Bryan Carsberg	3
Dr Mark Reilly	3
Robin Young	3
Dave Page ¹	2
Steve Bennetts ¹	3

¹ By invitation.

Robin Young resigned from the Audit Committee on 1 October 2015, following his appointment as Chief Operations Officer of the Company.

The Board considers that the members of the Committee have sufficient competence to understand, analyse and when necessary challenge the management accounts and public financial statements.

Executive Directors and a representative of the Auditors are normally invited to attend meetings of the Committee. The Auditors also have unrestricted access to the Chairman of the Audit Committee.

In addition, the Committee has reviewed the necessity for the establishment of an internal audit function but considers that, given the present size and complexity of the Group and the close involvement of the Executive Directors in the operational management of the business, there is currently no requirement for this function.

REMUNERATION COMMITTEE

The composition and activities of the Remuneration Committee are as described in the Directors' Remuneration Report on pages 34 to 36.

NOMINATIONS COMMITTEE

The Nominations Committee meets as and when required, with its primary functions being to provide a formal and transparent procedure for the appointment of new Directors to the Board and to discuss issues relating to Board and Committee composition and balance as well as succession planning.

The Nominations Committee comprises Stephen Davidson, who is Chairman, Sir Bryan Carsberg, Dr Mark Reilly, Robin Young, and Dave Page. Robin Young resigned from the Nominations Committee on 1 October 2015, following his appointment as Chief Operations Officer of the Company. The Committee met on one occasion in 2015; the meeting was attended by all members with Steve Bennetts in attendance.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for maintaining a sound system of internal financial and operational control and the ongoing review of their effectiveness. The Board's measures are designed to manage, not eliminate, risk and such a system provides reasonable but not absolute assurance against material misstatement or loss. Whilst the Company, as a small AIM listed company, is not required to comply with the full provisions of the 'Internal Control Guidance for Directors on the Combined Code' (The Turnbull Report), the Board considers that the internal controls do meet many of those requirements and are adequate given the size of the Company.

Some key features of the internal control system are:

- i. management accounts information, budgets, forecasts and business risk issues are regularly reviewed by the Board who meet at least five times per year;
- ii. the Company has operational, accounting and employment policies in place;
- iii. the Board actively identifies and evaluates the risks inherent in the business and ensures that appropriate controls and procedures are in place to manage these risks;
- iv. there is a clearly defined organisational structure; and
- v. there are well-established financial reporting and control systems.

COMMUNICATION WITH SHAREHOLDERS AND THE AGM

The Board recognises that it is accountable to shareholders for the performance and activities of the Group and attached considerable importance to maintaining regular dialogue and meetings with shareholders.

Apart from the AGM, the Group communicates with its shareholders by way of the Annual Report and financial statements and via the Company's website (www.actual-experience.com), which is kept updated with preliminary and interim results, and announcements to the Stock Exchange.

The AGM offers a valuable opportunity to shareholders to meet and communicate with the Board. At the meeting the Board gives a business presentation that is followed by a question and answer session, offering shareholders an opportunity to question the Board on any matters affecting the Group's performance. The Chairmen of the Audit, Remuneration, and Nominations Committees are available at the AGM to answer questions. Details of the resolutions to be proposed at the AGM can be found in the Notice of Meeting on page 73 and 74. This Notice of Meeting has been circulated to shareholders and is on the Company's website.

WHISTLEBLOWING POLICY

The Board has adopted a whistleblowing policy. The aim of the policy is to encourage all employees, regardless of seniority, to bring matters that cause them concern to the attention of the Non-executive Directors.

GOING CONCERN

The Board is required to assess whether the Group has adequate resources to continue operations for the foreseeable future. After making enquiries, the Directors have a reasonable expectation that the Company and the Group will continue in operational existence for the foreseeable future (being a period of at least 12 months from the date of this report). For this reason, they continue to adopt the going concern basis for preparing the financial statements.

Approved by the Board of Directors and signed on its behalf.

Steve Bennetts

Chief Financial Officer
12 January 2016

REMUNERATION REPORT

REMUNERATION COMMITTEE

The responsibilities of the Committee are to advise upon and make recommendations to the Board on the Group's remuneration policies and, within the framework established by the Board, to recommend the remuneration of the Executive Directors. The CEO and CFO are invited to attend meetings to discuss remuneration packages and bonus schemes for senior executives within the Group, as well as the awarding of share options to such persons under any share scheme adopted by the Group.

Dr Mark Reilly chairs the Committee and Stephen Davidson and Sir Bryan Carsberg served on the Committee during the year. Attendance at the scheduled Committee meetings during the year was as follows:

Number of scheduled meetings	6
Dr Mark Reilly (Chairman)	6
Stephen Davidson	6
Sir Bryan Carsberg	4
Dave Page ¹	6
Steve Bennetts ¹	6

¹ By invitation.

The Remuneration Committee will assess the performance of the Executive Directors and other senior managers in the context of recommending their annual remuneration, bonus awards, and share option grants to the Board for final determination. The remuneration of the Non-executive Directors is recommended by the Executive Directors and takes account of the time spent on Board and Committee matters. The Board will make the final determination although no Director will participate in any decision about his own remuneration.

An important objective of the Committee is to ensure that a competitive and appropriate base salary is paid to Directors and senior managers, together with incentive arrangements that are:

- aligned with shareholders' interests and with long-term business strategies;
- measured against challenging and well-defined financial targets (which are set in advance); and
- transparent and without 'soft' non-financial targets, which could otherwise allow undue discretion to award bonuses that do not reflect actual financial performance.

REMUNERATION POLICY

It is the Group's policy that Executive Directors should have contracts with an indefinite term providing for a maximum of six months' notice. In the event of early termination, the Directors' contracts provide for compensation up to a maximum of basic salary for the notice period.

The main elements of the remuneration package for Executive Directors and senior management are:

Base annual salary

The base salary is reviewed annually by the Remuneration Committee and any change in salary is applied from the beginning of each calendar year. In determining the base annual salary the Remuneration Committee takes into account several factors, including the current position and development of the Group, individual contribution, and market salaries for comparable organisations.

Discretionary annual bonus arrangements

All Executive Directors and senior managers are eligible for a discretionary annual bonus which is paid in accordance with a bonus scheme developed by the Remuneration Committee. This takes into account performance against defined personal objectives and the financial performance of the Group.

Share incentive schemes

The Group operates share option plans, under which certain Directors and senior management have been granted options to subscribe for ordinary shares. All options are equity settled. The options are subject to service conditions, have an exercise price of between 9.09 pence and 262.50 pence and the vesting period is up to four years. If the options remain unexercised after a period of ten years from the date of grant, the options expire. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

Non-executive Directors are employed on letters of appointment which have a fixed term of three years and which may be terminated at any time by either party with three months' notice.

Remuneration for Non-executive Directors is set by the Chairman and the Executive Members of the Board. Non-executive Directors do not participate in bonus schemes. Stephen Davidson, Sir Bryan Carsberg and Robin Young have each been awarded share options, as set out below.

DIRECTORS' REMUNERATION

The remuneration of the Board Directors of Actual Experience plc during the year ended 30 September 2015 was:

	Salary and fees £	Bonus £	Total Year ended 30 September 2015 £	Total Year ended 30 September 2014 £
Stephen Davidson ¹	50,000	–	50,000	23,190
Dave Page	138,934	65,000	203,934	119,250
Steve Bennetts ¹	100,000	26,250	126,250	73,667
Sir Bryan Carsberg ¹	25,000	–	25,000	5,742
Dr Mark Reilly	24,000	–	24,000	18,012
Robin Young ¹	27,084	–	27,084	–
Professor Jonathan Pitts	–	–	–	24,469
Nigel Mitchell	–	–	–	29,242
Total	365,018	91,250	456,268	293,572

¹ In addition, certain Directors hold employee share scheme interests in the Group. Fair value share-based payment charges recognised in the Consolidated Income Statement and Other Comprehensive Income attributable to these Directors are: Stephen Davidson £11,503 (2014: £2,986), Steve Bennetts £5,098 (2014: £9,469), Sir Bryan Carsberg £11,503 (2014: £2,986), and Robin Young £6,181 (2014: £nil).

