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ACCESS INTELLIGENCE PLC

("Access Intelligence" or "the Group")

UNAUDITED INTERIM RESULTS

FOR

THE SIX MONTHS ENDED 31 MAY 2014

Access Intelligence Plc (AIM: ACC), a leading supplier of Software-as-a-Service (SaaS) solutions for the full life cycle management of a company's governance, risk and compliance, announces its unaudited half year results for the six months ended 31 May 2014.

	Unaudited 6 months ended 31 May 2014	**Unaudited 6 months ended 31 May 2013**
	(£'000)	(£'000)
Continuing operations		
Revenue	4,139	4,184
Adjusted EBITDA	207	221
Share Based Payments	(18)	(18)
EBITDA	189	203
Total loss before tax	(68)	(30)
Continuing operations		
Basic and diluted loss per share (pence)	(0.03)	(0.01)

Highlights:

- Revenue broadly consistent with previous year at £4.1m (H1 2013: £4.2m); recurring revenues increased to offset reduced professional services revenues due to staff being deployed on internal development projects
- Contracted revenue not yet invoiced up 22% to £6.7m; (H1 2013: £5.5m)
- Deferred revenue consistent with prior year at £3.1m (H1 2013 £3.2m); taking total revenue yet to be recognised in the income statement to £9.8m (H1 2013 £8.7m)
- Recurring revenue of £3.3m up 10% (H1 2013: £3.0m), being 79% (H1 2013: 72%) of total revenue
- Total technical spend 50% of revenue (H1 2013: 49%)
- Loss before taxation was £68,000 (H1 2013: loss £30,000)
- Cash balance as at 31 May 2014 £1.1m (H1 2013: £2.3m) reflecting sustained development spend in the half year
- Joanna Arnold appointed to CEO role, Michael Jackson becomes Non-Executive Chairman

Michael Jackson, Non-Executive Chairman, commented:

"Access Intelligence continues to drive long term shareholder and customer value through its strategic investment in product innovation. In the first half of 2014, we achieved our key development milestones on all projects as well as receiving positive feedback from early client engagements. By combining our solutions onto a shared technology platform, we are able to deliver our brands to blue chip customers on a departmental and enterprise-wide scale. Our Centre of Excellence in York provides Access Intelligence with the platform and scalability to continue to expand our reputation and position in the Governance, Risk and Compliance marketplace."

For further information:

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Michael Jackson (Non-Executive Chairman)

Joanna Arnold (CEO)

Kole Dhoot (CFO)

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Simon Clements 020 7628 2200

Chairman's Statement

I am pleased to announce our results for the six months ended 31 May 2014, which demonstrate our continued growth in recurring revenues. The results reflect our sustained investment in combining our solutions onto a shared technology platform at our York based development centre, enabling us to deliver an innovative, unified GRC software offering. I am also pleased to announce Joanna Arnold's appointment as CEO. Since joining the Company in 2008, she has been instrumental in our integrated product strategy, has run four of our six operational subsidiaries and completed 3 acquisitions and 2 funding rounds. The Access Intelligence Board and I are confident that Joanna is the right person to lead the company forward. We believe that her passion for technology will help ensure that Access Intelligence continues to deliver innovations that drive customer value and sustained long term shareholder returns.

Results for the half

The Company's revenue was broadly flat at £4,139,000 (H1 2013: £4,184,000), though encouragingly recurring revenues have risen and make up £3,276,000 or 79% of total revenues (H1 2013: £3,015,000 or 72%).

The Company's operating loss was £11,000 (H1 2013: profit £28,000), which includes charges of £200,000 for depreciation and amortisation (H1 2013: £176,000) and £18,000 for share based payments (H1 2013: £18,000).

Cost of sales were broadly flat at £1,131,000 (H1 2013 £1,117,000) and gross margin maintained.

Operating costs were broadly flat at £3,001,000 (H1 2013 £3,021,000), reflecting the stable cost base from which we expect to leverage growth in revenues and service delivery following the sustained investment programme spend.

The basic loss per share was 0.03p (H1 2013: loss 0.01p).

The Company had cash at the end of the period of £1,140,000 (H1 2013: £2,272,000).

Strategy

Access Intelligence is in its final quarter of a transformational investment programme to drive product synergy, innovation and longevity. During the first half of 2014 total spend on such activities was 50% of revenue (H1 2013: 49%). Total R&D and technical spend was £2,081,000 (H1 2013: £2,035,000) of which we capitalised software development costs of £762,000 (H1 2013: £727,000). This programme brings all solutions onto a standardised platform and enables Access Intelligence to deliver an enterprise governance, risk and compliance solution, creating a springboard for effective cross-sell and upsell across its brands.

