actual experience

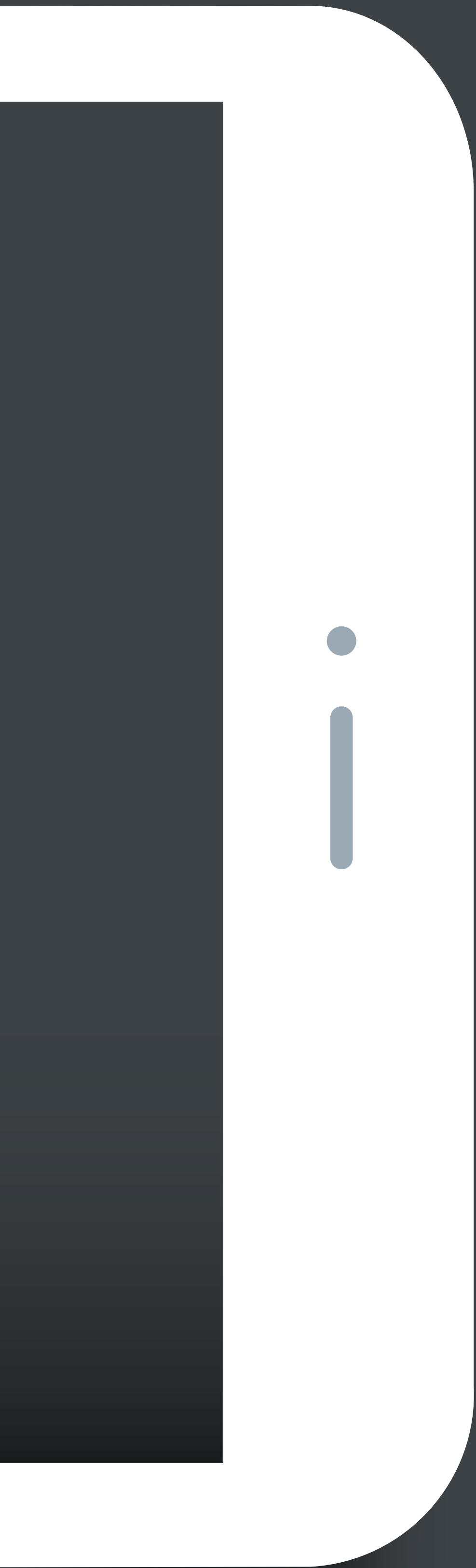
ANALYTICS INSIGHT ACTION

Annual Report 2017

BORING BUFFERING

SLOW SYNCING

DELAYED DATA



We all experience poor digital quality

It's the end of the day and the sales application is working at half speed. You'll be working late again to log today's sales. This is poor digital quality – it affects your ability to work productively, and ruins your experience of a website or application.

Global E-commerce sales

90% B2B

See Market overview on page 10

2017 HIGHLIGHTS

Financial

Revenue
£0.36m

Loss per share
17.72p

Loss for the year
£7.40m

Cash and term deposits
£18.21m

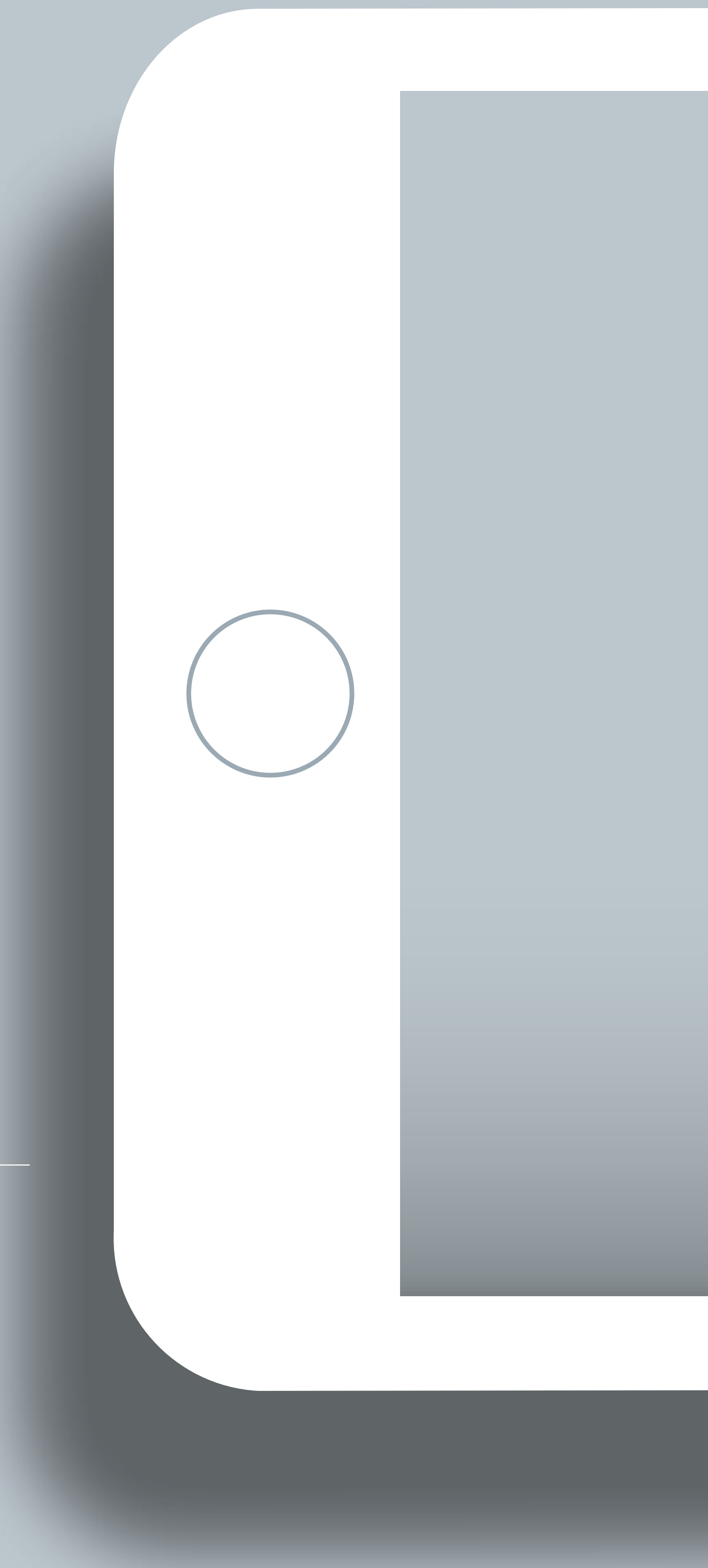
Operational

- 2017 was a year in which we prepared the business for large scale production with our Channel Partners
- Signing of a multi-year framework agreement with Proquire, the procurement arm of Accenture, our fourth MSA
- Increased head count to support Channel Partner development from 57 to 80
- Improvement of processes throughout the business to enable better working with our partners
- Improvement of product in terms of stability and automation in order to be able to operate at scale with partners

CONTENTS

Improving user experience through digital insight

We don't have to accept inconsistent digital experience. Actual Experience analyses the digital supply chains that deliver digital products and services to leading brands around the world. Our analytics provide the insight required to bring consistency to the quality of the digital experience of their customers and staff.



Global digital economy

$25.3t

MARVELLOUS MEETINGS

CONSTANT COMMS

INSTANT ACCESS

How it works

PROVIDING ANALYTICS & INSIGHT TO IMPROVE DIGITAL QUALITY

We all experience digital quality problems at home, on the phone, and in the office, which disrupt our working and reduce our productivity. Actual Experience Analytics-as-a-Service has been uniquely designed to solve this problem.

> Actual Experience's analytics have far-reaching applicability, with the potential to benefit any organisation with a digital business or footprint.

PROBLEMS

DELAYED DATA

Office working can be unproductive when you need information now, and your CRM is holding you up.

SLOW SYNCING

Mobile working is a challenge when you're on the go, and your email is running behind.

BORING BUFFERING

Distributed collaboration gets frustrating when your video conferencing tool isn't working as well as you are.

ANALYTICS

Digital Users

Actual Experience Digital User software is lightweight and sits on the laptops, PCs and phones of a small sample of real users. Digital Users continuously take detailed measurements of every point on the path between the application and the user (including the application itself) and send this measurement data up to the Analytics Cloud.

For a large customer, we make

38,000

measurements per minute

Every point on the path is a different business or technology in a long chain between user and application.

See Our strategy on page 16

Analytics Cloud

The Actual Experience Analytics Cloud continuously receives measurement data from the Digital Users and analyses this data in real time using patented technology. This analysis is essential in order to provide the insights necessary to improve digital quality.

For a large customer the Analytics Cloud makes

7 million

calculations per minute

The cause of the quality problem is somewhere in this chain.

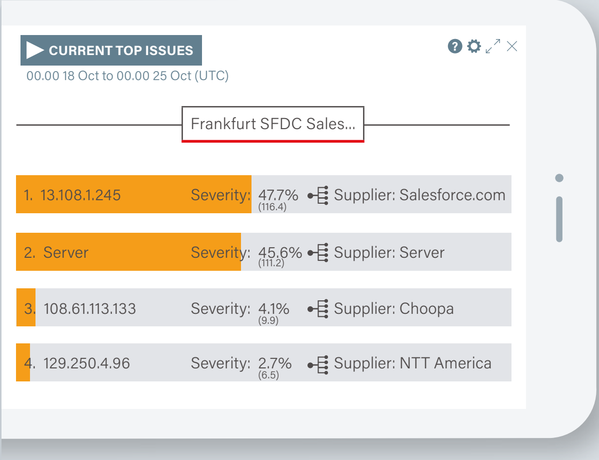
INSIGHT

Quality Dashboard

The Actual Experience Quality Dashboard provides actionable data for Service Providers to pinpoint the cause of poor digital quality. This insight can be used to fix or improve the digital quality problems that users are experiencing in their homes, on their phones or in the office.

Actionable information

Below is our Quality Dashboard, which simply shows where the problem is in the chain that sits between the user and the application, and what sort of action needs to be taken to solve the problem.



ACTION

Office

The Quality Dashboard might show, for example, that there is a problem with the company's internet service provider. Armed with this information the IT department is able to take action, such as contacting the ISP to resolve the issue.

Mobile

The Quality Dashboard might show, for example, that there is a problem with the mobile application. Armed with this information the IT department migrates the email accounts to an application that is specifically designed to work on mobile.

Home

The Quality Dashboard might show, for example, that there is a problem with the wifi in the home. Armed with this information the user is able to take action, such as connecting their laptop to the router via cable, enabling them to video conference without the buffering.

OUTCOMES

INSTANT ACCESS

CONSTANT COMMS

MARVELLOUS MEETINGS

How it works in practice

> As well as providing our customer with unambiguous visibility and assurance during change, the Vodafone account team found Actual Experience analytics allowed them to efficiently focus on areas of the account most critical to their business, and augment an already strong relationship with additional mission-critical data.

Matt Barclay
Vodafone account manager

INSTANT ACCESS

Managing digital quality throughout transformation

Actual Experience Analytics-as-a-Service has been deployed globally at an international Government department by Vodafone to ensure that customer experience of critical applications is managed and improved throughout an ongoing programme of change to the Government department's digital infrastructure. This enabled Vodafone and the Government department to assure the success and impact of changes as they were made.