REMUNERATION REPORT CONTINUED

DIRECTORS SHAREHOLDINGS

The interests of the Directors holding office at 30 September 2015 in the shares of the Company, including family interests, were:

	Ordinary Shares of 0.2p each	
	2015 Number	2015 %
Stephen Davidson	20,000	0.05
Dave Page	1,972,368	5.33
Steve Bennetts	175,500	0.47
Sir Bryan Carsberg	–	–
Dr Mark Reilly	85,500	0.23
Robin Young	3,700	0.01

DIRECTORS' INTERESTS IN SHARE OPTIONS

Directors' interests in share options, granted under either the Actual Experience plc Enterprise Management Incentive Share Option Scheme or the Actual Experience plc Unapproved Share Option Scheme, to acquire ordinary shares of 0.2 pence each in the Company at 30 September 2015 were:

	At 1 October 2014	Granted during year	At 30 September 2015	Exercise price	Vesting dates
Steve Bennetts	227,250	–	227,250	14.25 pence	2014 – 2017
Steve Bennetts	22,500	–	22,500	54.50 pence	2014 – 2017
Stephen Davidson	70,000	–	70,000	186.50 pence	2015 – 2017
Sir Bryan Carsberg	70,000	–	70,000	186.50 pence	2015 – 2017
Robin Young	–	70,000	70,000	207.50 pence	2016 – 2018

Share options are subject to employment conditions and vest in equal annual instalments over the vesting period.

Other transactions that occurred with Directors during the year are detailed in note 20 to the financial statements under Related Party Transactions.

Dr Mark Reilly

Chairman of the Remuneration Committee
12 January 2016

DIRECTORS' REPORT

The Directors present their Annual Report together with the audited consolidated financial statements of the Group and of the Company for the year ended 30 September 2015. These will be laid before the shareholders of the Company at the next Annual General Meeting (AGM).

RESULTS AND DIVIDENDS

The results of the Group for the year ended 30 September 2015 are set out in the Consolidated Income Statement and Other Comprehensive Income on page 42.

The Directors do not propose payment of a dividend for the year ended 30 September 2015.

REVIEW OF THE YEAR

A summary of the Group's progress and development is set out in the Chairman's Statement, the Chief Executive Officer's Review, and the Chief Financial Officer's Review, which form part of the Strategic Report on pages 3 to 11. This analysis includes comments on the position of the Group at the end of the financial year, an indication of likely future developments in the business of the Group and details of the Group's activities in the field of research and development.

DIRECTORS

The Directors of the Company who served during the year and up to the date of approval of the financial statement are as follows:

- Stephen Davidson (Non-executive Chairman)
- Dave Page (Chief Executive Officer)
- Steve Bennetts (Chief Financial Officer and Company Secretary)
- Robin Young (Chief Operations Officer from 1 October 2015)
- Sir Bryan Carsberg (Non-executive Director)
- Dr Mark Reilly (Non-executive Director)

Short biographies of each Director are provided on pages 28 and 29.

DIRECTORS' INTERESTS AND INDEMNITY ARRANGEMENTS

Directors' interests in the shares of the Company, including family interests, are disclosed in the Remuneration Report on pages 34 to 36.

The Group has maintained insurance throughout the year for its Directors and officers against the consequences of actions brought against them in relation to their duties for the Company. No Director had, during or at the end of the year, a material interest in any contract which was significant in relation to the Group's business except in respect of service agreements and share options and as disclosed in the Remuneration Report. The Group has granted no indemnities to any of its Directors against liability in respect of proceedings brought by third parties.

SHARE CAPITAL

Details of the Group's issued share capital are shown in note 16 to the consolidated financial statements.

The share capital comprises one class of ordinary shares and these are quoted on the AIM market of the London Stock Exchange (LSE:ACT). As at 31 December 2015, there were in issue 37,141,338 fully paid ordinary shares. All shares are freely transferable and rank pari passu for voting and dividend rights.

DIRECTORS' REPORT CONTINUED

SUBSTANTIAL HOLDINGS

As at 31 December 2015, shareholders holding more than 3% of the share capital of Actual Experience plc were as follows:

Name of shareholder	Number of shares	% of voting rights
IP2IPO Limited	9,343,223	25.16%
M&G	5,263,157	14.17%
Mr Michael Edge	3,195,000	8.60%
Aurora Nominees Ltd*	3,027,000	8.15%
Queen Mary, University of London	2,610,000	7.03%
Mr Dave Page	1,972,368	5.31%
Professor Jonathan Pitts	1,919,750	5.17%
Ruffer	1,578,949	4.25%
Goldman Sachs Securities (Nominees) Ltd*	1,533,750	4.13%
Mr Rob Giles	1,216,500	3.28%

* Ordinary shares held in the names of Aurora Nominees Ltd and Goldman Sachs Securities (Nominees) Ltd are beneficially owned by funds managed by Henderson and its affiliates.

Save as referred to above, the Directors are not aware of any persons as at 31 December 2015 who were interested in 3% or more of the voting rights of the Company or could directly or indirectly, jointly or severally, exercise control over the Company.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management and objectives are shown in note 3 to the consolidated financial statements. The main risks arising from the Group's financial instruments are interest rate risk, exchange rate risk, credit risk, and liquidity risk, which are continuously monitored by the Board. The Group extends credit only to recognised creditworthy third parties, and trade receivable balances are monitored to minimise the Group's exposure to bad debts. Details of the Group's trade receivables are shown in note 12 to the consolidated financial statements.

EMPLOYMENT POLICIES

The Group is committed to providing equality of opportunity to all existing and prospective employees without unlawful or unfair discrimination. Full support is given to the employment and advancement of disabled persons.

ANNUAL GENERAL MEETING

The AGM will be held at 11am on 4 March 2016 at the offices of Henderson Global Investors, 201 Bishopsgate, London EC2M 3AE. On pages 73 and 74 is the Notice of the AGM, which gives details of the resolutions to be proposed to shareholders.

INDEPENDENT AUDITORS

The Independent Auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the AGM.

STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITORS

Each of the persons who are Directors of the Company at the date when this report was approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's Auditors are unaware; and
- the Director has taken all the steps that ought to have taken as a Director in order to be aware of any relevant audit information and to establish that the Company and Group's Auditors are aware of that information.

The Strategic Report and Directors' Report were approved and signed by order of the Board.

Steve Bennetts

Chief Financial Officer and Company Secretary
12 January 2016

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and Group 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 Group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACTUAL EXPERIENCE PLC

REPORT ON THE GROUP FINANCIAL STATEMENTS

OUR OPINION

In our opinion, Actual Experience plc's Group financial statements (the 'financial statements'):

- give a true and fair view of the state of the Group's affairs as at 30 September 2015 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

WHAT WE HAVE AUDITED

The financial statements, included within the Annual Report, comprise:

- the Consolidated Income Statement and Other Comprehensive Income for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Consolidated Statement of Financial Position as at 30 September 2015;
- the Consolidated Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, 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.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

ADEQUACY OF INFORMATION AND EXPLANATIONS RECEIVED

Under the Companies Act 2006 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility.

DIRECTORS' REMUNERATION

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 39, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)'). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves 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. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OTHER MATTER

We have reported separately on the Company financial statements of Actual Experience plc for the year ended 30 September 2015.

Colin Bates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
1 February 2016

CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

for the year ended 30 September 2015

	Notes	2015 £	2014 £
REVENUE from continuing operations	4	700,449	567,469
Cost of sales		(507,183)	(249,231)
GROSS PROFIT		193,266	318,238
Administrative expenses	5	(2,617,679)	(1,913,747)
Other operating income		–	5,986
Adjusted operating loss		(2,424,413)	(1,139,035)
AIM flotation expenses		–	(450,488)
OPERATING LOSS from continuing operations		(2,424,413)	(1,589,523)
Finance income	7	12,977	12,067
Fair value loss on financial instruments		–	(4,127)
LOSS BEFORE TAX		(2,411,436)	(1,581,583)
Tax	8	185,981	277,652
LOSS FOR THE YEAR		(2,225,455)	(1,303,931)
Other comprehensive expense:			
Items that may be reclassified to profit or loss:			
Foreign currency difference on translation of overseas operations		(4,684)	(786)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(2,230,139)	(1,304,717)
LOSS PER ORDINARY SHARE			
Basic and diluted on loss from continuing operations	9	(7.12)p	(4.74)p

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2015

	Notes	Share capital £	Share premium £	(Accumulated losses)/ retained earnings £	Total equity £
At 1 October 2013		3	1,403,790	(1,688,703)	(284,910)
Loss for the year		–	–	(1,303,931)	(1,303,931)
Other comprehensive expense for the year		–	–	(786)	(786)
Total comprehensive loss for the year		–	–	(1,304,717)	(1,304,717)
Issue of shares		857	4,720,480	–	4,721,337
Bonus share issue for capital reorganisation		56,828	(56,828)	–	–
Cancellation of share premium account		–	(5,933,096)	5,933,096	–
Share-based payment expense		–	–	34,588	34,588
At 30 September 2014		57,688	134,346	2,974,264	3,166,298
Loss for the year		–	–	(2,225,455)	(2,225,455)
Other comprehensive expense for the year		–	–	(4,684)	(4,684)
Total comprehensive loss for the year		–	–	(2,230,139)	(2,230,139)
Issue of shares	16	16,339	15,231,024	–	15,247,363
Cost of share issues	16	–	(591,216)	–	(591,216)
Share-based payment expense	19	–	–	130,730	130,730
At 30 September 2015		74,027	14,774,154	874,855	15,723,036