As this project has progressed at the Centre of Excellence ("CoE") in York we have continued to bring on new clients in both the public and private sectors across all brands. The SaaS business model drives value for our customers and delivers a foundation of long term stability and growth for our shareholders. This is evident in the 22% increase in first half revenues that are contracted but not yet invoiced at £6.7m (H1 2013: £5.5m). And although H1 revenues remain flat year-on-year recurring revenues have grown by 10%. A contributing factor to this has been that professional services revenues have been depressed whilst our CoE resource works on internal projects associated with the product development.

Amid the backdrop of ongoing restructuring and spending cuts in the public sector, the Company has maintained a competitive advantage largely due to our ability to consistently deliver solutions that mitigate risk, reduce costs and improve productivity. These capabilities extend into our growing presence in the private sector where we are routinely selected for the ease in which our products support customers' regulatory workflow and reporting requirements.

The half year in focus

1. GRC Software Portfolio:

AIMediaComms: Despite the continuing squeeze on public expenditure and increased competition, AIMediaComms continued to expand its public sector footprint in the first half of 2014. Private sector wins were across a number of industries including oil and gas, transport and legal services, as well as, additional licence revenue generated through upselling new stakeholder engagement modules to existing private sector clients. New clients were also secured through our partners in Australasia. We launched a new Online Media Centre and news and social media monitoring module, both of which are generating new business opportunities.

Due North: Due North has had a strong first half with new business sales growth in the NHS, housing authorities and private sector. Whilst the public sector continues to experience significant restructuring activity, the focus on cost efficiencies at every level of local government has underpinned the demand for procurement and contract management software. The brand's management team has also been strengthened with the addition of an Operations Director with 15 years software industry experience and a Strategic Account Director with over 20 years experience in public and private sector sourcing.

Due North also prepares for a launch of their new product to the local authority market in H2 2014. There has been substantial interest from both existing and new customers to adopt the product with its improved user experience, rich functionality and reporting capabilities. The brand continues to feature on Gartner's Magic Quadrant for Strategic Sourcing Applications with the product's "strong audit trail" functionality being highlighted as a key differentiator.

AITalent: The brand continues to see strong demand for the learning compliance suite across a wide array of organisations operating in highly regulated markets.

The key to ongoing client acquisition for this brand has been its capability to adapt to and address specific regulatory issues impacting on business operations. Highlights to date include significant enterprise-wide client wins in the insurance and oil and gas industries which demonstrate the brands ability to succeed in strong and competitive marketplaces. To aid continuous development the Company has invested in additional industry specific expertise to provide best of breed support to our growing list of regulated customers.

AITrackRecord: During the period, AITrackRecord has focused on migration and promotion of product developments to new and existing customers. The Professional Services resource within the division has been focused on internal projects and customer scoping exercises, leveraging the functional and performance benefits of the new software. The new business pipeline for the brand is developing well. Sector focus on the financial services market continues capitalising on regulatory momentum resulting from the FCA's Retail Distribution and Mortgage Market Reviews.

AIControlPoint: AIControlPoint continues to grow from strength to strength with key wins in oil and gas and aviation markets during the first half. Resourcing sufficiently to meet new customer acquisitions and a growing pipeline has proved a demanding task as this "start up" matures into a key brand for Access Intelligence.

York Development Centre: We have invested significantly in creating a state of the art development centre in York. We hope that this provides the foundations to developing cutting edge innovation across our product suite. This commitment has resulted in total technical spend being 50% (H1 2013: 49%) of revenues in the first half and we are on track with our plans for this year.

2. IT Support Services

Willow Starcom: Despite a challenging competitive climate for hosted solutions, Willow Starcom continues to show strong growth in the SME market, with half year revenues up over 5% year on year, and a strong pipeline for H2. The AICloud brand has continued to deliver significant value for Access Intelligence's customers, providing an end-to-end Software-as-a-Service that offers a competitive advantage to the brands.

Directors

Earlier today, Joanna Arnold was appointed to the role of CEO and Michael Jackson became non-executive Chairman. In her capacity as Corporate Development Director, Joanna completed three acquisitions and two funding rounds. Since her appointment as COO in 2010, Joanna has run four of the six operational divisions and has been instrumental in the Company's integrated product strategy driven through the York Centre of Excellence.

Current Trading

Whilst the first half of 2014 was focused on the successful delivery of internal product development, Access Intelligence has built upon its strong position in the public and private sectors, with H1 2014 contracted revenue not yet invoiced up 22% to £6.7m (H1 2013: £5.5m), and recurring revenue now representing 79% of the total (H1 2013: 72%). Professional Services revenues were depressed as a result of resources being allocated to internal and non-revenue generating projects to migrate customers onto the new products.