The international Government department found that their digital supply chain and customer demand changed constantly, and concluded that all critical applications must be continuously managed.

They now view Actual Experience's end user experience scores as the benchmark by which to measure the success of any digital transformation, and have found Actual Experience's insight invaluable throughout the process.

86%

of organisations believe they should execute a business transformation initiative regularly

Chairman's statement

"I am pleased to report that 2017 was a year in which we made significant progress towards production with our global Channel Partners."

Stephen Davidson
Chairman

I am pleased to report that 2017 was a year in which we made significant progress towards production with our global Channel Partners. After we signed a fourth global Channel Partner early in the year, the next stage of development has been to support those partners for wide-scale deployment of our service within their customer bases.

Given the huge opportunity within these customer bases, the Board took the decision to focus efforts solely on those existing partners and to provide them with the tools and levels of support needed for wider deployment.

Investment has been made into refining our technology, both in terms of its operation and scalability and how it operates within the processes of our Channel Partners. Those refinements have been successfully developed and tested and we now look forward to significant commercial deployment.

The importance of cyber security has never been more apparent to all organisations and I am proud to report that Actual Experience has gained both Cyber Essentials and Cyber Essentials Plus accreditation. These reflect industry best practice and foster confidence for our Channel Partners and their customers.

Our people are critical to our success and I'm delighted to relay that employee engagement scores are high, both by internal and external measures. On behalf of the Board, I thank all of our colleagues for their exceptional commitment.

Fundraise

I would also like to thank our shareholders, both pre-existing and those who joined the register in 2017. These include institutions who participated in raising £17.5 million in the year to fund the increased investment in accelerated deployment.

Outlook

Revenues decreased in 2017 as a consequence of our strategy to focus solely on existing Channel Partners. 2018 is a year in which we will see our first significant commercial deployment and revenues. It's a year in which we must deliver and we look forward with eager anticipation and confidence.

Stephen Davidson
Chairman
16 January 2018

TIMELINE

1999
Professor Jonathan Pitts of Queen Mary University of London worked on quality-based approach to voice packet queueing

2001
Dave Page suggested digital Voice of the Customer approach to research

2008
Prof made the digital Voice of the Customer approach work

Prof and Dave agreed to work on developing a business based on the technology

Dave set up shop in his home basement

2009
Limited Company established and initial convertible loan funding raised

Dave moved the business into an office

Commercial development began

2010
First customer signed

Stage 1 seed funding raised

2011
Stage 2 seed funding raised

2013
£5m funding

2014
Admission to AIM

2015
£16m funding

Signed an MSA with a Forbes Top 100 Company

Signed an MSA with Verizon

Signed an MSA with Vodafone

2017
£17.5m funding. Proceeds used to increase scalability of products and processes

Signed an MSA with Accenture

Market overview

INCREASING NEED FOR IMPROVED DIGITAL QUALITY

The global economy is becoming more digital. In 2017, UNCTAD reported that worldwide e-commerce sales reached $25.3t, of which 90% were B2B transactions. This is where Actual Experience is currently focused.

With the increasing monetary value of digital transactions, it is more important than ever that the quality of the journeys supporting these transactions is consistently good. That is where Actual Experience comes in. Actual Experience manages the quality of the digital journeys that feed the $25t digital economy, ensuring that users everywhere can complete their digital transactions quickly and easily.

E-commerce market (UNCTAD 2017)

$25.3t

(UNCTAD 2016: $22.1t)

Manufacturing (USA)

Online orders accepted for manufactured products, where the price and terms of sale are negotiated over the Internet, electronic mail or other online system.

Total sales 2015

$3,506bn

(2014: $3,612.3bn)

	Digital	Non-digital
Percentage of sales in 2015	63.2% (+1.8%)	36.8%
Percentage of sales in 2014	61.4%	38.6%

Wholesale (USA)

Total e-commerce sales for merchant wholesalers in the US, including manufacturers' sales branches and offices.

Total sales 2015

$2,198.8bn

(2014: $2,158.8bn)

	Digital	Non-digital
Percentage of sales in 2015	30.2% (+2.1%)	69.8%
Percentage of sales in 2014	28.1%	71.9%

Retail (USA)

Sales from e-commerce for US retailers, estimate based on a sample by the Annual Retail Trade Survey.

Total sales 2015

$340.4bn

(2014: $298.7bn)

	Digital	Non-digital
Percentage of sales in 2015	7.2% (+0.8%)	92.8%
Percentage of sales in 2014	6.4%	93.6%

Services (USA)

E-commerce revenues for selected industries in the US. Revenues are the Dollar value of transactions and contracts between reporting firms and their customers.

Total sales 2015

$549.7bn

(2014: $511.8bn)

	Digital	Non-digital
Percentage of sales in 2015	3.9% (+0.1%)	96.1%
Percentage of sales in 2014	3.8%	96.2%

Our business model

Annuity revenue model

We provide Analytics-as-a-Service to our Channel Partners. They pass this on to their enterprise customers. This gives the enterprise customers the actionable insight that they can use to improve their customers' digital journeys.

We sell our Channel Partners analytic capacity in our Analytics Cloud. The greater the required capacity, the greater the fee. Actual Experience revenue from a Channel Partner's multinational enterprise customer may be in excess of $500k per annum, based on the analytic capacity required. Our Channel Partners have hundreds of multinational customers and thousands of small and medium-sized business customers.

Digital Users are licensed for free. This enables customers to install them wherever they may need them. A fee is only incurred when a Channel Partner chooses to analyse the measurements made by the Digital User.

Full adoption of Actual Experience within a Channel Partner's customer is expected to take from 12 months to two years.

Full rollout of our Analytics-as-a-Service (AaaS) by a Channel Partner amongst their customers is likely to take three to five years.

We have developed unique IP that allows us to deliver high value propositions for our Channel Partners and their customers

KEY STRENGTHS

Intellectual property

Patents
We have patents granted in the US and China and pending in Europe.

Trade secrets
It has taken the last eight and a half years, since the creation of the Company, to make the patented technology work effectively in the real world.

Expertise
Within the R&D team we have particular expertise in the field of mathematics, and in Sales we have deep experience in understanding the operation of Channel Partners.

Process and platform

Our AaaS platform has been live since 2011, with continual improvements being made. The value proposition is now firmly established amongst our Channel Partners.

Channel Partnerships

We are focused on developing relationships with large Channel Partners, who have access to an enormous number of business and consumer customers.

First mover advantage

Although there are many vendors targeting budgets for the improvement of digital journeys, the Board remains convinced that we are uniquely positioned amongst these vendors because of our ability to analyse complex digital supply chains.

GENERATING VALUE

AaaS
Our AaaS provides actionable information for our Channel Partners to improve digital journeys that exist in a highly complex digital supply chain made up of numerous businesses and technologies.

Scalable operating model
We have invested considerable time and effort working with our Channel Partners to be built into their customer offerings. Over time, Channel Partners will increasingly become able to scale their rollout of our AaaS independently, and in maturity they will require minimal support from Actual Experience.

Vast market opportunity
Our AaaS improves the quality of the digital journeys that make up the $25t global digital economy. As the number of transactions that take place digitally increases, the need for consistency and quality to support the global digital economy will only increase.

WHO BENEFITS

Channel Partners
Our AaaS improves the operational efficiency of Channel Partners, reducing the cost of service delivery and differentiating their offerings in the market.

End users
Clients, their staff and customers
Business leaders are increasingly aware that the productivity of their staff and the satisfaction of their online customers relies heavily on the quality of their digital journeys. With Actual Experience, end users have actionable information to continuously improve the quality of digital journeys.

Shareholders
Long-term capital growth
Actual Experience are building a platform that can access the global digital economy at scale through channel partnerships. Successful execution with our existing channel partners will lay the foundations for enormous growth potential in the next ten years through our existing and new channel partner relationships.

Employees
Actual Experience is dedicated to ensuring the happiness and success of our employees. Providing rewarding careers at the cutting edge of technology, staff are encouraged to grow with the business and are provided with regular opportunities for personal development.

Chief Executive's statement

"We believe we are approaching an inflection point for the business in 2018. This year should see more and larger deployments as our Channel Partners build towards large scale global rollout."

Dave Page
Chief Executive Officer

Introduction

2017 has seen the Company make continued progress against its strategic objectives. At the start of the financial year an agreement was signed with Proquire, the procurement arm of Accenture plc. This meant that four of the world's largest service providers were now actively preparing to take our offering to their customer bases, and the Board therefore took the decision to focus all of the Company's resources and efforts during the year on taking those partners through to production.

Following a successful fundraise in February 2017, we have been able to commit further investment into each of our Channel Partners, to truly understand their processes and provide them with the support that they need for deployment of our technology. It has been a learning process, both for the Company and each of its partners and through what we have learnt we have been able to adapt, modify and enhance our product.

The first production deployments have been successfully made, on a small scale, and we have come a long way towards larger scale deployments which we expect to take place in the fiscal year 2018.

It is pleasing to note that progress with our most recently signed Channel Partner has been faster and smoother than with previous engagements. This underlines our belief that the need for our Analytics-as-a-Service (AaaS) is becoming evermore important in an increasingly digital world, as well as reflecting improvements in our product and implementation processes.

Strategy overview

In 2017, we increasingly focused all of our efforts on our four signed Channel Partners. In turn, they are focusing their deployment of Actual Experience into their largest enterprise customers.

Our digital AaaS is being embedded into the processes and products of our Channel Partners, enabling them to deliver a consistent and reliable digital experience across complex global digital supply chains for their enterprise customers, to the benefit of the customers and employees of those enterprises.

We believe we are approaching an inflection point for the business in 2018. We have been readying our product and partners for production since the initial signing of Master Service Agreements (MSAs). This year should see more and larger deployments as they build towards large scale global rollout. To ensure the success of these rollouts, we will remain focused on our four Channel Partners. This focus will enable us to achieve operational excellence and ensure partner satisfaction.

We continue to maintain a small base of important direct enterprise customers. Their feedback has been, and continues to be, extremely useful in helping to develop our product.

Market opportunity

In 2017 the global digital economy reached over $25t, and the number of transactions that make up this economy is growing year on year. As the digital world becomes an increasingly important utility for businesses, the need for quality and consistency to support these valuable transactions is only increasing.

The global digital economy is made up of an increasing number of businesses, that in turn are part of the global digital supply chain. As the value of the global digital economy increases, business leaders demand digital quality for their staff and customers. While hundreds of products exist that can manage the individual components, we believe that our AaaS is the only product that has been built from the ground up to manage the entire global digital supply chain, providing the insight required to improve the quality and consistency of staff and customer digital experiences.

Operational review

We have made considerable progress in the year across our operations:

Organisational structure

Overall head count during the year increased from 57 to 80, with the majority of investment being in R&D and operational staff, reflecting the Company's focus on its existing Channel Partners. Whilst overall numbers have increased, the business has streamlined, resulting in a more effective organisation singularly focused on execution excellence with our Channel Partners.

Product development

Through 2017 we have learnt, together with our partners, how their processes and our product can be simplified and improved to aid deployment at global scale. For instance, in August, we were pleased to announce that we had received an open PO from one of our Channel Partners. This PO reflected certain procurement process improvements made, enabling us to more easily fulfil orders from that partner. As with the open PO, the other process and product developments support our ability to deploy our product globally at scale, and therefore to tap into our partners' vast customer bases.