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2015

	Notes	2015 £	2014 £
ASSETS			
Non-current assets			
Property, plant and equipment	10	44,671	16,412
Intangible assets	11	366,386	186,354
TOTAL NON-CURRENT ASSETS		411,057	202,766
Current assets			
Trade and other receivables	12	286,397	135,777
Income tax receivable	8	192,000	159,945
Cash and cash equivalents	13	15,275,222	2,942,805
TOTAL CURRENT ASSETS		15,753,619	3,238,527
TOTAL ASSETS		16,164,676	3,441,293
LIABILITIES			
Non-current liabilities			
Deferred tax	8	(8,858)	(3,373)
TOTAL NON-CURRENT LIABILITIES		(8,858)	(3,373)
Current liabilities			
Trade and other payables	14	(432,782)	(271,622)
TOTAL CURRENT LIABILITIES		(432,782)	(271,622)
TOTAL LIABILITIES		(441,640)	(274,995)
NET ASSETS		15,723,036	3,166,298
EQUITY			
Share capital	16	74,027	57,688
Share premium	16	14,774,154	134,346
Retained earnings	17	874,855	2,974,264
TOTAL EQUITY		15,723,036	3,166,298

Approved by the Board of Directors and authorised for issue on 12 January 2016

Stephen Davidson
Chairman

Steve Bennetts
Chief Financial Officer

Company number: 06838738

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 September 2015

	Notes	2015 £	2014 £
Cash flows from operating activities			
Loss before tax		(2,411,436)	(1,581,583)
Adjustment for non-cash items:			
Depreciation of property, plant and equipment	10	13,747	7,738
Amortisation of intangible assets	11	141,313	39,771
Share-based payment charge	19	130,730	34,588
Finance income		(12,977)	(12,067)
Fair value loss on financial instruments		–	4,127
Operating cash outflow before changes in working capital		(2,138,623)	(1,507,426)
Movement in trade and other receivables		(149,423)	(53,630)
Movement in trade and other payables		155,280	81,813
Cash flows used in operations		(2,132,766)	(1,479,243)
Tax received		159,410	119,236
Net cash flows used in operating activities		(1,973,356)	(1,360,007)
Cash flows from investing activities			
Development of intangible assets	11	(321,345)	(226,125)
Purchases of property, plant and equipment	10	(42,006)	(15,020)
Finance income		12,977	12,067
Net cash outflow from investing activities		(350,374)	(229,078)
Cash flows from financing activities			
Repayment of borrowings		–	(2,202)
Proceeds from issue of share capital, net of costs	16	14,656,147	4,207,558
Net cash inflow from financing activities		14,656,147	4,205,356
Increase in cash and cash equivalents		12,332,417	2,616,271
Cash and cash equivalents at start of year		2,942,805	326,534
Cash and cash equivalents at end of year	13	15,275,222	2,942,805

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 September 2015

1 BASIS OF PREPARATION

Actual Experience plc is a public limited company domiciled in the United Kingdom and incorporated in England. The financial statements of Actual Experience plc are audited financial statements for the year to 30 September 2015. These include comparatives for the year ended 30 September 2014.

The Company's registered office is The Tramshed, Beehive Yard, Walcot Street, Bath, BA1 5BB.

BUSINESS COMBINATIONS AND BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 September each year. Control exists when the Company 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 presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

Where the acquisition is treated as a business combination, the purchase method of accounting is used to account for the acquisition of subsidiaries by the Company.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Acquisition costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Accounting policies adopted are consistent across the Group. All intra-Group balances and transactions, including unrealised profits arising from intra-Group transactions, are eliminated fully on consolidation.

GOING CONCERN

At 30 September 2015, the Group had a cash and cash equivalents position of £15,275,222 with no bank debt. The Directors have prepared detailed monthly projections of future cash flows for the remainder of the financial year to September 2016 and the subsequent financial year, 2017. The base case forecast includes expected revenue growth, together with further investment in the cost base, leading to the commencement of positive monthly cash flows during the latter part of financial year 2017.

After due consideration, the Directors have concluded that there is a reasonable expectation that the Group has 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.

2 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, except where fair values are adopted as required, in accordance with International Financial Reporting Standards as adopted by the European Union (EU IFRS) and with the Companies Act 2006 as applicable to companies using IFRS and to IFRS IC interpretation.

The principal accounting policies applied are set out below.

2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.1 FOREIGN CURRENCIES

(A) FUNCTIONAL AND PRESENTATIONAL CURRENCY

Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency") which is UK sterling (£). The financial statements are presented in pounds sterling (£), which is the Group's presentational currency. All amounts are rounded to the nearest £. The results and financial position of Actual Experience Inc have a functional currency different from the presentation currency and are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income and as a separate component of equity.

(B) TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Income Statement and Other Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.2 REVENUE RECOGNITION

Revenue is recognised at the fair value of the consideration received or receivable for the sale of services in the ordinary course of business and is shown net of Value Added Tax. The Group primarily earns revenues from the sale of digital experience quality analytics services and associated consultancy services.

Revenue from the digital experience quality analytics service is recognised over the period of each sale agreement, on a straight-line basis. Revenues from associated consultancy services and associated other services such as training are recognised when delivery to the customer has been completed.

The difference between the amount of revenue recognised and the amount invoiced to a particular customer is included in the Consolidated Statement of Financial Position as deferred or accrued income as appropriate. Amounts included in deferred income are expected to be recognised within one year and are included within current liabilities.

2.3 INTERNALLY-GENERATED INTANGIBLE ASSETS - RESEARCH AND DEVELOPMENT EXPENDITURE

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development costs incurred on specific projects are capitalised when all the following criteria are satisfied:

- a. completion of the intangible asset is technically feasible so that it will be available for use or sale;
- b. the Group intends to complete the intangible asset and use or sell it;
- c. the Group has the ability to use or sell the intangible asset and the intangible asset will generate probable future economic benefits over and above cost;
- d. there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- e. the expenditure attributable to the intangible asset during its development can be measured reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2015

2.3 INTERNALLY-GENERATED INTANGIBLE ASSETS - RESEARCH AND DEVELOPMENT EXPENDITURE CONTINUED

The Directors believe that the criteria for capitalising development costs have been met in respect of certain projects. Consequently the identifiable costs relating to these projects have been capitalised as intangible assets. The capitalised costs are being amortised over the estimated useful lives of those assets and the amortisation charge for the period is included within 'Administrative expenses' in the Consolidated Income Statement and Other Comprehensive Income. Expenses for research and development include associated wages and salaries, material costs and directly attributable overheads.

The estimated useful life of the development costs capitalised is two years. Amortisation commences when the project is available for use within the business.

Intangible assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.4 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is charged so as to write off the costs of assets over their estimated useful lives, on the following basis:

Fixtures and fittings	5 years straight-line
Computer equipment	3 years straight-line

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Income Statement and Other Comprehensive Income.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

At each period end, the Group reviews the carrying amounts of its property, plant and equipment assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

2.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

2.5.1 TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. Appropriate provisions for estimated irrecoverable amounts are recognised in the Consolidated Income Statement and Other Comprehensive Income when there is objective evidence that the assets are impaired.

2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.5 FINANCIAL INSTRUMENTS CONTINUED

2.5.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.5.3 EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2.5.4 TRADE AND OTHER PAYABLES

Trade payables are initially measured at their fair value and are subsequently measured at their amortised cost using the effective interest rate method; this method allocates interest expense over the relevant period by applying the 'effective interest rate' to the carrying amount of the liability.

2.5.5 FINANCIAL LIABILITIES – CURRENT BORROWINGS

Borrowings, including advances received from related parties, are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

2.6 CURRENT AND DEFERRED TAX

The tax expense/(credit) represents the sum of the tax currently payable or recoverable and the movement in deferred tax assets and liabilities.

Current tax is based upon taxable profit/(loss) for the year. Taxable profit/(loss) differs from net profit/(loss) as reported in the Consolidated Income Statement and Other Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Group's liability or receivable for current tax is calculated by using tax rates that have been enacted or substantively enacted by the reporting date.

Credit is taken in the accounting period for research and development tax credits, which have been claimed from HM Revenue and Customs, in respect of qualifying research and development costs incurred. Research and development tax credits have been accounted for on an accruals basis.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the Consolidated Income Statement and Other Comprehensive Income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the profit nor the accounting period.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.7 OPERATING LEASES

Rentals payable under operating leases are charged to the Consolidated Income Statement and Other Comprehensive Income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2015

2.8 SHARE-BASED PAYMENTS

The Company issues equity settled share-based payments to certain employees.