Our focus on product innovation and the integration of the brands' functionality onto a unified platform is key to our long term strategy and early feedback on the new software from current and prospective customers has been very encouraging. The business pipeline continues to grow with a number of exciting opportunities on the horizon to deliver a combined product offering using the new platform.

The consistent, year-on-year increases in contracted revenue not yet invoiced, our recurring revenue base and sustained investment in innovative product development, demonstrate the Group's long term stability and provide a solid foundation for continued growth.

Michael Jackson
Non-executive Chairman

Access Intelligence plc
Consolidated Statement of Comprehensive Income
for the 6 months ended 31 May 2014

There were no recognised gains and losses in the period, or in prior periods, other than the results below

	Notes	Unaudited 6 months ended 31-May-14 £'000	Unaudited 6 months ended 31-May-13 £'000	Audited Year ended 30-Nov-13 £'000
Revenue		4,139	4,184	8,388
Cost of sales		(1,131)	(1,117)	(2,245)
Gross profit		3,008	3,067	6,143
Administrative expenses		(3,001)	(3,021)	(6,026)
Share based payments		(18)	(18)	(40)
Operating (loss)/profit		(11)	28	77
Impairment of intangibles		-	-	(2,607)
Operating (loss)/profit		(11)	28	(2,530)
Financial income		1	6	10
Financial expenses		(58)	(64)	(119)
Loss before tax		(68)	(30)	(2,639)
Taxation		5	5	27
Loss for the period		(63)	(25)	(2,612)
Other comprehensive income		-	-	-
Total comprehensive loss for the period attributable to the owners of parent company		(63)	(25)	(2,612)
Earnings per share		Pence	Pence	Pence
Continuing operations				
Basic and diluted loss per share	2	(0.03)	(0.01)	(1.11)

Consolidated Statement of Financial Position
at 31 May 2014

	Unaudited At 31 May 2014 £'000	Unaudited At 31 May 2013 £'000	Audited At 30 Nov 2013 £'000
Non-current assets			
Property, plant and equipment	622	509	617
Intangible assets	8,452	9,500	7,807
Deferred tax asset	611	720	610
Total non-current assets	9,685	10,729	9,034
Current assets			
Inventories	144	168	168
Trade and other receivables	2,209	2,599	2,023
Current tax receivables	211	-	337
Cash and cash equivalents	1,140	2,272	1,521
Total current assets	3,704	5,039	4,049
Total assets	13,389	15,768	13,083
Current liabilities			
Trade and other payables	1,103	1,150	1,030
Accruals and deferred income	3,690	3,643	3,414
Interest-bearing loans and borrowings	-	-	754
Current income tax liabilities	-	5	-
Total current liabilities	4,793	4,798	5,198
Non-current liabilities			
Interest-bearing loans and borrowings	1,281	1,236	507
Deferred tax liabilities	694	502	712
Total non-current liabilities	1,975	1,738	1,219
Total liabilities	6,768	6,536	6,417
Net assets	6,621	9,232	6,666
Equity			
Share capital	1,324	1,324	1,324
Treasury Shares	(148)	(148)	(148)
Share premium	224	224	224
Capital redemption reserve	191	191	191
Share option valuation reserve	349	309	331
Equity reserve	126	126	126
Retained earnings	4,555	7,206	4,618
Total equity attributable to equity shareholders	6,621	9,232	6,666

Consolidated Statement of Changes in Equity
for the 6 months ended 31 May 2014

	Share capital £'000	Treasury Shares	Share premium account £'000	Capital redemption reserve £'000	Share option valuation reserve £'000	Equity reserve £'000	Retained earnings £'000	Total £'000
Group								
At 1 December 2012	1,286	(148)	-	191	284	126	7,346	9,085
Total comprehensive income for the period	-	-	-	-	-	-	(25)	(25)
Share-based payments	-	-	-	-	25	-	-	25
Dividends recognised as distributions to owners	-	-	-	-	-	-	(115)	(115)
New shares issued less direct costs	38	-	224	-	-	-	-	262
At 31 May 2013	**1,324**	**(148)**	**224**	**191**	**309**	**126**	**7,206**	**9,232**
At 1 June 2013	1,324	(148)	224	191	309	126	7,206	9,232
Total comprehensive income for the period	-	-	-	-	-	-	(2,588)	(2,588)
Share-based payments	-	-	-	-	15	-	-	15
Tax reversal relating to share-based payment	-	-	-	-	7	-	-	7
At 30 November 2013	**1,324**	**(148)**	**224**	**191**	**331**	**126**	**4,618**	**6,666**
At 1 December 2013	1,324	(148)	224	191	331	126	4,618	6,666
Total comprehensive income for the period	-	-	-	-	-	-	(63)	(63)
Share-based payments	-	-	-	-	18	-	-	18
At 31 May 2014	**1,324**	**(148)**	**224**	**191**	**349**	**126**	**4,555**	**6,621**