Channel Partner update

The progress that we have made within each of our Channel Partners throughout the course of the year has vindicated our strategic decision to concentrate on them solely.

At the time of the Placing in February, the Company was able to announce that it had received the first order from a Channel Partner to begin production rollout of a major customer. Since then, further deployments have taken place within further customers. The overall demand from our Channel Partners is greater than we had originally envisaged, with the desire for faster and more widespread deployment balanced by the operational need to get it right first time, every time.

Current trading and outlook

In 2017, we have seen initial small scale commercial deployments through our Channel Partners and, working with them, have implemented product and process improvements. This was no small challenge and has drawn heavily on the skills and experience of our employees. As a result, we believe we are now ready to do business with our Channel Partners at the scale and speed they require. We are confident that 2018 will bring the first fruits of the hard work of previous years, with significantly larger scale deployments and accompanying revenue.

Dave Page
Chief Executive Officer
16 January 2018

Our strategy

To continue to focus on our four Channel Partners until we produce channel revenue at scale.

FOCUSED ON OUR KEY CHANNEL PARTNERS

verizon

Verizon is a global leader delivering innovative communications and technology solutions that improve the way their customers live, work and play.

vodafone

Vodafone is one of the world's largest telecommunications companies providing a wide range of services including voice, messaging and data across mobile and fixed networks.

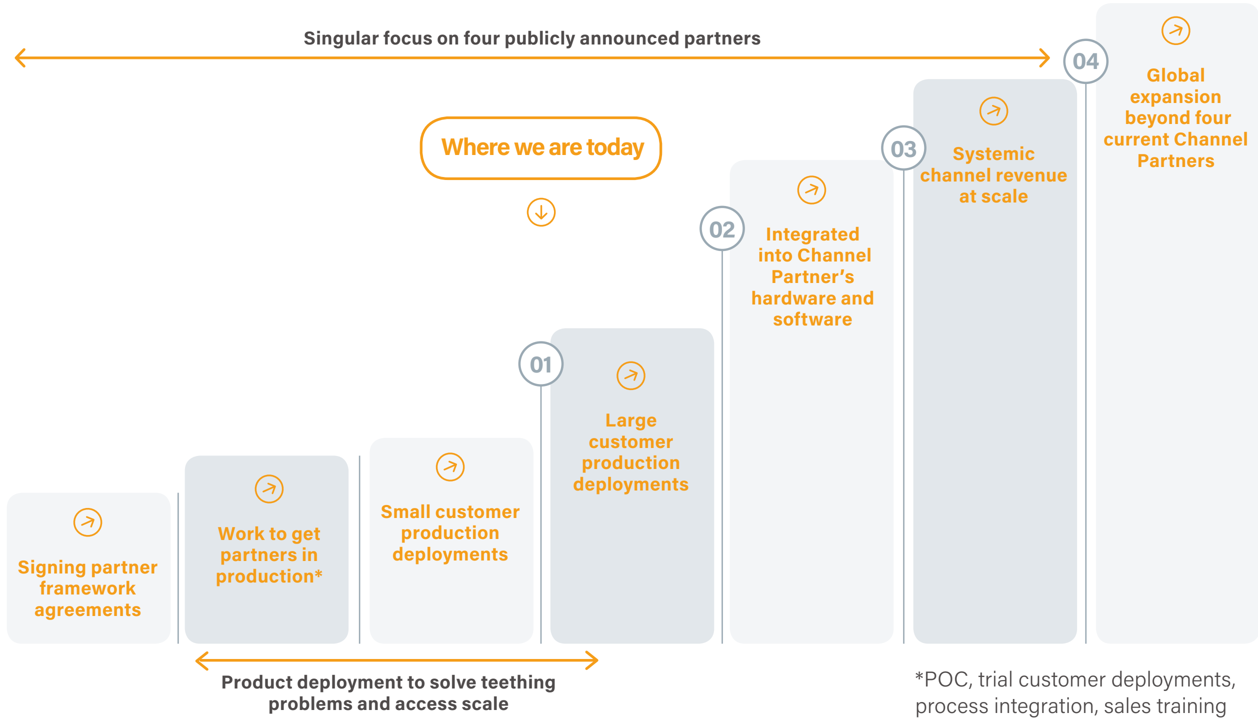
accenture

Accenture solves their clients' toughest challenges by providing unmatched services in strategy, consulting, digital, technology and operations.

A Forbes' Top 100 global brand

A brand that provides professionals with the intelligence, technology and human expertise they need to find trusted answers.

STRATEGIC ROADMAP



*POC, trial customer deployments, process integration, sales training

01 Now that our Channel Partners are deploying customers at small scale, we will continue to deliver process and product improvements to help them deploy our technology inside their customers more quickly and more easily in order to increasingly access the full scale of opportunity within these partner organisations. The first sign of success will be the first large customer deployments taking place.

02 Focus will then shift to integrating our software with the hardware and software of our partners in such a way that when their products are deployed Actual Experience is already inside. This will increase the scale and pace of rollout of our analytics.

03 We will then focus on supporting our Channel Partners with the speed and scale of rollout increasing.

04 When systemic channel revenue growth has been achieved, we believe that we will have proved that we can take any large organisation (such as our current partners) from initial business development all the way to successfully and efficiently deploying our technology among their customer base at scale. We would then look to replicate this approach across the industry, beyond the four focus Channel Partners of today.

Financial review

"The Group ended the year with cash and term deposits totalling over £18.2m."

Steve Bennetts
Chief Financial Officer

Revenue

Revenue recognised in the year ended 30 September 2017 was £364,832 (2016: £716,346) and relates to the supply of analytical services and associated consultancy activities to customers. 68% of revenue was derived from sales to channel customers (2016: 60%) with the balance arising from direct sales. This increased percentage reflects the Group's strategic focus on generating revenue growth from its Channel Partners.

Gross loss

As noted in the Chief Executive's statement, the Group continued to make significant investment during the year to establish the infrastructure required to fully support its Channel Partners, including a 24-hour support centre. The set-up costs of this support infrastructure resulted in a gross loss for the year of £935,852 (2016: loss of £238,466).

Expenses

Administrative expenses comprising R&D, operational support, sales and marketing, finance and administration costs and foreign exchange gains and losses totalled £6,976,814, an increase of £1,170,515 compared to the prior year. This increase reflects the continued investment made by the Group in technology development and operational support infrastructure. Personnel costs continue to be the largest expense and represent approximately 68% of the Group's cost base.
The functional cost breakdown is as follows:

	2017 £	2016 £
Research and development	**2,268,142**	1,215,950
Operational support	**925,777**	476,912
Sales and marketing	**2,635,094**	3,320,447
Finance and administration	**1,030,139**	937,878
Foreign exchange losses/(gains)	**117,662**	(144,888)
Total	**6,976,814**	5,806,299

Tax

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

Loss for the year

Losses after tax for the year ended 30 September 2017 totalled £7,397,149 (2016: loss of £5,671,072). These losses are primarily generated by employee costs and related expenses.

Loss per share

The loss per share for the year was 17.72p (2016: loss of 15.21p). Earnings per share have been impacted by the increases in operating costs.

Dividend

No dividend has been proposed for the year ended 30 September 2017 (2016: £nil).

Cash flow

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 2017, in line with expectations. The Group's costs are mostly operating related, with very little investment required for capital infrastructure. Cash used by operating activities was £7,086,016 for the year, compared to cash used of £5,210,287 for the year ended 30 September 2016. This operating cash requirement was substantially funded by cash reserves and the Group ended the year with cash and term deposits totalling £18,209,850 (2016: £9,415,886).

Software development capitalisation

The Directors believe that the software development capitalisation criteria in IAS38 have been met and accordingly development costs, net of amortisation charges, of £1,266,261 have been capitalised as at 30 September 2017 (2016: £516,041).

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 40 to 45.

Principal risks and uncertainties

The principal risks and uncertainties facing the Group are set out on pages 20 and 21.

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 £364,832 (2016: £716,346) and the level of cash and term deposits held in the business of £18,209,850 (2016: £9,415,886). 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 2017 the Group employed 80 people in three offices (2016: 57 people), of which 56 were male and 24 were female. As at the date of this document, of the six senior members of management, one is female.

Directors

Details of the Directors who served during the year ending 30 September 2017 are noted in the Directors' remuneration report. All seven of the Directors serving on the Board at the year end were male.

On behalf of the Board.

Steve Bennetts
Chief Financial Officer
16 January 2018

Principal risks and uncertainties

Risk management framework

In common with all businesses, Actual Experience is exposed to risks and uncertainties as an inherent part of creating value for its shareholders. The Board recognises that effective risk management is fundamental to the Group's ability to meet its strategic objectives and it is the Board's responsibility to ensure that risk is appropriately managed across the Group. Following the formation of the Risk Committee and the establishment of a comprehensive Risk Policy in the previous financial year, the current focus has been to continue this important initiative and ensure that effective risk management activities are ingrained in all aspects of our business.

The Risk Committee is chaired by Non-executive Director Paul Spence and has functional representation from senior management, including the CEO and CFO. The Risk Committee meet two or three times per year and report their findings to the Board.

The Risk Policy defines how and at what frequency risks shall be reviewed. The Executive Risk Committee meet on a monthly basis and membership is made up of key operational managers. Each representative is responsible for the evaluation and implementation of risk mitigation within their functional areas.

It is the responsibility of the Executive Risk Committee to maintain the master risk register. This register lists recognised risks and categorises them into risk themes. Resource and mitigation priorities are assessed based on likelihood and impact of risk occurrence.

Risk governance overview

ACTUAL EXPERIENCE BOARD (RISK RELATED ACTIVITIES)

- Agrees risk governance framework
- Sets level of risk appetite
- Approves Risk Policy

BOARD RISK COMMITTEE

Terms of reference

- Reviews risk management framework and effectiveness
- Reviews key residual risk
- Recommends to Board appropriate levels of risk appetite
- Recommends changes to policy

EXECUTIVE RISK COMMITTEE

- Operational review and management of risk
- Allocation of risk to owners and agree risk assessment
- Implementation of risk mitigation
- Funding and resource allocation

MASTER RISK REGISTER

Principal operational risks

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.