Equity settled share-based payments are measured at fair value at the date of grant and expensed in the Consolidated Income Statement and Other Comprehensive Income on a straight-line basis over the vesting period, along with a corresponding increase in equity. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the Consolidated Income Statement and Other Comprehensive Income such that the cumulative expense represents the revised estimate, with a corresponding adjustment to equity reserves.

The fair value of share options is determined using a Black-Scholes model, taking into consideration the Directors' best estimate of the expected life of the option.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions that have the most significant effects on the carrying amounts of the assets and liabilities in the financial information are discussed below:

RESEARCH AND DEVELOPMENT COSTS

The assessment of when development expenditure meets the recognition criteria required for capitalisation requires judgement as to the technical feasibility and commercial viability of products and ideas that are under development. These judgements are subjective and, to the extent that actual circumstances differ, there can be an increase or decrease in the amount of expenditure expensed to the Consolidated Income Statement and Other Comprehensive Income.

When development expenditure is capitalised, the Directors also make a judgement in respect of the expected useful lives of the intangible development costs and an appropriate amortisation charge is made. The useful economic life of the development costs is two years. A one-year reduction in the period over which such development costs are amortised would have increased loss before income tax by £141,000 (2014: £40,000). A one-year increase in the period over which such development costs are amortised would have reduced loss before income tax by £47,000 (2014: £13,000).

EQUITY SETTLED SHARE-BASED PAYMENTS

The estimation of share-based payment costs requires the selection of an appropriate valuation method, consideration as to the inputs necessary for the valuation model chosen and the estimation of the number of awards that will ultimately vest. Inputs subject to judgement relate to the future volatility of the share price of comparable companies, the Group's expected dividend yields, risk-free interest rates and expected lives of the options. The Directors draw on a variety of sources to aid in the determination of the appropriate data to use in such calculations.

RECOVERABILITY OF DEFERRED TAX ASSETS

Deferred tax assets are recognised only to the extent that it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgement as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future probability and is therefore inherently uncertain. To the extent that assumptions regarding future probability change, there can be an increase or decrease in the level of deferred tax assets recognised which can result in a charge or credit to the Consolidated Income Statement and Other Comprehensive Income in the period in which the change occurs.

CHANGES IN ACCOUNTING POLICIES

The following new and amended IFRS and IFRIC interpretations are mandatory as of 1 October 2014 unless otherwise stated and the impact of adoption is described below.

There are no other changes to IFRS effective in the year which have a material impact on the Group.

- i. IFRS 13 Fair Value Measurement
IFRS 13 does not affect when fair value is used, but rather describes how to measure fair value where fair value is required or permitted by IFRS. There was no impact on the Group from the adoption of IFRS 13.
- ii. IAS 19 Employee Benefits (Revised)
The revised standard includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. There was no impact on the Group from the adoption of IAS 19 (Revised).
- iii. IAS 1 (Amendment)
The amendment to IAS 1 concerns presentation of items of Other Comprehensive Income. There is no impact from the adoption of the amendment.

ACCOUNTING STANDARDS AND INTERPRETATIONS NOT APPLIED

At the date of authorisation of these financial statements, the following IFRSs, IASs and Interpretations were in issue but not yet effective. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- IAS 1: Disclosure Initiative (effective date 1 January 2016);
- IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation (effective date 1 January 2016);
- AIP IFRS 7: Applicability of the offsetting disclosures to condensed interim financial statements (effective 1 January 2016);
- AIP IAS 19: Discount rate: Regional market issue (effective 1 January 2016);
- AIP IAS 34: Disclosure of information 'elsewhere in the interim financial report' (effective 1 January 2016);
- IFRS 15: Revenue from contracts with customers (effective 1 January 2017); and
- IFRS 9: Financial Instruments (effective 1 January 2018).

3 FINANCIAL RISK MANAGEMENT

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Group does not use derivative financial instruments such as forward currency contracts or similar instruments. The Group does not issue or use financial instruments of a speculative nature.

The Group is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Market risk

To the extent that financial instruments are not carried at fair value in the Consolidated Statement of Financial Position, book value approximates to fair value at 30 September 2014 and 30 September 2015.

Trade and other receivables are measured at fair value and amortised cost. Book values and expected cash flows are reviewed by the Board and any impairment charged to the Consolidated Income Statement and Other Comprehensive Income in the relevant period.

Cash and cash equivalents are held in either UK sterling or US dollars and are placed on deposits in UK and US banks. Trade and other payables are measured at book value and amortised cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2015

3 FINANCIAL RISK MANAGEMENT CONTINUED

CREDIT RISK

Credit risk is the financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligation. Credit risk arises from the Group's cash and cash equivalents and receivables balances. The concentration of the Group's credit risk is considered by counterparty, geography and currency.

The Group gives careful consideration to which organisation it uses for its banking services in order to minimise credit risk. The Group has a significant concentration of cash held in accounts with two large banks in the UK, one institution with an A+ credit rating and one with a BBB+ credit rating (long term, as assessed by Fitch). The amounts of cash held on deposit with those banks at each reporting date can be seen in note 13. All of the cash and cash equivalents held with those banks at each reporting date were denominated in UK sterling or US dollars. The Directors are satisfied that the level of risk inherent in holding the cash deposits with two banks is low given the credit ratings assessed. The Directors monitor the levels of cash held by the Group on a regular basis and, if necessary, will mitigate any perceived increase in the level of risk by spreading the cash deposits across other institutions.

The nature of the Group's business and current stage of its development are such that individual customers can comprise a significant proportion of its trade and other receivables at any point in time. The Group mitigates the associated risk by close monitoring of the debtor ledger.

At 30 September 2015, the Group's trade receivables balance was £191,349 (30 September 2014: £99,138). The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk. An allowance for impairment is made where there is an identified loss event, which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. In the Directors' opinion, there has been no impairment of financial assets at any point during the year.

No collateral is held by the Group as security in relation to its financial assets.

The Directors consider the above measures to be sufficient to control the credit risk exposure.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. This risk relates to the Group's prudent liquidity risk management and implies maintaining sufficient cash reserves. The Board monitors forecasts of the Group's liquidity and cash and cash equivalents on the basis of expected cash flow. Ultimate responsibility for liquidity risk management rests with the Board.

At 30 September 2015, the Group had £15,275,222 (30 September 2014: £2,942,805) of cash and cash equivalents.

MARKET RISK

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Group's exposure to foreign currency risk has been limited, as the majority of its invoicing and payments are in UK sterling. There are no significant balances held in foreign currencies at each reporting date and it has made no payments in foreign currencies other than US dollar and Euro. Accordingly, the Board has not presented any sensitivity analysis in this area as it is immaterial.

CAPITAL RISK MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group's objective when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term. The capital structure of the Group is managed and adjusted to reflect changes in economic circumstances. In determining how the Group should be financed, through a combination of debt and equity, the Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Group's capital is made up of share capital, share premium and retained earnings totalling at 30 September 2015 £15,723,036 (30 September 2014: £3,166,298).

3 FINANCIAL RISK MANAGEMENT CONTINUED

CAPITAL RISK MANAGEMENT CONTINUED

The Group funds its expenditures on commitments from existing cash and cash equivalent balances, primarily received from issuances of shareholders' equity. There are no externally imposed capital requirements.

Financing decisions are made by the Board based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Group's commitments and development plans.

4 SEGMENTAL REPORTING

The information that is presented to the Chief Executive Officer, who is considered to be the Chief Operating Decision Maker ('CODM'), for the purposes of resource allocation and assessment of performance, is based wholly on the overall activities of the Group. Due to the current size and activities of the Group, there is a high degree of centralisation of activities. The Directors therefore consider that there is one operating, and hence one reportable, segment for the purposes of presenting information under IFRS8; that of "Digital experience quality analytics services and associated consultancy services". There are no differences between the segment results and the Consolidated Income Statement and Other Comprehensive Income. The assets and liabilities information presented to the CODM is consistent with the Consolidated Statement of Financial Position.

During the year ended 30 September 2015 the Group had two customers who generated more than 10% of total revenue. These customers generated 23% and 14% of revenue respectively.

During the year ended 30 September 2014 the Group had one customer who generated more than 10% of total revenue. This customer generated 12% of revenue.

Capital expenditure on intangible assets is all undertaken in the UK, and only trivial amounts have been expended in the US on Property, plant and equipment.