Consolidated Statement of Cash Flow for the 6 months ended 31 May 2014

	Unaudited 6 months ended 31-May-14 £'000	Unaudited 6 months ended 31-May-13 £'000	Audited Year ended 30-Nov-13 £'000
Cash flows from continuing operating activities			
Loss for the period attributable to equity shareholders of the parent	**(63)**	**(25)**	**(2,612)**
Adjustments for:			
Taxation	-	(5)	(27)
Depreciation and amortisation	200	176	360
Impairment of intangible assets	-	-	2,607
Share option valuation charge	18	18	40
Financial income	(1)	(6)	(10)
Financial expense	58	64	119
Loss on disposal of property, plant and equipment	-	-	2
Operating cash inflow before changes in working capital and provisions	212	222	479
Increase in trade and other receivables	(186)	(354)	(116)
Decrease in inventories	24	23	23
Increase in trade and other payables	342	382	317
Net cash inflow from the continuing operations	392	273	703
Tax received	126	5	45
Net cash inflow from continuing operating activities	518	278	748
Cash flows from investing in continuing activities			
Interest received	1	6	10
Acquisition of property, plant and equipment	(100)	(140)	(389)
Cost of software development	(762)	(727)	(1,686)
Net cash outflow from investing in continuing activities	(861)	(861)	(2,065)
Cash flows from financing continuing activities			
Interest paid	(38)	(64)	(76)
Issue of equity share capital	-	262	262
Repayment of borrowings	-	-	(4)
Payment of dividend	-	(115)	(116)
Net cash (outflow)/inflow from financing continuing activities	(38)	83	66
Net decrease in cash and cash equivalents	(381)	(500)	(1,251)
Opening cash and cash equivalents	1,521	2,772	2,772
Closing cash and cash equivalents	1,140	2,272	1,521

Notes

1. Unaudited notes

Basis of preparation and accounting policies
The condensed financial statements are unaudited and were approved by the Board of Directors on 15 July 2014.

The interim financial information for the six months ended 31 May 2014, including comparative financial information, has been prepared on the basis of the accounting policies set out in the last annual report and accounts, with the exception of the amendment to IAS 1 (Presentation of Financial Statements) referred to below, and in accordance with International Financial Reporting Standards ("IFRS"), including IAS 34 (Interim Financial Reporting), as issued by the International Accounting Standards Board and adopted by the European Union.

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may subsequently differ from those estimates.

In preparing the interim financial statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same, in all material respects, as those applied to the consolidated financial statements for the year ended 30 November 2013.

The Group has elected to present comprehensive income in one statement.

Going concern assumption
The Group manages its cash requirements through a combination of operating cash flows and long term borrowings in the form of convertible loan notes.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within its existing cash deposits and loan facilities.

Consequently, after making enquires, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the interim financial statements.

Information extracted from 2013 Annual Report
The financial figures for the year ended 30 November 2013, as set out in this report, do not constitute statutory accounts but are derived from the statutory accounts for that financial year.

The statutory accounts for the year ended 30 November 2013 were prepared under IFRS and have been delivered to the Registrar of Companies. The auditors reported on those accounts. Their report was unqualified, did not draw attention to any matters by way of emphasis and did not include a statement under Section 498(2) or 498(3) of the Companies Act 2006.

2. Earnings per share

The calculation of earnings per share is based upon the loss after tax for the respective period, for continuing operations only. The weighted average number of ordinary shares used in the calculation of basic earnings per share is based upon the number of ordinary shares in issue in each respective period. This has been adjusted for the effect of potentially dilutive share options granted under the company's share option schemes and in connection with the convertible loan notes in calculating the diluted earnings per share.

This has been computed as follows:

Continuing operations	**Unaudited H1 2014**		**Unaudited H1 2013**		**Audited 30 November 2013**	
	Basic	**Diluted**	**Basic**	**Diluted**	**Basic**	**Diluted**
Loss after tax (£000's)	(63)	(63)	(25)	(25)	(2,612)	(2,612)
Number of shares	235,110,347	304,940,378	235,110,347	302,370,762	235,110,347	235,110,347
Loss per share (pence)	(0.03)	(0.03)	(0.01)	(0.01)	(1.11)	(1.11)

There were no discontinued operations in the period.

This statement will be available at the Company's registered office at 10-11 Charterhouse Square, London EC1M 6EH and on the Company's website www.accessintelligence.com.