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 operations are as follows:

Description of risk	Mitigation of risk
Technology ownership, change and competition Fundamental to the Group's business is a combination of patents and know-how. Our success will, in part, depend on our ability to maintain adequate protection of this intellectual property and know-how. Our revenue and profitability are affected by the extent to which there is increasing requirement for, and development by our competitors of, additional product features and capabilities. Significant investments are made in new product development to address these requirements, 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 features, 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 operational results.	**Product protection and innovation** The Group retains the services of a leading patent attorney and ensures that all reasonable steps are taken to protect its patented technology. In addition, enhanced procedures have been introduced to ensure that critical know-how is identified and recorded, with appropriate controls over access to these records. 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 quality 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 developed internal processes for prioritising and reviewing our development projects.
Managing rapid growth 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, this could have a material adverse impact on our financial position.	**Investing in operational excellence** The Board and management are continually reviewing and enhancing our internal controls and processes. A critical objective of this analysis is to ensure that capability to scale operations is a core consideration within each business function, and that all functions interoperate efficiently as required to deliver and support our services at scale.
Acceptance of the Group's analytic services and pricing model The Group is at an early stage of development and its ultimate success will depend on the acceptance of its analytic services and pricing model by channel customers. Successful engagement with large channel customers typically requires the completion of an extensive on-boarding process and the timescales for this are both lengthy and time consuming.	**Developing improved customer engagement practices** Management has acquired considerable experience in partnering with large channel customers and seeks to apply best practice learning to drive efficiencies and improve its operational capabilities. While prioritising sales efforts on channel development, the Group will continue to maintain a number of direct customer engagements to ensure a thorough understanding is maintained of both evolving digital quality management practices in the enterprise sector and the pricing characteristics of this service.
Dependence on key executives and personnel and recruitment and retention of new talent The Group is dependent on its senior management and skilled technical personnel. Whilst much of the Group's 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. Failure to retain the services of any of these people may adversely affect the Group's ability to achieve its commercial objectives. In addition, the Group continues to expand rapidly. It is essential that the Group is able to attract employees of a high calibre to drive its future success.	**Strengthening of the human resources function** During the year the Group recruited an experienced HR Director, who is leading new initiatives and enhancing existing processes with regard to recruitment activities, employment practices and staff benefits. The Group believes that share-based compensation is a critical element of its ability to attract, retain, and motivate key talent and will continue to issue options in accordance with its policy in this area. During the year the Group introduced a defined contribution pension scheme, health insurance, life insurance and other employee benefits, ensuring that the Group remains competitive with market practice. Investment will continue to be made in human resource systems and procedures to ensure compliance with legislation and effective interactions with employees.
Information security 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.	**Effective protection of information security and data integrity** 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 continues to be 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 that require improvement. 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 disaster recovery and business continuity plans are in place to ensure robust sustainability of operations.

Board of Directors

STEPHEN DAVIDSON
Non-executive Chairman

Appointed to Board:
February 2014

Independent:
Yes

Stephen is currently Non-executive Chairman of JSE listed Datatec Limited, Non-executive Director of Informa plc and Non-executive Director of Restore plc. In his earlier career, Stephen was CFO, then CEO, of Telewest Communications plc and Vice Chairman of investment banking at WestLB Panmure.

B Re N

DAVE PAGE
Chief Executive Officer

Appointed to Board:
February 2014

Independent:
No

Dave has diverse commercial and technical IT experience. 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 $1bn 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.

B N Ri

STEVE BENNETTS
Chief Financial Officer

Appointed to Board:
February 2014

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; a highlight of this period included the trade sale of Content Technologies for approximately $1bn.

B Ri

ROBIN YOUNG
Chief Operating Officer

Appointed to Board:
September 2014

Independent:
No

Robin was appointed Chief Operating 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.

B Ri

SIR BRYAN CARSBERG
Non-executive Director

Appointed to Board:
July 2014

Independent:
Yes

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 Communications plc, Inmarsat plc and RM plc, and in 2002 was Expert Adviser to the Joint Parliamentary Committee to undertake pre-legislative scrutiny of the proposed new Communications bill, now the Communications Act, 2003.

B Re A

DR MARK REILLY
Non-executive Director

Appointed to Board:
February 2014

Independent:
No

Mark is Head of the Technology division of IP Group plc, one of the UK's leading 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 innovative high-tech companies such as Ultrahaptics Ltd and Mirriad Ltd. He has overseen successful IP Group exits such as mobile software company Overlay Media and AIM-listed Tracsis plc. 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 the University of Cambridge.

B Re N A

PAUL SPENCE
Non-executive Director

Appointed to Board:
February 2016

Independent:
Yes

Paul has spent much of his career with Capgemini and its predecessor companies, during which time his roles included deputy Group CEO and CEO of Capgemini Global Outsourcing Services. He has extensive experience of the outsourcing industry in both the public and private sectors, as well as broad international experience, having lived in and been responsible for, at various times, the North American, Latin American, Australian, Asian, and European markets. Paul is a graduate of the Wharton School at the University of Pennsylvania and is currently a Non-executive Director of G4S.

B N A Ri

Committee membership

- B Executive Board
- Re Remuneration
- N Nomination
- A Audit
- Ri Risk
- Denotes Chairman

Independence

Independent	3
Not independent	4

Directors' report

The Directors present their report and audited consolidated financial statements of the Group and of the Company for the year ended 30 September 2017. These will be laid before the shareholders of the Company at the next Annual General Meeting (AGM).

General information and principal activities

Actual Experience plc is listed on the AIM market of the London Stock Exchange (LSE:ACT). The Company is domiciled in the United Kingdom, incorporated in England and Wales, registration number 06838738, and the address of its registered office is Quay House, The Ambury, Bath BA1 1UA.

The principal activity of the Group is the provision of digital experience quality analytics.

Results and dividends

The results of the Group for the year ended 30 September 2017 are set out in the Consolidated statement of comprehensive income on page 36.

The Directors do not propose payment of a dividend for the year ended 30 September 2017 (2016: nil).

Review of the year

A summary of the Group's progress and development is set out in the Chairman's statement, the Chief Executive's statement, and the Financial review, which form part of the Strategic report on pages 8 to 21. 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 Operational Officer)
- Sir Bryan Carsberg (Non-executive Director)
- Dr Mark Reilly (Non-executive Director)
- Paul Spence (Non-executive Director)

Short biographies of each Director are provided on pages 22 and 23.

Directors' interests and indemnity arrangements

Directors' interests in the shares of the Company, including family interests, are disclosed in the Directors' remuneration report on pages 30 and 31.

As permitted by the Articles of Association, in accordance with Section 234 of the Companies Act 2006, 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 Directors' 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 17 to the consolidated financial statements.

The share capital comprises one class of ordinary shares and these are listed on AIM. As at 31 December 2017 there were in issue 44,816,213 fully paid ordinary shares. All shares are freely transferable and rank pari passu for voting and dividend rights.

Substantial holdings

As at 31 December 2017, 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
IP Group plc	9,928,384	22.15%
Lombard Odier	6,870,974	15.33%
M&G	6,615,674	14.76%
Mr Michael Edge	3,195,000	7.13%
Queen Mary University of London	2,610,000	5.82%
Mr Dave Page	1,932,368	4.31%
Professor Jonathan Pitts	1,879,750	4.19%
Ruffer	1,877,677	4.19%
Allianz	1,709,594	3.81%

Save as referred to above, the Directors are not aware of any persons as at 31 December 2017 who were interested in three per cent 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 objectives and policies 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 28 February 2018 at the London office of Osborne Clarke. On page 62 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 been 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
16 January 2018

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and 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 Company and of the profit or loss of the Group and Company for the period. In preparing the financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Company's performance, business model and strategy.

Each of the Directors, whose names and functions are listed in Directors' report confirm that, to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the Company;
- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the Group; and
- the Directors' report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

Corporate governance report

On behalf of the Board I am pleased to present the Actual Experience plc Corporate governance report for the year ended 30 September 2017.

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

The Directors recognise the importance of sound corporate governance and remain committed to delivering the long-term success of the Group through an effective framework of leadership, management and controls.

Stephen Davidson
Chairman
16 January 2018

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 Code to the extent appropriate in its circumstances.

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:	Non-executive:
Dave Page	Stephen Davidson
Chief Executive Officer	*Chairman*
Steve Bennetts	Sir Bryan Carsberg
Chief Financial Officer	Dr Mark Reilly
Robin Young	Paul Spence
Chief Operating Officer	

The Board considers that it contains a range of skills, experience and knowledge that is appropriate for the business. Furthermore, 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. The Board believes that it operates in an open and constructive manner and works effectively.

Brief biographies of the Directors, together with their membership of Board Committees, are set out on pages 22 and 23.

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 five times during the year ended 30 September 2017 to monitor trading performance, review budgets and strategy, oversee shareholder reporting, and to receive and consider reports from Board Committees. In addition, ad hoc meetings were convened to deal with procedural matters. Attendance at the scheduled Board meetings during the year was as follows:

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

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 Chairman is available to shareholders to discuss strategy and governance issues, and any views arising from this route are also communicated to the Board as a whole.

The Chief Executive Officer is responsible for leadership of the 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 Actual Experience. Its principal role is to provide leadership for the Group 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 is 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 to retire at the next AGM and to seek appointment by shareholders.

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 Committee are independent Non-executive Directors; while keeping this recommendation in mind, the Board considered it desirable for Dr Reilly to be Chairman of the Remuneration Committee and a member of the Audit Committee, even though he was not fully independent. 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.

BOARD COMMITTEES

Audit Committee

The Audit Committee determines and examines matters relating to the financial affairs of Actual Experience including the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the audit. It receives and reviews reports from management and the Company's auditors relating to the half yearly and annual financial statements and the accounting and the internal control systems in use throughout the Company.

Chairman:
Sir Bryan Carsberg

Members:
Dr Mark Reilly
Paul Spence

Remuneration Committee

The Remuneration Committee reviews and makes recommendations in respect of the Directors' remuneration and benefits packages, including share options and the terms of their appointment. The Remuneration Committee also makes recommendations to the Board concerning the allocation of share options to employees under the Share Option Scheme.

Chairman:
Dr Mark Reilly

Members:
Stephen Davidson
Sir Bryan Carsberg

Nominations Committee

The Nominations Committee monitors the size and composition of the Board and the other Board Committees, is responsible for identifying suitable candidates for Board membership and monitors the performance and suitability of the current Board on an ongoing basis.

Chairman:
Stephen Davidson

Members:
Dave Page
Dr Mark Reilly
Paul Spence

Risk Committee

The Risk Committee determines the overall process to identify, manage and control risk within Actual Experience. It is responsible for developing the Risk Policy and approving any subsequent changes to its content. The Risk Committee receives reports from management on the residual risks within Actual Experience and determines the appropriate level of risk appetite for the Company.

Chairman:
Paul Spence

Members:
Steve Bennetts
Dave Page
Robin Young

Corporate governance report continued

Audit Committee
The Audit Committee meets at least twice 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 during the year are shown below:

Number of scheduled meetings	3
Sir Bryan Carsberg (Chairman)	3
Dr Mark Reilly	3
Paul Spence	3
Dave Page[1]	3
Steve Bennetts[1]	3

[1] By invitation

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 30 and 31.

Risk Committee
The Risk Committee meets two to three times a year and advises the Board on the Group's overall risk appetite, develops the Group's risk management strategy, advises the Audit Committee and the Board on risk exposures, reviews the level of risk within the Group and assesses the effectiveness of the Group's risk management systems.

Details of the membership and attendance at Risk Committee meetings during the year are shown below:

Number of scheduled meetings	2
Paul Spence (Chairman)	2
Dave Page	2
Steve Bennetts	2
Robin Young	2

Senior managers are normally invited to attend meetings of the Committee.

Further information on the Group's management of Risk may be found on pages 20 and 21.

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, Dr Mark Reilly, Paul Spence, and Dave Page.

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.
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.
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 attaches 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 which 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, Risk, 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 Annual General Meeting on page 62. This Notice of Annual General 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 which 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
16 January 2018

Directors' 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	2
Dr Mark Reilly (Chairman)	2
Stephen Davidson	2
Sir Bryan Carsberg	2
Dave Page[1]	2
Steve Bennetts[1]	2

[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 discussion 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 302.50 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 an initial 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 Paul Spence have each been awarded share options, as shown on the next page.