An analysis of revenues by geographic location of customers is set out below:

	2015 £	2014 £
United Kingdom	600,139	468,075
United States of America	74,818	19,033
Europe	3,712	45,430
Rest of the world	21,780	34,931
	700,449	567,469

5 LOSS FROM OPERATIONS

	Notes	2015 £	2014 £
Loss from operations is stated after charging/(crediting) to administrative expenses:			
Depreciation on owned property, plant and equipment	10	13,747	7,738
Amortisation of intangible assets	11	141,313	39,771
Operating lease rentals – land and buildings		80,507	50,000
Employee costs	6	1,847,726	1,156,883
Foreign exchange (gains)/losses		(448)	1,297
Auditors' remuneration:			
– Audit of these financial statements		28,550	28,000
– Tax advisory services		10,000	12,820
– All other services		-	79,649
Total auditors' remuneration		38,550	120,469

Other services in the prior year relate to transaction services in relation to the AIM listing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2015

6 EMPLOYEE COSTS

	2015 Number	2014 Number
The average monthly number of persons (including Directors) employed by the Group during the year was:		
Directors	5	4
Sales and support	11	5
Software development	9	9
Administration	3	4
	28	22

	2015 £	2014 £
The aggregate remuneration, including Directors, comprised:		
Wages and salaries	1,829,613	1,217,749
Social security costs	208,728	130,671
Share-based expense (note 19)	130,730	34,588
	2,169,071	1,383,008
Directors' remuneration comprised:		
Emoluments for qualifying services	456,268	293,572

Directors' emoluments disclosed above include £203,934 paid to the highest paid Director (2014: £119,250); The Director did not exercise any share options in the year and no options are due under incentive plans.

The Remuneration Report on pages 34 to 36 detail Directors' interests in share options.

There are no pension benefits for Directors.

Included within total employee costs of £2,169,071 (2014: £1,383,008) is £321,345 (2014: £226,125) which has been capitalised within development costs in accordance with IAS 38 (see note 11). The remaining £1,847,726 (2014: £1,156,883) has been expensed in the Consolidated Income Statement and Other Comprehensive Income.

7 FINANCE INCOME

	2015 £	2014 £
Bank interest receivable	12,977	12,067

8 TAXATION

TAX ON LOSS ON ORDINARY ACTIVITIES

	2015 £	2014 £
Current tax:		
UK Corporation tax on losses of the year	(192,000)	(279,181)
Overseas taxes	534	-
Deferred tax:		
Origination and reversal of timing differences	5,485	1,529
Total tax credit	(185,981)	(277,652)

8 TAXATION CONTINUED

FACTORS AFFECTING THE CURRENT TAX CREDITS

The tax assessed for the year varies from the standard UK company rate of corporation tax as explained below:

	2015 £	2014 £
Loss on ordinary activities before tax	(2,411,436)	(1,581,583)
Tax at the UK corporate tax of 20.50% (2014: 22.00%)	(494,344)	(347,948)
Effects of:		
Expenses not deductible for tax purposes	59,683	122,747
Unrecognised deferred tax asset on losses	387,603	155,774
Research and development tax credits received in respect of the prior year	–	(119,236)
Research and development enhancement in respect of the current year	(138,693)	(88,916)
Change in rate of tax used to calculate deferred tax liability	(230)	(73)
Tax credit for the year	(185,981)	(277,652)

The Group has tax losses carried forward of £3,820,000 (2014: £1,923,171).

The standard rate of corporation tax in the UK changed from 21% to 20% from 1 April 2015. Accordingly the Group's losses for the accounting period are based on an effective rate of 20.5%.

During the year the Group has incurred qualifying expenditure on research and development projects which has given rise to tax credits due from HM Revenue and Customs to the Group of £192,000 (2014: £159,945).

DEFERRED TAX

Deferred tax relates to the following:

	2015 £	2014 £
Accelerated depreciation for tax purposes	8,858	3,373
Deferred tax liability	8,858	3,373

RECONCILIATION OF DEFERRED TAX LIABILITIES

	2015 £	2014 £
Balance at the beginning of the year	3,373	1,844
Charge to the Consolidated Income Statement and Other Comprehensive Income	5,485	1,529
Balance at the end of the year	8,858	3,373

At 30 September 2015, the Group had unrecognised deferred tax assets totalling £732,776 (2014: £403,866) which relate to losses. The Group has not recognised this asset in the Consolidated Statement of Financial Position due to the uncertainty in the timing when it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2015

9 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to the owners of the parent by the weighted average number of ordinary shares in issue during the year. Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares in issue during the year to assume conversion of all dilutive potential ordinary shares.

The Company has one class of potentially dilutive ordinary shares, being those share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year. However, due to losses incurred in both the current and previous financial year there is no dilutive effect from the potential exercise of these dilutive shares.

	2015 £	2014 £
Total loss attributable to the equity holders of the parent	(2,225,455)	(1,303,931)
	No.	No.
Weighted average number of ordinary shares in issue during the year	31,239,006	27,525,131
Loss per share		
Basic and diluted on loss for the year	(7.12)p	(4.74)p

Adjusted earnings per share has been calculated so as to exclude the effect of non-operating exceptional costs including related tax charges and credits.

Adjusted earnings used in the calculation of basic and diluted earnings per share reconciles to basic earnings as follows:

Basic earnings	(2,225,455)	(1,303,931)
Non-operating exceptional costs	–	450,488
Adjusted earnings	(2,225,455)	(853,443)
Adjusted loss per share		
Basic and diluted on adjusted loss for the year	(7.12)p	(3.10)p

The weighted average number of shares in issue throughout the year is as follows:

	2015	2014
Issued ordinary shares at the beginning of the year	28,844,225	26,356
Adjustment to reflect capital reorganisation	–	19,740,644
Issued ordinary shares at the beginning of the year — adjusted	28,844,225	19,767,000
Effect of shares issued in November 2013	–	7,487,901
Effect of shares issued in February 2014	–	270,230
Effect of shares issued in June 2015	2,394,781	–
Weighted average number of shares at the end of the year	31,239,006	27,525,131

10 PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 October 2013	419	23,178	23,597
Additions	1,419	13,601	15,020
At 30 September 2014	1,838	36,779	38,617
Additions	7,171	34,835	42,006
At 30 September 2015	9,009	71,614	80,623
Accumulated depreciation			
At 1 October 2013	70	14,397	14,467
Charge for the year	125	7,613	7,738
At 30 September 2014	195	22,010	22,205
Charge for the year	1,635	12,112	13,747
At 30 September 2015	1,830	34,122	35,952
Net book value			
At 30 September 2015	7,179	37,492	44,671
At 30 September 2014	1,643	14,769	16,412
At 30 September 2013	349	8,781	9,130

11 INTANGIBLE ASSETS

	Development costs £	Total £
Cost		
At 1 October 2013	–	–
Additions	226,125	226,125
At 30 September 2014	226,125	226,125
Additions	321,345	321,345
At 30 September 2015	547,470	547,470
Accumulated amortisation and impairment losses		
At 1 October 2013	–	–
Charge for the year	39,771	39,771
At 30 September 2014	39,771	39,771
Charge for the year	141,313	141,313
At 30 September 2015	181,084	181,084
Net book value		
At 30 September 2015	366,386	366,386
At 30 September 2014	186,354	186,354
At 30 September 2013	–	–

The amortisation of development costs is recognised within administrative expenses in the Consolidated Income Statement and Other Comprehensive Income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2015

12 TRADE AND OTHER RECEIVABLES

	2015 £	2014 £
Trade receivables	191,349	99,138
Other receivables	30,204	11,386
Prepayments and accrued income	64,844	25,253
	286,397	135,777

Contractual payment terms with the Group's customers are typically 30 to 60 days.

There are no provisions for impairment losses in respect of trade and other receivables. There are no trade receivables past due and not impaired and there is no provision for impaired receivables in either 2015 or 2014. The credit quality of those trade receivables not past due and not impaired is considered good. The Directors believe that the carrying value of trade and other receivables represents their fair value. In determining the recoverability of trade receivables the Board considers any change in the credit quality of the receivable from the date credit was granted up to the reporting date. For details on credit risk management policies, refer to note 3.

13 CASH AND CASH EQUIVALENTS

Bank credit rating:	2015 £	2014 £
A+	5,001,822	–
A	–	2,942,805
A2	47,751	–
BBB+	10,225,649	–
Cash and cash equivalents	15,275,222	2,942,805

The above has been analysed by the Fitch rating system and gives an analysis of the credit rating of the financial institutions where cash balances are held.

All of the Group's cash and cash equivalents at 30 September 2015 are held in instant access current accounts or short-term deposit accounts. Balances are denominated in UK sterling (£) and US dollars (\$) as follows:

	2015 £	2014 £
Denominated in pounds sterling	15,157,211	2,924,344
Denominated in US dollars	118,011	18,461
Cash and cash equivalents	15,275,222	2,942,805

The Directors consider that the carrying value of cash and cash equivalents approximates to their fair value. For details of credit risk management policies, refer to note 3.