Directors' remuneration (audited)

The remuneration of the Board Directors of Actual Experience plc during the year ended 30 September 2017 was:

	Salary and fees £	Employer pension contributions £	Healthcare £	Bonus £	Total Year ended 30 September 2017 £	Total Year ended 30 September 2016 £
Stephen Davidson[1]	50,000	–	–	–	50,000	50,000
Dave Page	150,000	1,000	158	–	151,158	145,000
Steve Bennetts[1]	125,000	1,733	273	–	127,006	115,000
Robin Young[1]	150,000	–	169	–	150,169	112,500
Sir Bryan Carsberg[1]	25,000	–	–	–	25,000	25,000
Dr Mark Reilly	25,000	–	–	–	25,000	25,000
Paul Spence[1]	25,000	–	–	–	25,000	16,667
Total	550,000	2,733	600	–	553,333	489,167

[1] In addition, certain Directors hold share option 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 £1,841 (2016: £5,159), Steve Bennetts £1,176 (2016: £2,756), Robin Young £12,519 (2016: £25,943), Sir Bryan Carsberg £1,841 (2016: £2,756), and Paul Spence £21,351 (2016: £19,284).

Directors' shareholdings (audited)

The interests of the Directors holding office at 30 September 2017 in the shares of the Company, including family interests, were:

	Ordinary shares of 0.2p each	
	2017 Number	2017 %
Stephen Davidson	20,000	0.04
Dave Page	1,932,368	4.31
Steve Bennetts	175,500	0.39
Robin Young	7,200	0.01
Sir Bryan Carsberg	–	–
Dr Mark Reilly	65,500	0.14
Paul Spence	–	–

Directors' interests in share options (audited)

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 2017 were:

	At 1 October 2016	Granted during year	At 30 September 2017	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
Robin Young	70,000	–	70,000	207.50 pence	2016 - 2018
Robin Young	30,000	–	30,000	262.50 pence	2016 - 2019
Sir Bryan Carsberg	70,000	–	70,000	186.50 pence	2015 - 2017
Paul Spence	70,000	–	70,000	277.50 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 21 to the financial statements under Related party transactions.

Dr Mark Reilly
Chairman of the Remuneration Committee
16 January 2018

Independent auditors' report to the members of Actual Experience plc

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the Group's and of the Company's affairs as at 30 September 2017 and of the Group's loss and the Group's and the Company's cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union and, as regards the Company's financial statements, 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.

We have audited the financial statements, included within the Annual Report, which comprise: the consolidated and Company statements of financial position as at 30 September 2017; the consolidated statement of comprehensive income, the consolidated and Company statements of cash flows, and the consolidated and Company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

- Overall Group materiality: £370,000 (2016: £295,000), based on 5% of loss before tax.
- Overall Company materiality: £370,000 (2016: £295,000), based on 5% of loss before tax.

- The audit has scoped in all operations in both Actual Experience plc and Actual Experience Inc.
- Overall coverage is therefore 100% of Group operations.
- Actual Experience Inc. represents approximately 17% of loss before tax adjusted for intercompany revenue transactions.
- All work is performed by the Group auditor.

- Internally generated intangible assets do not qualify for recognition and that costs previously capitalised may not be recoverable (Group and parent).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Internally generated intangible assets do not qualify for recognition and that costs previously capitalised may not be recoverable	In reference to the recognition of intangible assets, we have challenged management's assessments against the criteria as set out in IAS 38. This included the interview of appropriate members of management, testing of capitalised costs and the assessment of future economic benefit forecasts.
Actual Experience plc	We note that in reference to the generation of economic benefit under IAS 38 that revenue levels are modest as the Company continues to mature. We have challenged management's judgement that no impairment is required in relation to capitalised assets and believe that management has demonstrated a market for the assets through signed framework agreements and further pipeline opportunities. We note, however, that this assessment is based on the future anticipated conversion of these agreements and opportunities into revenue generation.
Group and parent Company	As a result of our work we determined that the judgement of management in regards to the capitalisation of ongoing projects is reasonable. Furthermore, we have determined that management's assessment that no impairment is required in respect to previously capitalised projects is reasonable. We note, however, that intangible assets remain sensitive to future revenue growth.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

Actual Experience plc is structured with one reporting component, Actual Experience Inc., reporting into the parent operations in the UK as Actual Experience plc.

Actual Experience Inc. does not require a local statutory audit and therefore is scoped in as a significant component for the purposes of supporting the overall Group audit as it represents a significant portion of loss before tax adjusted for intercompany revenue transactions.

Due to the availability of centralised financial information and accounting function, the component audit of Actual Experience Inc. is performed by the Group engagement team.

As outlined, Actual Experience Inc. represents a significant portion of loss before tax adjusted for intercompany revenue transactions. All revenue transactions are intercompany and therefore Actual Experience Inc. does not contribute towards external revenue of the Group.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall materiality	£370,000 (2016: £295,000).	£370,000 (2016: £295,000).
How we determined it	5% of loss before tax.	5% of loss before tax.
Rationale for benchmark applied	Based on the benchmarks used in the annual report, loss before tax is the primary measure used by the shareholders in assessing the performance of the Group, and is a generally accepted auditing benchmark.	We believe that loss before tax is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £125,000 and £370,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £20,650 (Group audit) (2016: £14,750) and £20,650 (Company audit) (2016: £14,750) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Independent auditors' report to the members of Actual Experience plc continued

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 25, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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

16 January 2018

Consolidated statement of comprehensive income

for the year ended 30 September 2017

	Note	2017 £	2016 £
REVENUE	4	364,832	716,346
Cost of sales		(1,300,684)	(954,812)
GROSS LOSS		(935,852)	(238,466)
Administrative expenses	5	(6,976,814)	(5,806,299)
OPERATING LOSS		(7,912,666)	(6,044,765)
Finance income	7	40,849	61,946
LOSS BEFORE TAX		(7,871,817)	(5,982,819)
Tax	8	474,668	311,747
LOSS FOR THE YEAR		(7,397,149)	(5,671,072)
Other comprehensive income/(expense):			
Items that may be reclassified to profit or loss:			
Foreign currency difference on translation of overseas operations		70,693	(105,310)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(7,326,456)	(5,776,382)
LOSS PER ORDINARY SHARE			
Basic and diluted	9	(17.72)p	(15.21)p

Consolidated statement of changes in equity

for the year ended 30 September 2017

	Note	Share capital £	Share premium £	(Accumulated losses)/ retained earnings £	Total equity £
At 1 October 2015		74,027	14,774,154	874,855	15,723,036
Loss for the year		–	–	(5,671,072)	(5,671,072)
Other comprehensive expense for the year		–	–	(105,310)	(105,310)
Total comprehensive loss for the year		–	–	(5,776,382)	(5,776,382)
Issue of shares		869	61,016	–	61,885
Share-based payment expense		–	–	233,361	233,361
At 30 September 2016		74,896	14,835,170	(4,668,166)	10,241,900
Loss for the year		**–**	**–**	**(7,397,149)**	**(7,397,149)**
Other comprehensive income for the year		**–**	**–**	**70,693**	**70,693**
Total comprehensive loss for the year		**–**	**–**	**(7,326,456)**	**(7,326,456)**
Issue of shares	17	**14,626**	**17,588,902**	**–**	**17,603,528**
Cost of share issue	17	**–**	**(615,942)**	**–**	**(615,942)**
Share-based payment expense	20	**–**	**–**	**154,987**	**154,987**
At 30 September 2017		**89,522**	**31,808,130**	**(11,839,635)**	**20,058,017**

Consolidated statement of financial position
as at 30 September 2017

	Note	2017 £	2016 £
ASSETS			
Non-current assets			
Property, plant and equipment	10	350,704	281,476
Intangible assets	11	1,266,261	516,041
TOTAL NON-CURRENT ASSETS		1,616,965	797,517
Current assets			
Trade and other receivables	12	487,189	352,129
Income tax receivable	8	568,102	340,259
Investments	13	5,000,000	–
Cash and cash equivalents	14	13,209,850	9,415,886
TOTAL CURRENT ASSETS		19,265,141	10,108,274
TOTAL ASSETS		20,882,106	10,905,791
LIABILITIES			
Non-current liabilities			
Deferred tax	8	(37,744)	(20,960)
TOTAL NON-CURRENT LIABILITIES		(37,744)	(20,960)
Current liabilities			
Trade and other payables	15	(786,345)	(642,931)
TOTAL CURRENT LIABILITIES		(786,345)	(642,931)
TOTAL LIABILITIES		(824,089)	(663,891)
NET ASSETS		20,058,017	10,241,900
EQUITY			
Share capital	17	89,522	74,896
Share premium	17	31,808,130	14,835,170
Accumulated losses	18	(11,839,635)	(4,668,166)
TOTAL EQUITY		20,058,017	10,241,900

Approved by the Board of Directors and authorised for issue on 16 January 2018.

Stephen Davidson
Chairman

Steve Bennetts
Chief Financial Officer

Company number: 06838738

Consolidated statement of cash flows

for the year ended 30 September 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Loss before tax		**(7,871,817)**	(5,982,819)
Adjustment for non-cash items:			
Depreciation of property, plant and equipment	10	**107,233**	49,376
Amortisation of intangible assets	11	**162,059**	345,129
Loss on disposal of property, plant and equipment		**1,014**	–
Share-based payment charge	20	**154,987**	233,361
Finance income		**(40,849)**	(61,946)
Operating cash outflow before changes in working capital		**(7,487,373)**	(5,416,899)
Movement in trade and other receivables		**(83,913)**	(63,961)
Movement in trade and other payables		**221,661**	94,983
Cash flows used in operations		**(7,349,625)**	(5,385,877)
Tax received		**263,609**	175,590
Net cash flows used in operating activities		**(7,086,016)**	(5,210,287)
Cash flows from investing activities			
Development of intangible assets	11	**(912,279)**	(494,784)
Purchases of property, plant and equipment	10	**(177,584)**	(286,180)
Transfers to term deposits with more than 3 months' maturity	13	**(5,000,000)**	–
Finance income		**40,849**	61,946
Net cash outflow from investing activities		**(6,049,014)**	(719,018)
Cash flows from financing activities			
Proceeds from issue of share capital, net of costs	17	**16,987,586**	61,885
Loan to Employee Benefit Trust		**(55,950)**	–
Net cash inflow from financing activities		**16,931,636**	61,885
Increase/(decrease) in cash and cash equivalents		**3,796,606**	(5,867,420)
Effect of exchange rate fluctuations on cash held		**(2,642)**	8,084
Cash and cash equivalents at start of year		**9,415,886**	15,275,222
Cash and cash equivalents at end of year	14	**13,209,850**	9,415,886

Notes to the consolidated financial statements

for the year ended 30 September 2017

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 2017. These include comparatives for the year ended 30 September 2016.

The Company's registered office is Quay House, The Ambury, Bath, BA1 1UA.

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 2017, the Group had a cash and cash equivalents position of £13,209,850 with no bank debt. In addition, the Group had current asset investments in the form of bank deposit account with maturity of more than three months, amounting to £5,000,000. The Directors have prepared detailed monthly projections of future cash flows for the remainder of the financial year to September 2018 and the subsequent financial year, 2019. 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 2019. Additional scenarios have been modelled reflecting differing revenue growth rates with corresponding adjustments to the level of investment in the Group's cost base; these scenarios indicate broadly similar cash flow trends.

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 (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:

2.1 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 are translated at the closing rate at the date of the balance sheet;
- income and expenses 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 statement of 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 in which the services are performed, 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.

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 statement of 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:

Leasehold improvements	Five years straight-line
Fixtures, fittings and equipment	Five years straight-line
Computer equipment	Three 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 statement of 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.

Notes to the consolidated financial statements continued

for the year ended 30 September 2017

2 Significant accounting policies continued

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 statement of comprehensive income when there is objective evidence that the assets are impaired.

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 Investments

Investments comprise amounts in a bank deposit account which has a maturity date between three months and twelve months after the balance sheet date.

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 statement of 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 statement of 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 statement of 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.

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 statement of 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 statement of 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.

2.9 Investment in subsidiaries
Shares in the Group undertakings are stated at cost less any provision for impairment.

The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of the recoverable amount. If the recoverable amount of the cash-generating unit is less than the value of the investment, the investment is considered to be impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in the Consolidated statement of comprehensive income.

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 statement of 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 £58,113 (2016: £371,000). A one-year increase in the period over which such development costs are amortised would have reduced loss before income tax by £31,847 (2016: £115,000).

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 statement of 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 2016 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.

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.

Notes to the consolidated financial statements continued
for the year ended 30 September 2017

Changes in accounting policies continued

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 1 January 2016);
- IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation (effective 1 January 2016);
- IFRS 15: Revenue from contracts with customers (effective 1 January 2018);
- IFRS 9: Financial instruments (effective 1 January 2018);
- IFRS 16: Leases (effective 1 January 2019); and
- IAS 12: Income taxes (effective 1 January 2016).

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 2016 and 30 September 2017.

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 statement of 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.

Credit risk

Credit risk is the risk of 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 three large banks in the UK, one institution with an A+ credit rating, one with a BBB+ 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 14. 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 three 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 2017, the Group's trade receivables balance was £9,968 (30 September 2016: £59,613). 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 is managed by ensuring that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group's cash is held in bank accounts with notice periods no greater than three months and management continually monitor rolling cash flow forecasts to ensure sufficient cash is available for anticipated cash requirements.

At 30 September 2017, the Group had £13,209,850 (30 September 2016: £9,415,886) of cash and cash equivalents and current asset investments in the form of bank deposit accounts with maturity terms of over three months amounting to £5,000,000 (30 September 2016: £nil).

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.

The carrying values of trade and other receivables, trade and other payables and cash and cash equivalents approximate their fair values due to their relatively short periods to maturity. Fair value measurements are determined in accordance with the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Prices or valuations that require management inputs that are both significant to the fair value measurement and unobservable.

Fair values of all financial assets and liabilities are classified as Level 3 financial instruments, except cash and cash equivalents which is classified as Level 2.

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 equity capital.

The Group's capital is made up of share capital, share premium and retained earnings totalling at 30 September 2017: £20,058,017 (30 September 2016: £10,241,900).

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 statement of 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 2017 the Group had two customers who generated more than 10% of total revenue. These customers generated 28% and 26% of revenue respectively.

During the year ended 30 September 2016 the Group had three customers who generated more than 10% of total revenue. These customers generated 30%, 18% and 14% of revenue respectively.

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

	2017 £	2016 £
United Kingdom	240,597	343,928
United States of America	113,435	357,093
Europe	10,800	5,325
Rest of the world	–	10,000
	364,832	716,346

Notes to the consolidated financial statements continued

for the year ended 30 September 2017

5 Loss from operations

	Note	2017 £	2016 £
Loss from operations is stated after charging/(crediting) to administrative expenses:			
Depreciation on property, plant and equipment	10	**107,233**	49,376
Amortisation of intangible assets	11	**162,059**	345,129
Loss on disposal of property, plant and equipment		**1,014**	–
Operating lease rentals – land and buildings		**257,877**	286,907
Employee costs	6	**4,761,152**	3,724,443
Foreign exchange losses/(gains)		**117,662**	(144,889)

	2017 £	2016 £
Auditors' remuneration:		
Audit of these financial statements	**33,000**	28,550
Total auditors' remuneration	**33,000**	28,550

6 Employee costs

	2017 Number	2016 Number
The average monthly number of persons (including Directors) employed by the Group during the year was:		
Directors	**7**	7
Sales and support	**36**	28
Software development	**27**	17
Administration	**6**	4
	76	56

	2017 £	2016 £
The aggregate remuneration, including Directors, comprised:		
Wages and salaries	**4,905,356**	3,605,951
Social security costs	**515,798**	380,824
Other pension costs	**97,290**	–
Share-based expense (note 20)	**154,987**	233,361
	5,673,431	4,220,136
Directors' remuneration comprised:		
Emoluments for qualifying services	**553,333**	489,167

Directors' emoluments disclosed above include £150,000 paid to each of the two highest paid Directors (2016: £145,000 and £112,500 respectively); these Directors did not exercise any share options in the year and no options are due under incentive plans.

The Directors' remuneration report on pages 30 and 31 details Directors' interests in share options.

Included within total employee costs of £5,673,431 (2016: £4,220,136) is £912,279 (2016: £494,784) which has been capitalised within development costs in accordance with IAS 38 (see note 11). The remaining £4,761,152 (2016: £3,724,443) has been expensed in the Consolidated statement of comprehensive income.

7 Finance income

	2017 £	2016 £
Bank interest receivable	**40,849**	61,946

8 Taxation

Tax on loss on ordinary activities

	2017 £	2016 £
Current tax:		
UK corporation tax on losses of the year	**(568,102)**	(340,264)
Overseas taxes	**76,650**	16,415
Deferred tax:		
Origination and reversal of timing differences	**16,784**	12,102
Total tax credit	**(474,668)**	(311,747)

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:

	2017 £	2016 £
Loss on ordinary activities before tax	**(7,871,817)**	(5,982,819)
Tax at the UK corporate tax rate of 20.00% (2016: 20.00%)	**(1,574,363)**	(1,196,564)
Effects of:		
Expenses not deductible for tax purposes	**75,001**	134,841
Unrecognised deferred tax asset on losses	**1,803,286**	1,335,159
Tax relief in respect of exercise of share options	**(150,275)**	(217,254)
Research and development enhancement in respect of the current year	**(625,354)**	(364,226)
Prior year adjustment	**–**	(5)
Change in rate of tax used to calculate deferred tax liability	**(2,963)**	(3,698)
Tax credit for the year	**(474,668)**	(311,747)

The Group has tax losses carried forward of approximately £17,754,000 (2016: £10,060,000).

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 £568,102 (2016: £340,259).

Deferred tax

Deferred tax relates to the following:

	2017 £	2016 £
Accelerated depreciation for tax purposes	**37,744**	20,960
Deferred tax liability	**37,744**	20,960

Reconciliation of deferred tax liabilities

	2017 £	2016 £
Balance at the beginning of the year	**20,960**	8,858
Charge to the Consolidated statement of comprehensive income	**16,784**	12,102
Balance at the end of the year	**37,744**	20,960

At 30 September 2017, the Group had unrecognised deferred tax assets totalling £3,018,180 (2016: £1,710,288), 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 of 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 2017

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.

	2017 £	2016 £
Total loss attributable to the equity holders of the parent	**(7,397,149)**	(5,671,072)
	Number	Number
Weighted average number of ordinary shares in issue during the year	**41,733,648**	37,288,000
Loss per share		
Basic and diluted on loss for the year	**(17.72)p**	(15.21)p

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

	2017 £	2016 £
Issued ordinary shares at the beginning of the year	**37,447,838**	37,013,338
Effect of shares issued in October 2015	**–**	118,532
Effect of shares issued in March 2016	**–**	154,363
Effect of shares issued in August 2016	**–**	1,767
Effect of shares issued in November 2016	**58,284**	–
Effect of shares issued in January 2017	**6,658**	–
Effect of shares issued in February 2017	**4,182,192**	–
Effect of shares issued in March 2017	**21,847**	–
Effect of shares issued in July 2017	**15,462**	–
Effect of shares issued in September 2017	**1,367**	–
Weighted average number of shares at the end of the year	**41,733,648**	37,288,000

10 Property, plant and equipment

	Leasehold improvements £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost				
At 1 October 2015	–	9,009	71,614	80,623
Additions	168,488	48,407	69,286	286,181
At 30 September 2016	168,488	57,416	140,900	366,804
Additions	5,421	20,560	151,502	177,483
Disposals	–	–	(1,721)	(1,721)
Foreign currency translation differences	–	–	(144)	(144)
At 30 September 2017	**173,909**	**77,976**	**290,537**	**542,422**
Accumulated depreciation				
At 1 October 2015	–	1,830	34,122	35,952
Charge for the year	13,701	5,721	29,954	49,376
At 30 September 2016	13,701	7,551	64,076	85,328
Charge for the year	34,172	13,439	59,622	107,233
Reclassifications	–	(468)	468	–
Disposals	–	–	(707)	(707)
Foreign currency translation differences	–	–	(136)	(136)
At 30 September 2017	**47,873**	**20,522**	**173,373**	**191,718**
Net book value				
At 30 September 2017	**126,036**	**57,454**	**167,214**	**350,704**
At 30 September 2016	154,787	49,865	76,824	281,476
At 30 September 2015	–	7,179	37,492	44,671

11 Intangible assets

	Development costs £	Total £
Cost		
At 1 October 2015	547,470	547,470
Additions	494,784	494,784
At 30 September 2016	1,042,254	1,042,254
Additions	912,279	912,279
At 30 September 2017	**1,954,533**	**1,954,533**
Accumulated amortisation and impairment losses		
At 1 October 2015	181,084	181,084
Charge for the year	345,129	345,129
At 30 September 2016	526,213	526,213
Charge for the year	162,059	162,059
At 30 September 2017	**688,272**	**688,272**
Net book value		
At 30 September 2017	**1,266,261**	**1,266,261**
At 30 September 2016	516,041	516,041
At 30 September 2015	366,386	366,386

Amortisation and impairment charge
The amortisation of development costs is recognised within administrative expenses in the Consolidated statement of comprehensive income.

12 Trade and other receivables

	2017 £	2016 £
Trade receivables	**9,968**	59,613
Other receivables	**226,207**	117,622
Loan to Employee Benefit Trust	**55,950**	–
Prepayments and accrued income	**195,064**	174,894
	487,189	352,129

Contractual payment terms with the Group's customers are typically 30 to 90 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 2017 or 2016. 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 Investments

	2017 £	2016 £
Term deposit accounts	**5,000,000**	–
	5,000,000	–

The Group has a fixed term bank deposit account with a maturity date between three months and twelve months after the balance sheet date. All term deposits are held with financial institutions with a credit rating of A+.

Notes to the consolidated financial statements continued

for the year ended 30 September 2017

14 Cash and cash equivalents

Bank credit rating:	2017 £	2016 £
A+	2,549,604	5,035,122
A3	–	82,819
BBB+	8,607,282	4,297,945
BBB-	2,052,964	–
Cash and cash equivalents	13,209,850	9,415,886

The above 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 2017 are held in instant access current accounts or short-term deposit accounts. Balances are denominated in UK sterling (£) and US dollars ($) as follows:

	2017 £	2016 £
Denominated in UK sterling	12,961,619	9,188,484
Denominated in US dollars	248,231	227,402
Cash and cash equivalents	13,209,850	9,415,886

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.