14 TRADE AND OTHER PAYABLES

	2015 £	2014 £
Trade payables	48,246	23,172
Other tax and social security	57,984	56,407
Other creditors	6,687	4,807
Accruals	226,855	81,142
Deferred income	93,010	106,094
	432,782	271,622

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. They are non-interest bearing and are normally settled on 30 to 45 day terms.

14 TRADE AND OTHER PAYABLES CONTINUED

The Directors consider that the carrying value of trade and other payables approximate their fair value.

The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame and no interest has been charged by any suppliers as a result of late payment of invoices during the year.

15 FINANCIAL INSTRUMENTS

The principal financial instruments used by the Group, from which financial instrument risk arises are as follows:

- Trade and other receivables
- Trade and other payables
- Cash and cash equivalents

FINANCIAL ASSETS

The Group held the following financial assets:

	2015 £	2014 £
Due within three months		
Cash and cash equivalents	15,275,222	2,942,805
Trade receivables	191,349	99,138
Other receivables	18,144	11,389
	15,484,715	3,053,332

FINANCIAL LIABILITIES

The Group held the following financial liabilities held at amortised cost (non-derivatives):

	2015 £	2014 £
Non-derivative financial liabilities		
Due within one year		
Trade payables	48,246	23,172
Other payables	233,542	85,949
Total financial liabilities	281,788	109,121

16 SHARE CAPITAL

	Number	Share capital £	Share premium £	Total £
Total Ordinary shares of 0.2p each at 1 October 2014	28,844,225	57,688	134,346	192,034
Issue of shares on 16 June 2015 in respect of a Placing	8,015,063	16,031	15,212,589	15,228,620
Issue of shares on 16 June 2015 in respect of the exercise of share options	154,050	308	18,435	18,743
Less: expenses of share issues	–	–	(591,216)	(591,216)
Total Ordinary shares of 0.2p each as at 30 September 2015	37,013,338	74,027	14,774,154	14,848,181

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2015

16 SHARE CAPITAL CONTINUED

As permitted by the provisions of the Companies Act 2006, the Company does not have an upper limit to its authorised share capital.

On 16 June 2015:

- i. 8,015,063 ordinary shares of 0.2p each were issued for cash at a price of £1.90 per share;
- ii. 62,300 ordinary shares were allotted at a price of 9.09 pence per share, for total cash consideration of £5,663, upon the exercise of share options granted in the Company's share option scheme;
- iii. 91,750 ordinary shares were allotted at a price of 14.25 pence per share, for total cash consideration of £13,074, upon the exercise of share options granted in the Company's share option scheme.

At 30 September 2015, the Company had only one class of share, being ordinary shares of 0.2p each.

17 MOVEMENT IN (ACCUMULATED LOSSES)/RETAINED EARNINGS RESERVE

	(Accumulated losses)/retained earnings £
At 30 September 2013	(1,688,703)
Loss for the year	(1,303,931)
Other comprehensive income	(786)
Shared-based payment charge	34,588
Arising on cancellation of share premium account	5,933,096
At 30 September 2014	2,974,264
Loss for the year	(2,225,455)
Other comprehensive income	(4,684)
Share-based payment charge	130,730
At 30 September 2015	874,855

18 COMMITMENTS

OPERATING LEASE COMMITMENTS

The Group leases premises under operating lease agreements. The future aggregate minimum lease and service charge payments under operating leases are as follows:

	2015 £	2014 £
Land and buildings:		
Amounts due within one year	43,750	65,450

At 30 September 2015, the Company had a tenancy agreement in respect of its business premises. This agreement commenced on 5 September 2015 for a period of two years with a monthly rent of £6,250. The agreement has break clause dates of 5 May 2016 and 5 January 2017. The minimum payments disclosed above relate to the period up to the first break clause date.

19 SHARE-BASED PAYMENTS

SHARE OPTIONS

The Company has a share option plan under which it grants options over ordinary shares to certain employees. Options are exercisable at a price equal to the estimated market price of the Company's shares on the date of the grant. The vesting period for shares is usually four years. The options are settled in equity once exercised. If the options remain unexercised for a period after 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest.

Details of the number of share options and the weighted average exercise price outstanding during the year are as follows:

	Number of share interests			Weighted average exercise price per share (£)
	EMI options	Unapproved options	Total	
At 30 September 2013	1,676,250	–	1,676,250	0.118
Granted in the year	610,500	220,000	830,500	0.192
Exercised in the year	(224,775)	–	(224,775)	(0.108)
At 30 September 2014	2,061,975	220,000	2,281,975	0.510
Granted in the year	317,500	150,000	467,500	2.060
Exercised in the year	(154,050)	–	(154,050)	(0.122)
Forfeited in the year	(135,000)	–	(135,000)	(1.840)
At 30 September 2015	2,090,425	370,000	2,460,425	0.756

There were 1,294,717 share options outstanding at 30 September 2015 (30 September 2014: 1,023,975), which were eligible to be exercised. The remaining options were not eligible to be exercised as these are subject to employment period vesting conditions, some of which had not been met at 30 September 2015.

Options have a range of exercise prices from 9.09 pence per share to 212.5 pence per share and have a weighted contractual life of 7.47 years.

Details of the schemes are given below:

Grant date	Employees entitled	Number of options	Performance conditions	Exercise price (p)	Earliest exercise date	Expiry date
19/03/2010	1	317,500	Time served	9.091	25/01/2011	19/03/2020
22/06/2011	2	190,200	Time served	9.091	15/10/2011	22/06/2021
17/10/2011	2	67,600	Time served	9.091	17/10/2011	17/10/2021
16/05/2012	1	218,000	Time served	14.255	12/08/2012	16/05/2022
17/05/2012	1	67,500	Time served	14.255	16/08/2012	17/05/2022
21/05/2012	1	118,125	Time served	14.255	27/02/2013	21/05/2022
04/05/2013	4	324,750	Time served	14.255	11/06/2013	04/05/2023
01/10/2013	1	227,250	Time served	14.255	01/10/2014	01/10/2023
18/11/2013	1	69,500	Time served	14.255	11/11/2014	18/11/2023
23/12/2013	1	22,500	Time served	54.500	01/10/2014	23/12/2023
09/07/2014	2	140,000	Time served	186.500	09/07/2015	09/07/2024
21/07/2014	1	80,000	Time served	186.500	21/07/2015	21/07/2024
15/09/2014	4	150,000	Time served	184.000	06/01/2015	15/09/2024
24/10/2014	1	50,000	Time served	175.000	24/10/2015	24/10/2024
29/05/2015	4	185,000	Time served	207.500	25/11/2015	29/05/2025
05/06/2015	1	30,000	Time served	207.500	05/06/2016	05/06/2025
29/06/2015	6	87,500	Time served	212.500	29/05/2016	29/06/2025
24/07/2015	4	115,000	Time served	212.500	08/06/2016	24/07/2025
Outstanding		2,460,425				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2015

19 SHARE-BASED PAYMENTS CONTINUED

The fair values were calculated using the Black-Scholes pricing model. The inputs into the model for options granted during the year were as follows:

	Granted on 24 October 2014	Granted on 29 May and 5 June 2015	Granted on 29 June 2015	Granted on 24 July 2015
Dividend yield	0%	0%	0%	0%
Expected volatility	20%	19.5%	19%	18.5%
Risk-free interest rate (%)	2.02%	2.02%	2.02%	2.02%
Expected vesting life of options (years)	6	6	6	6
Weighted average exercise price (pence)	175.0p	207.5p	212.5p	212.5p
Weighted average share price (pence)	175.0p	207.5p	212.5p	212.5p

The Group uses historical data to estimate option exercise and employee retention within the valuation model. Expected volatilities are based upon an estimate by the Directors taking account of the implied volatility as determined from the Company's historical share price movements. The risk-free rate for the year within the contractual life of the option is based on the UK gilt yield curve at the time of the grant. Any share options that are not exercised within 10 years from the date of grant will expire.

The Group recognised a charge of £130,730 (2014: £34,588) in the Consolidated Income Statement and Other Comprehensive Income in respect of equity settled share-based payment transactions in the year.

20 RELATED PARTY TRANSACTIONS

REMUNERATION OF KEY PERSONNEL

The remuneration of the Directors, who are the key management personnel of the Group and the Company, is shown below:

	2015 £	2014 £
Executive Directors – aggregate		
Short-term employment benefits*	330,184	192,917
Non-executive Directors – aggregate		
Short-term employment benefits*	126,084	100,655
Total	456,268	293,572

* In addition, certain Directors hold share options in the Company for which a fair value share-based charge of £34,285 has been recognised in the Consolidated Income Statement and Other Comprehensive Income (2014: £15,441).