15 Trade and other payables

	2017 £	2016 £
Trade payables	101,669	140,737
Other tax and social security	136,245	115,920
Other creditors	47,712	9,963
Accruals	416,751	286,186
Deferred income	83,968	90,125
	786,345	642,931

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

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.

16 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
- Loan to Employee Benefit Trust
- Investments – Term deposits

The carrying values of trade and other receivables, trade and other payables and cash and cash equivalents approximate their fair values due to their relatively short periods to maturity.

Financial assets

The Group held the following financial assets:

	2017 £	2016 £
Due within three months		
Cash and cash equivalents	13,209,850	9,415,886
Trade receivables	9,968	59,613
Other receivables	51,371	63,768
Term deposits	5,000,000	–
	18,271,189	9,539,267

Financial liabilities

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

	2017 £	2016 £
Non-derivative financial liabilities		
Due within one year		
Trade payables	**101,669**	140,737
Other payables	**548,431**	296,149
Total financial liabilities	**650,100**	436,886

17 Share capital

	Number	Share capital £	Share premium £	Total £
Total ordinary shares of 0.2p each at 1 October 2016	37,447,838	74,896	14,835,170	14,910,066
Issue of shares on 20 March 2017 in respect of a Placing	7,000,000	14,000	17,486,000	17,500,000
Issue of shares in respect of the exercise of share options	313,375	626	102,902	103,528
Costs of share issues	–	–	(615,942)	(615,942)
Total ordinary shares of 0.2p each as at 30 September 2017	**44,761,213**	**89,522**	**31,808,130**	**31,897,652**

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

Changes to share capital during the year were as follows:

(i) 7,000,000 ordinary shares of 0.2p each were allotted at a price of 250 pence per share, for total cash consideration of £17,500,000, upon the Placing of new equity shares;

(ii) 35,000 ordinary shares of 0.2p each were allotted at a price of 9.091 pence per share, for total cash consideration of £3,181, upon the exercise of share options granted in the Company's share option schemes;

(iii) 244,000 ordinary shares of 0.2p each were allotted at a price of 14.255 pence per share, for total cash consideration of £34,781, upon the exercise of share options granted in the Company's share option schemes;

(iv) 26,250 ordinary shares of 0.2p each were allotted at a price of 184.0 pence per share, for total cash consideration of £48,300, upon the exercise of share options granted in the Company's share option schemes;

(v) 8,125 ordinary shares of 0.2p each were allotted at a price of 212.5 pence per share, for total cash consideration of £17,266, upon the exercise of share options granted in the Company's share option schemes.

At 30 September 2017, the Company had only one class of share, being ordinary shares of 0.2p each.

18 Movement in (accumulated losses)/retained earnings reserve

	(Accumulated losses)/ retained earnings £
At 30 September 2015	874,855
Loss for the year	(5,671,072)
Other comprehensive expense	(105,310)
Share-based payment charge	233,361
At 30 September 2016	(4,668,166)
Loss for the year	**(7,397,149)**
Other comprehensive income	**70,693**
Share-based payment charge	**154,987**
At 30 September 2017	**(11,839,635)**

Notes to the consolidated financial statements continued

for the year ended 30 September 2017

19 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:

	2017 £	2016 £
Land and buildings:		
Amounts due within one year	**211,318**	210,852
Amounts due between two and five years	**423,667**	627,027
Total	**634,985**	837,879

The Company leases its head office premises in the UK. The tenancy agreement in respect of these premises commenced in February 2016 and terminates in September 2027. The agreement has a break clause five years after the lease commencement date. The annual rent and service charge payable under this agreement is £203,630; the minimum payments disclosed above relate to the period up to the first break clause date.

20 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 ten 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 (pence)
	EMI options	Unapproved options	Total	
At 30 September 2015	2,090,425	370,000	2,460,425	75.60
Granted in the year	470,000	155,000	625,000	272.40
Exercised in the year	(434,500)	–	(434,500)	(14.25)
Forfeited in the year	(167,250)	–	(167,250)	(249.30)
At 30 September 2016	1,958,675	525,000	2,483,675	124.3
Granted in the year	**415,000**	**–**	**415,000**	**288.31**
Exercised in the year	**(313,375)**	**–**	**(313,375)**	**(33.03)**
Forfeited in the year	**(209,3 75)**	**–**	**(209,375)**	**(262.09)**
At 30 September 2017	**1,850,925**	**525,000**	**2,375,925**	**152.82**

There were 1,400,800 share options outstanding at 30 September 2017 (30 September 2016: 1,292,215), 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 2017.

Options have a range of exercise prices from 9.09 pence per share to 302.5 pence per share and have a weighted contractual life of 6.75 years.

Details of the outstanding share options are given below:

Grant date	Employees entitled	Number of options	Performance conditions	Exercise price(p)	Earliest exercise date	Expiry date
19/03/2010	1	247,500	Time served	9.091	25/01/2011	19/03/2020
22/06/2011	2	96,700	Time served	9.091	15/10/2011	22/06/2021
17/10/2011	2	63,600	Time served	9.091	17/10/2011	17/10/2021
21/05/2012	1	48,125	Time served	14.255	27/02/2013	21/05/2022
04/03/2013	2	160,750	Time served	14.255	11/06/2013	04/03/2023
01/10/2013	1	227,250	Time served	14.255	01/10/2014	01/10/2023
18/11/2013	1	47,000	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	2	80,000	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	5	75,000	Time served	212.500	29/05/2016	29/06/2025
24/07/2015	2	80,000	Time served	212.500	08/06/2016	24/07/2025
14/10/2015	7	130,000	Time served	262.500	17/08/2016	14/10/2025
07/03/2016	4	100,000	Time served	277.500	16/11/2016	07/03/2026
26/05/2016	8	108,750	Time served	282.500	07/03/2017	26/05/2026
06/06/2016	1	10,000	Time served	282.500	06/06/2017	06/06/2026
13/06/2016	1	10,000	Time served	282.500	13/06/2017	13/06/2026
19/01/2017	17	188,750	Time served	277.500	20/06/2017	19/01/2027
02/05/2017	14	160,000	Time served	302.500	01/01/2018	24/05/2027
01/08/2017	1	25,000	Time served	290.000	26/06/2018	01/08/2027
01/09/2017	1	10,000	Time served	295.000	26/06/2018	01/09/2027
Outstanding		2,375,925				

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 19 January 2017	Granted on 24 May 2017	Granted on 1 August 2017	Granted on 1 September 2017
Dividend yield	0%	0%	0%	0%
Expected volatility	17.4%	17.3%	17.1%	16.9%
Risk-free interest rate (%)	1.50%	1.50%	1.50%	1.50%
Life of options (years)	10	10	10	10
Weighted average exercise price (pence)	277.5p	302.5p	290.0p	295.0p
Weighted average share price (pence)	277.5p	302.5p	290.0p	295.0p

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 which are not exercised within ten years from the date of grant will expire.

The Group recognised a charge of £154,987 (2016: £233,361) in the Consolidated statement of comprehensive income in respect of equity settled share-based payment transactions in the year.

Notes to the consolidated financial statements continued

for the year ended 30 September 2017

21 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:

	2017 £	2016 £
Executive Directors – aggregate		
Short-term employment benefits*	425,000	372,500
Non-executive Directors – aggregate		
Short-term employment benefits*	132,311	116,667
Total	557,311	489,167

* In addition, certain Directors hold share options in the Company for which a fair value share-based charge of £38,728 has been recognised in the Consolidated statement of comprehensive income (2016: £58,301).

Amounts outstanding to key personnel

As at 30 September 2017, no amounts were due to Directors in relation to reimbursement of fees and expenses arising in the ordinary course of business (30 September 2016: £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 2017 £	Amounts invoiced by related party 2017 £	Amounts invoiced to related party 2016 £	Amounts invoiced by related party 2016 £
Queen Mary University of London (note 1)				
Sales – Analytical services	–	–	9,000	–
	–	–	9,000	–
IP Group plc (note 1)				
Purchases – Non-executive Director fees	–	25,000	–	25,000
Purchases – Recruitment fees	–	–	–	10,000
	–	25,000	–	35,000
Inmarsat plc (note 2)				
Sales – Analytical services	–	–	10,000	–

Note 1: Queen Mary University of London and IP Group plc are shareholders of the Company.
Note 2: One of the Company's Directors, Sir Bryan Carsberg is a Director of Inmarsat plc. Mr Stephen Davidson previously held a directorship at Inmarsat plc.

There were no amounts outstanding due from or to the related parties at 30 September 2017.

During the year ended 30 September 2017, 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.

Company statement of changes in equity

for the year ended 30 September 2017

	Share capital £	Share premium £	(Accumulated losses)/ retained earnings £	Total equity £
At 1 October 2015	74,027	14,774,154	860,479	15,708,660
Loss and total comprehensive expense for the year	–	–	(5,836,122)	(5,836,122)
Issue of shares	869	61,016	–	61,885
Share-based payment expense	–	–	163,804	163,804
Share-based payment expense in respect of services provided to subsidiary undertaking	–	–	69,557	69,557
At 30 September 2016	74,896	14,835,170	(4,742,282)	10,167,784
At 1 October 2016	74,896	14,835,170	(4,742,282)	10,167,784
Loss and total comprehensive expense for the year	**–**	**–**	**(7,392,836)**	**(7,392,836)**
Issue of shares	**14,626**	**17,588,902**	**–**	**17,603,528**
Cost of share issue	**–**	**(615,942)**	**–**	**(615,942)**
Share-based payment expense	**–**	**–**	**107,997**	**107,997**
Share-based payment expense in respect of services provided to subsidiary undertaking	**–**	**–**	**46,990**	**46,990**
At 30 September 2017	**89,522**	**31,808,130**	**(11,980,131)**	**19,917,521**

Company statement of financial position

as at 30 September 2017

	Note	2017 £	2016 £
ASSETS			
Non-current assets			
Property, plant and equipment	C3	348,060	278,081
Intangible assets	11	1,266,261	516,041
Investments	C4	139,056	92,067
TOTAL NON-CURRENT ASSETS		1,753,377	886,189
Current assets			
Trade and other receivables	C5	481,675	339,571
Income tax receivable	C11	568,102	340,259
Investments	C6	5,000,000	–
Cash and cash equivalents	C7	13,035,558	9,333,067
TOTAL CURRENT ASSETS		19,085,335	10,012,897
TOTAL ASSETS		20,838,712	10,899,086
LIABILITIES			
Non-current liabilities			
Deferred tax	C11	(37,744)	(20,960)
TOTAL NON-CURRENT LIABILITIES		(37,744)	(20,960)
Current liabilities			
Trade and other payables	C8	(883,447)	(710,342)
TOTAL CURRENT LIABILITIES		(883,447)	(710,342)
TOTAL LIABILITIES		(921,191)	(731,302)
NET ASSETS		19,917,521	10,167,784
EQUITY			
Share capital	17	89,522	74,896
Share premium	17	31,808,130	14,835,170
At 1 October		(4,742,282)	860,479
Loss for the year		(7,392,836)	(5,836,122)
Other charges in accumulated losses		154,987	233,361
Accumulated losses	C9	11,980,131	(4,742,282)
TOTAL EQUITY		19,917,521	10,167,784

Approved by the Board of Directors and authorised for issue on 16 January 2018.

Stephen Davidson
Chairman

Steve Bennetts
Chief Financial Officer

Company number 06838738

Company statement of cash flows
for the year ended 30 September 2017

	2017 £	2016 £
Cash flows from operating activities		
Loss before tax	(7,944,154)	(6,164,284)
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	105,243	48,254
Amortisation of intangible assets	162,059	345,129
Loss on sale of property, plant and equipment	1,014	–
Share-based payment charge	107,997	163,804
Finance income	(40,831)	(61,944)
Operating cash outflow before changes in working capital	(7,608,672)	(5,669,041)
Movement in trade and other receivables	(86,154)	(62,976)
Movement in trade and other payables	173,105	298,607
Cash flows used in operations	(7,521,721)	(5,433,410)
Tax received	340,261	192,005
Net cash flows used in operating activities	(7,181,460)	(5,241,405)
Cash flows from investing activities		
Development of intangible assets	(912,279)	(494,784)
Purchases of property, plant and equipment	(176,237)	(282,044)
Transfers to term deposits with more than 3 months' maturity	(5,000,000)	–
Finance income	40,831	61,944
Net cash outflow from investing activities	(6,047,685)	(714,884)
Cash flows from financing activities		
Proceeds from issue of share capital, net of costs	16,987,586	61,885
Loan to Employee Benefit Trust	(55,950)	–
Net cash inflow from financing activities	16,931,636	61,885
Increase/(decrease) in cash and cash equivalents	3,702,491	(5,894,404)
Cash and cash equivalents at start of year	9,333,067	15,227,471
Cash and cash equivalents at end of year	13,035,558	9,333,067

Notes to the Company financial statements

for the year ended 30 September 2017

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 comprehensive income. The parent company's result for the year ended 30 September 2017 was a loss of £7,392,836 (2016: loss of £5,836,122).

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

C3. Property, plant and equipment

	Leasehold improvements £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost				
At 1 October 2015	–	9,009	71,224	80,233
Additions	168,488	48,407	65,149	282,044
At 30 September 2016	168,488	57,416	136,373	362,277
Additions	5,421	20,560	150,256	176,237
Disposals	–	–	(1,721)	(1,721)
At 30 September 2017	**173,909**	**77,976**	**284,908**	**536,793**
Accumulated depreciation				
At 1 October 2015	–	1,830	34,112	35,942
Charge for the year	13,701	5,721	28,832	48,254
At 30 September 2016	13,701	7,551	62,944	84,196
Charge for the year	34,172	13,439	57,632	105,243
Reclassifications	–	(468)	468	–
Disposals	–	–	(706)	(706)
At 30 September 2017	**47,873**	**20,522**	**120,338**	**188,733**
Net book value				
At 30 September 2017	**126,036**	**57,454**	**164,570**	**348,060**
At 30 September 2016	154,787	49,865	73,429	278,081
At 30 September 2015	–	7,179	37,112	44,291

C4. Investments

At 30 September 2017, the Company held the following investments in subsidiary companies:

Undertaking	Sector	Share of issued capital and voting rights 2017
Actual Experience Inc. 2711 Centerville Road, Suite 400, Wilmington, County of New Castle, Delaware, 19880.	Sales and marketing services	**100%**

Cost	**£**
At 1 October 2015	22,509
Additions	69,558
At 30 September 2016	92,067
Additions	46,989
At 30 September 2017	**139,056**

Impairment	
At 1 October 2015, 30 September 2016 and 30 September 2017	**–**

Carrying value at 30 September 2017	**139,056**
Carrying value at 30 September 2016	92,067
Carrying value at 30 September 2015	22,509

C5. Trade and other receivables

	2017 £	2016 £
Trade receivables	**9,968**	59,613
Other receivables	**226,207**	111,376
Loan to Employee Benefit Trust	**55,950**	–
Prepayments and accrued income	**189,550**	168,582
	481,675	339,571

Contractual payment terms with the Company's customers are typically 30 to 90 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. Current asset investments

	2017 £	2016 £
Term deposit accounts	**5,000,000**	–
	5,000,000	–

The Group has a fixed term bank deposit account with a maturity date between three months and twelve months after the balance sheet date.

Notes to the Company financial statements continued

for the year ended 30 September 2017

C7. Cash and cash equivalents

Bank credit rating:	2017 £	2016 £
A+	**2,549,604**	5,035,122
BBB+	**8,432,990**	4,297,945
BBB-	**2,052,964**	–
Cash and cash equivalents	**13,035,558**	9,333,067

The above gives an analysis of the credit rating of the financial institutions where cash balances are held.

All of the Company's cash and cash equivalents at 30 September 2017 are held in instant access current accounts or short-term deposit accounts. Balances are denominated in UK sterling (£) and US dollars ($) as follows:

	2017 £	2016 £
Denominated in UK sterling	**12,961,618**	9,188,484
Denominated in US dollars	**73,940**	144,583
Cash and cash equivalents	**13,035,558**	9,333,067

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.

C8. Trade and other payables

	2017 £	2016 £
Trade payables	**90,339**	138,059
Other tax and social security	**136,245**	115,920
Other creditors	**25,188**	9,962
Amounts due to subsidiary undertakings	**206,176**	138,021
Accruals	**425,499**	218,255
Deferred income	**–**	90,125
	883,447	710,342

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

C9. Movement in (accumulated losses)/retained earnings reserve

	(Accumulated losses)/ retained earnings £
At 30 September 2015	860,479
Loss for the year	(5,836,122)
Share-based payment charge	163,804
Share-based payment charge in respect of services provided to subsidiary undertaking	69,557
At 30 September 2016	(4,742,282)
Loss for the year	**(7,392,836)**
Share-based payment charge	**107,997**
Share-based payment charge in respect of services provided to subsidiary undertaking	**46,990**
At 30 September 2017	**(11,980,131)**

C10. Employee costs

	2017 Number	2016 Number
The average monthly number of persons (including Directors) employed by the Company during the year was		
Directors	6	6
Sales and support	31	23
Software development	27	17
Administration	6	4
	70	50

	2017 £	2016 £
The aggregate remuneration, including Directors, comprised		
Wages and salaries	4,106,830	2,948,163
Social security costs	478,628	345,186
Other pension costs	77,063	–
Share-based expense (note 20)	107,997	163,804
	4,770,518	3,457,153
Directors' remuneration comprised		
Emoluments for qualifying services	528,333	472,500

Directors' emoluments disclosed above include £150,000 paid to each of the two highest paid Directors (2016: £145,000 and £112,500 respectively), these Directors did not exercise any share options in the year and no options are due under incentive plans.

The Directors' remuneration report on pages 30 to 31 details Directors' interests in share options.

Included within total employee costs of £4,770,518 (2016: £3,457,153) is £912,279 (2016: £494,784) which has been capitalised within development costs in accordance with IAS 38 (see note 11). The remaining £3,858,239 (2016: £2,962,369) has been expensed in the Consolidated statement of comprehensive income.

C11. Taxation

Deferred tax

Deferred tax relates to the following:

	2017 £	2016 £
Accelerated depreciation for tax purposes	37,744	20,960
Deferred tax liability	37,744	20,960

Reconciliation of deferred tax liabilities

	2017 £	2016 £
Balance at the beginning of the year	20,960	8,858
Charge to the Consolidated statement of comprehensive income	16,784	12,102
Balance at the end of the year	37,744	20,960

At 30 September 2017, the Company had unrecognised deferred tax assets totalling £3,018,180 (2016: £1,710,288), 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 £568,102 (2016: £340,259).

C12. Related party transactions

Details of external related party transactions are set out in note 21. The Company has entered into transactions with its wholly-owned subsidiary undertaking, Actual Experience Inc. during the year. The Company incurred costs of £1,505,437 charged by Actual Experience Inc. during the year (2016: £1,380,390). At 30 September 2017, an amount of £206,176 was due to the subsidiary Company (30 September 2016: £138,021 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 Osborne Clarke, 1 London Wall, London EC2Y 5EB at 11:00am on Wednesday 28 February 2018 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 2017.

2. To reappoint Robin Young, who, in accordance with the Articles of Association, resigns by rotation and is eligible for reappointment.

3. To reappoint Dr Mark Reilly, who, in accordance with the Articles of Association, resigns by rotation and is eligible for reappointment.

4. To reappoint PricewaterhouseCoopers LLP as auditors of the Company.

5. To authorise the Directors to determine the remuneration of the auditors.

6. 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 £29,877 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).

To consider and, if thought fit, to pass the following resolution as a special resolution:

7. That, subject to the passing of resolution 6 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 6 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

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

      7.1.1 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

      7.1.2 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

   7.2 the allotment of equity securities otherwise than pursuant to paragraph 7.1 of this resolution) up to an aggregate nominal amount of £8,963,

   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
16 January 2018

Registered office
Quay House
The Ambury
Bath
BA1 1UA
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 close of business on 26 February 2018 (or, if the meeting is adjourned, close of business 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 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 9.00am and 5.30pm, 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, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, no later than 11.00am on 26 February 2018 (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 Link Asset Services (ID RA10) no later than 11.00am on 26 February 2018 (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 Link 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.

   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 22 and 23 of the enclosed Annual Report and Accounts.

Glossary of terms

Actual Experience plc is our legal entity. Our brand name is Actual Experience, without the plc. Once we have introduced our brand name, we often shorten it to Actual.

Analytics-as-a-Service (AaaS) – often shortened to AaaS, Analytics-as-a-Service is the analysis of data (in our case, performance data) in an application hosted on the web. These web-based solutions offer businesses an alternative to developing internal hardware set-ups just to perform business analytics.

Analytics Cloud – the Actual Experience Analytics Cloud receives data from Digital Users, applies our algorithms to the data and produces an objective score of digital experience quality and supply chain diagnostics. Our patented technology is based on decades of academic research.

CRM – Customer relationship management.

Digital Supply Chain – the combination of businesses and the technologies they provide, including networks, IT infrastructure and applications, that deliver a digital product or service.

Digital User (DU) is the measurement software component of Actual Work and Actual Home.

Enterprise Customer – a large, typically multi national corporation with hundreds or thousands of sites globally.

Production – When a customer of Actual Experience has DUs deployed measuring a target.

Quality Dashboard – the Actual Experience Quality Dashboard provides actionable data for Service Providers to pinpoint the cause of poor digital quality. This insight, can be used to fix or improve the digital quality problems that users are experiencing in their homes, on their phones or in the office.

Voice of the Customer – the objective score produced in Actual's Analytics Cloud, which is an accurate proxy for what your customer would tell you about their experience of your digital product or service.

MSA – Master Services Agreement

POC – Proof of Concept

PO – Purchase Order

Sources

Pages 1 and 2

— UNCTAD, Information Economy Report, 2017

Page 7

— Making the change, planning, executing and measuring successful Business Transformation Forbes Insights 2014

Pages 10 and 11

— United States Census Bureau, E-stats 2015: Measuring the Electric Economy, May 2017

— UNCTAD, Information Economy Report, 2017

Notes

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