AMOUNTS OUTSTANDING TO KEY PERSONNEL

As at 30 September 2015, no amounts were due to Directors in relation to reimbursement of fees and expenses arising in the ordinary course of business except for an accrual of £7,500 which has been made in respect of fees due to Robin Young for work undertaken prior to 30 September 2015, as disclosed in more detail below (30 September 2014: £nil).

TRANSACTIONS WITH SHAREHOLDERS AND OTHER RELATED PARTIES

During the year the Group entered into transactions, in the ordinary course of business, with shareholders and other related parties. Transactions entered into, along with trading balances outstanding, are as follows:

Related party:	Amounts invoiced to related party 2015 £	Amounts invoiced by related party 2015 £	Amounts invoiced to related party 2014 £	Amounts invoiced by related party 2014 £
Queen Mary and Westfield College, University of London (note 1)				
Sales – Analytical services	15,400	–	–	–
Purchases – Salary charge and secondment fees for research services	–	–	–	91,164
Purchases – Patent costs	–	–	–	683
	15,400	–	–	91,847
IP2IPO Limited and its associated company, Techtran Group Limited (note 1)				
Sales – Analytical services	–	–	6,048	–
Purchases – Non-executive Director fees	–	25,000	–	12,914
Purchases – Other office costs	–	93	–	195
Purchases – Other professional fees	–	–	–	3,708
	–	25,093	6,048	16,817
Inmarsat plc (note 2)				
Sales – Analytical services	9,500	–	33,600	–
CTGFT Limited (note 3)				
Purchases – Consultancy fees	–	7,500	–	–

Note 1: Queen Mary and Westfield College, University of London and IP2IPO Limited are shareholders of the Company.

Note 2: Two of the Company's Directors, Sir Bryan Carsberg and Mr Stephen Davidson, have common directorships of Inmarsat plc.

Note 3: One of the Company's Directors, Mr Robin Young, is a director and sole shareholder of CTGFT Limited.

At 30 September 2015, invoiced sales of £11,400 to Inmarsat plc were outstanding and included within trade receivables. This balance was received after the year end.

At 30 September 2015, accruals had been made for an additional invoice due from CTGFT Limited for £7,500 and this was outstanding at the year end.

There were no amounts outstanding due from or to the other related parties at 30 September 2015 or at 30 September 2014.

During the year ended 30 September 2015, the Company entered into numerous transactions with its subsidiary company, which net off on consolidation – these have not been shown above.

ULTIMATE CONTROLLING PARTY

The Company has no single ultimate controlling party.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACTUAL EXPERIENCE PLC

REPORT ON THE COMPANY FINANCIAL STATEMENTS

OUR OPINION

In our opinion, Actual Experience plc's Company financial statements (the 'financial statements'):

- give a true and fair view of the state of the Company's affairs as at 30 September 2015 and of its cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

WHAT WE HAVE AUDITED

The financial statements, included within the Annual Report, comprise:

- the Company Statement of Changes in Equity for the year then ended;
- the Company Statement of Financial Position as at 30 September 2015;
- the Company Cash Flow Statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, 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.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION ADEQUACY OF ACCOUNTING RECORDS AND INFORMATION AND EXPLANATIONS RECEIVED

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

DIRECTORS' REMUNERATION

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 39, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)'). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves 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. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OTHER MATTER

We have reported separately on the Group financial statements of Actual Experience plc for the year ended 30 September 2015.

Colin Bates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
1 February 2016

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2015

	Share capital £	Share premium £	(Accumulated losses)/ retained earnings £	Total equity £
At 1 October 2013	3	1,403,790	(1,688,703)	(284,910)
Loss and total comprehensive expense for the year	–	–	(1,306,213)	(1,306,213)
Issue of shares	857	4,720,480	–	4,721,337
Bonus share issue for capital reorganisation	56,828	(56,828)	–	–
Cancellation of share premium account	–	(5,933,096)	5,933,096	–
Share-based payment expense	–	–	34,588	34,588
At 30 September 2014	57,688	134,346	2,972,768	3,164,802
At 1 October 2014	57,688	134,346	2,972,768	3,164,802
Loss and total comprehensive expense for the year	–	–	(2,243,019)	(2,243,019)
Issue of shares	16,339	15,231,024	–	15,247,363
Cost of share issues	–	(591,216)	–	(591,216)
Share-based payment expense	–	–	108,721	108,721
Share-based payment expense in respect of services provided to subsidiary undertaking	–	–	22,009	22,009
At 30 September 2015	74,027	14,774,154	860,479	15,708,660

COMPANY STATEMENT OF FINANCIAL POSITION

as at 30 September 2015

	Notes	2015 £	2014 £
ASSETS			
Non-current assets			
Property, plant and equipment	C3	44,291	16,412
Intangible assets	11	366,386	186,354
Investments	C4	22,509	500
TOTAL NON-CURRENT ASSETS		433,186	203,266
Current assets			
Trade and other receivables	C5	276,598	135,777
Income tax receivable	C9	192,000	159,945
Cash and cash equivalents	C6	15,227,471	2,942,805
TOTAL CURRENT ASSETS		15,696,069	3,238,527
TOTAL ASSETS		16,129,255	3,441,793
LIABILITIES			
Non-current liabilities			
Deferred tax	C9	(8,858)	(3,373)
TOTAL NON-CURRENT LIABILITIES		(8,858)	(3,373)
Current liabilities			
Trade and other payables	C7	(411,737)	(273,618)
TOTAL CURRENT LIABILITIES		(411,737)	(273,618)
TOTAL LIABILITIES		(420,595)	(276,991)
NET ASSETS		15,708,660	3,164,802
EQUITY			
Share capital	16	74,027	57,688
Share premium	16	14,774,154	134,346
Retained earnings	C8	860,479	2,972,768
TOTAL EQUITY		15,708,660	3,164,802

Approved by the Board of Directors and authorised for issue on 12 January 2016.

COMPANY STATEMENT OF CASH FLOWS

for the year ended 30 September 2015

	Notes	2015 £	2014 £
Cash flows from operating activities			
Loss before tax		(2,429,533)	(1,583,865)
Adjustment for non-cash items:			
Depreciation of property, plant and equipment	C3	13,737	7,738
Amortisation of intangible assets	11	141,313	39,771
Share-based payment charge		108,721	34,588
Finance income		(12,977)	(12,067)
Fair value loss on financial instruments		–	4,127
Operating cash outflow before changes in working capital		(2,178,739)	(1,509,708)
Movement in trade and other receivables		(140,821)	(53,630)
Movement in trade and other payables		138,119	84,595
Cash flows used in operations		(2,181,441)	(1,478,743)
Tax received		159,944	119,236
Net cash flows used in operating activities		(2,021,497)	(1,359,507)
Cash flows from investing activities			
Development of intangible assets	11	(321,345)	(226,125)
Purchases of property, plant and equipment	C3	(41,616)	(15,020)
Purchase of subsidiary undertaking		–	(500)
Finance income		12,977	12,067
Net cash outflow from investing activities		(349,984)	(229,578)
Cash flows from financing activities			
Repayment of borrowings		–	(2,202)
Proceeds from issue of share capital, net of costs	16	14,656,147	4,207,558
Net cash inflow from financing activities		14,656,147	4,205,356
Increase in cash and cash equivalents		12,284,666	2,616,271
Cash and cash equivalents at start of year		2,942,805	326,534
Cash and cash equivalents at end of year	C6	15,227,471	2,942,805

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 30 September 2015

C1. PRINCIPAL ACCOUNTING POLICIES

The financial statements of the Company are presented as required by the Companies Act 2006 and in accordance with IFRS.

The principal accounting policies adopted are the same as for those set out in the Group's financial statements.

C2. COMPANY RESULTS

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company's statement of profit or loss and other comprehensive income. The Company's result for the year ended 30 September 2015 was a loss of £2,243,019 (2014: loss of £1,306,213).

The audit fee for the Company is set out in note 5 of the Group's financial statements.

C3. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 October 2013	419	23,178	23,597
Additions	1,419	13,601	15,020
At 30 September 2014	1,838	36,779	38,617
Additions	7,171	34,445	41,616
At 30 September 2015	9,009	71,224	80,233
Accumulated depreciation			
At 1 October 2013	70	14,397	14,467
Charge for the year	125	7,613	7,738
At 30 September 2014	195	22,010	22,205
Charge for the year	1,635	12,102	13,737
At 30 September 2015	1,830	34,112	35,942
Net book value			
At 30 September 2015	7,179	37,112	44,291
At 30 September 2014	1,643	14,769	16,412
At 30 September 2013	349	8,781	9,130

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 30 September 2015

C4. INVESTMENTS

At 30 September 2015, the Company held the following investments in subsidiary companies:

Undertaking	Sector	Share of issued capital and voting rights 2015
Actual Experience Inc	Sales and marketing services	100%
Cost		£
At 1 October 2013		–
Additions		500
At 30 September 2014		500
Additions		22,009
At 30 September 2015		22,509
Impairment		
At 1 October 2013, 30 September 2014 and 30 September 2015		–
Carrying value at 30 September 2015		22,509
Carrying value at 30 September 2014		500
Carrying value at 30 September 2013		–

C5. TRADE AND OTHER RECEIVABLES

	2015 £	2014 £
Trade receivables	191,349	99,138
Other receivables	20,561	11,386
Amounts due from subsidiary undertakings	661	–
Prepayments and accrued income	64,027	25,253
	276,598	135,777

Contractual payment terms with the Company's customers are typically 30 to 60 days.

There are no receivables for which allowance has been made. There are no provisions for impairment losses in respect of trade and other receivables. There are no receivables at any of the year ends which were considered to be past due. The Directors believe that the carrying value of trade and other receivables represents their fair value. In determining the recoverability of trade receivables the Board considers any change in the credit quality of the receivable from the date credit was granted up to the reporting date. For details on credit risk management policies, refer to note 3.

C6. CASH AND CASH EQUIVALENTS

	2015 £	2014 £
Bank credit rating:		
A+	5,001,822	–
A	–	2,942,805
BBB+	10,225,649	–
Cash and cash equivalents	15,227,471	2,942,805

The above has been analysed by the Fitch rating system and gives an analysis of the credit rating of the financial institution where cash balances are held.

All of the Company's cash and cash equivalents at 30 September 2015 are held in instant access current accounts or short-term deposit accounts. Balances are denominated in UK sterling (£) and US dollars (\$) as follows:

	2015 £	2014 £
Denominated in pounds sterling	15,157,211	2,924,344
Denominated in US dollars	70,260	18,461
Cash and cash equivalents	15,227,471	2,942,805

The Directors consider that the carrying value of cash and cash equivalents approximates to their fair value. For details of credit risk management policies, refer to note 3.

C7. TRADE AND OTHER PAYABLES

	2015 £	2014 £
Trade payables	43,767	23,172
Other tax and social security	57,984	49,817
Other creditors	6,687	4,807
Amounts due to subsidiary undertakings	–	16,905
Accruals	210,289	72,823
Deferred income	93,010	106,094
	411,737	273,618

Trade payables are all expected to be settled from the Company's sterling bank account.

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. They are non-interest bearing and are normally settled on 30 to 45 day terms.

The Directors consider that the carrying value of trade and other payables approximate their fair value.

The Company has financial risk management policies in place to ensure that all payables are paid within the credit time frame and no interest has been charged by any suppliers as a result of late payment of invoices during the year.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 30 September 2015

C8. MOVEMENT IN (ACCUMULATED LOSSES)/RETAINED EARNINGS RESERVE

	(Accumulated losses)/ retained earnings £
At 30 September 2013	(1,688,703)
Loss for the year	(1,306,213)
Shared-based payment charge	34,588
Arising on cancellation of share premium account	5,933,096
At 30 September 2014	2,972,768
Loss for the year	(2,243,019)
Share-based payment charge	108,721
Share-based payment expense in respect of services provided to subsidiary undertaking	22,009
At 30 September 2015	860,479

C9. TAXATION

DEFERRED TAX

Deferred tax relates to the following:

	2015 £	2014 £
Accelerated depreciation for tax purposes	8,858	3,373
Deferred tax liability	8,858	3,373

RECONCILIATION OF DEFERRED TAX LIABILITIES

	2015 £	2014 £
Balance at the beginning of the year	3,373	1,844
Charge to the Income Statement and Other Comprehensive Income	5,485	1,529
Balance at the end of the year	8,858	3,373

At 30 September 2015, the Company had unrecognised deferred tax assets totalling £732,776 (2014: £403,866), which relate to losses. The Company has not recognised this asset in the Statement of Financial Position due to the uncertainty in the timing when it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

During the year the Company has incurred qualifying expenditure on research and development projects which has given rise to tax credits due from HM Revenue and Customs to the Company of £192,000 (2014: £159,945).

C10. RELATED PARTY TRANSACTIONS

Details of external related party transactions are set out in note 20. The Company has entered into transactions with its wholly owned subsidiary undertaking, Actual Experience Inc. during the year. The Company incurred costs of £273,888 charged by Actual Experience Inc. during the year (2014: £41,014). At 30 September 2015, an amount of £661 was due from the subsidiary company (30 September 2014: £16,905 due to the subsidiary company).

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Actual Experience plc (**'the Company'**) will be held at the offices of Henderson Global Investors, 201 Bishopsgate, London EC2M 3AE at 11am on Friday 4 March 2016 for the following purposes:

TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTIONS AS ORDINARY RESOLUTIONS:

1. To receive the Company's Annual Accounts, Strategic Report and Directors' and Auditors' reports for the year ended 30 September 2015.
2. To reappoint Stephen James Davidson, who, in accordance with the Articles of Association, resigns by rotation and is eligible for reappointment.
3. To reappoint Roy Stephen (Steve) Bennetts, who, in accordance with the Articles of Association, resigns by rotation and is eligible for reappointment.
4. To appoint Paul David Spence, who has been appointed by the Board since the previous Annual General Meeting.
5. To reappoint PricewaterhouseCoopers LLP as Auditors of the Company.
6. To authorise the Directors to determine the remuneration of the Auditors.
7. That, pursuant to section 551 of the Companies Act 2006 (**'Act'**), the Directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot Relevant Securities up to an aggregate nominal amount of £24,760 provided that (unless previously revoked, varied or renewed) these authorities shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the date falling 18 months after the passing of this resolution (whichever is the earlier), save that, in each case, the Company may make an offer or agreement before the authority expires which would or might require Relevant Securities to be allotted after the authority expires and the Directors may allot Relevant Securities pursuant to any such offer or agreement as if the authority had not expired.

In this resolution, **'Relevant Securities'** means shares in the Company or rights to subscribe for or to convert any security into shares in the Company; a reference to the allotment of Relevant Securities includes the grant of such a right; and a reference to the nominal amount of a Relevant Security which is a right to subscribe for or to convert any security into shares in the Company is to the nominal amount of the shares which may be allotted pursuant to that right.

These authorities are in substitution for all existing authorities under section 551 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect from the passing of this resolution).

NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

8. That, subject to the passing of resolution 7 and pursuant to section 570 of the Act, the Directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authorities granted by resolution 7 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

8.1 the allotment of equity securities in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise);

8.1.1 to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and

8.1.2 to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

8.2 the allotment of equity securities otherwise than pursuant to paragraph 8.1 of this resolution up to an aggregate nominal amount of £7,428,

and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the date falling 18 months after the passing of this resolution (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the Directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired.

This power is in substitution for all existing powers under section 570 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect from the passing of this resolution).

By order of the Board.

Roy Stephen (Steve) Bennetts

Company Secretary
12 January 2016

Registered office

The Tramshed
Beehive Yard
Walcot Street
Bath, BA1 5BB
United Kingdom

Registered in England and Wales No. 06838738

NOTES RELATING TO ANNUAL GENERAL MEETING

ENTITLEMENT TO ATTEND AND VOTE

1. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the company as at 6.00pm on 2 March 2016 (or, if the meeting is adjourned, 6.00pm on the date which is two working days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

PROXIES

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company.

A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid.

A proxy may only be appointed in accordance with the procedures set out in notes 3 and 4 below and the notes to the proxy form.

The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.

3. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's Registrar by phone on 0871 664 0300 (calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09.00 – 17.30, Monday to Friday including public holidays in England and Wales) or the proxy form may be photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed.

To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Company's Registrar, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 11am on 2 March 2016 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).

4. CREST members who wish to appoint a proxy or proxies for the meeting (or any adjournment of it) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Capita Asset Services (ID RA10) no later than 11am on 2 March 2016 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita Asset Services is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

NOTES RELATING TO ANNUAL GENERAL MEETING

CONTINUED

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

CORPORATE REPRESENTATIVES

5. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

DOCUMENTS AVAILABLE FOR INSPECTION

6. The following documents will be available for inspection during normal business hours at the registered office of the Company from the date of this Notice until the time of the meeting. They will also be available for inspection at the place of the meeting from at least 15 minutes before the meeting until it ends.
 - a. Copies of the service contracts of the Executive Directors.
 - b. Copies of the letters of appointment of the Non-executive Directors.

BIOGRAPHICAL DETAILS OF DIRECTORS

7. Biographical details of all those Directors who are offering themselves for reappointment at the meeting are set out on pages 28 and 29 of the enclosed Annual Report and Accounts.



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