Company Registration number: 04799195

Access Intelligence Plc Annual Report

For the year ended 30 November 2019

accessintelligence

Access Intelligence is a tech innovator, delivering high quality SaaS products that address the fundamental business needs of more than 3,500 global brands in the PR, communications and marketing industries.

London, England

accessintelligence.com

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Chairman's Statement

We live in times of exceptional change with 2019-2020 representing a year of intense volatility in business, politics and media. This has culminated in the COVID-19 pandemic which has driven, in just a matter of weeks, fundamental changes in how every business operates.

It will take time to fully understand the longer-term implications of this crisis but already we are seeing direct impact on short-term global economic stability and business decision making. In the media, communications and marketing industries, some of the most immediate effects have been to accelerate the evolution of consumer behaviour. This includes trends such as a reliance on social media networks to keep up to date in a fast-moving news environment.

The immediacy and speed of communication is changing the fundamentals of brand engagement by forcing reappraisal of the channels, content and audiences important to reputation. It further compounds the ongoing disruption to the relationship between governments, business, media and the public.

Our ambition is to be at the forefront of supporting brands to navigate this new reality, especially in times of crisis. Our portfolio of Vuelio, Pulsar and ResponseSource provides the insights, monitoring, evaluation and networking tools that enable our 3,500 customers to deliver truly effective communications. Today, the breadth of our product portfolio and expertise of our product engineering team means that we can move fast to put our customers ahead of their audiences' needs.

In the last week, this led to us responding to our clients' communications challenges by launching bespoke COVID-19 political monitoring; audience trends analysis based on the online conversation to overcome the collapse in face to face market research; and dedicated product offerings for front line, emergency organisations. It shows the strength of our portfolio which provides intelligence and workflow tools that span the entire reputation landscape - editorial media, social media and politics.

2019: a year of growth

Over the last year, we scaled as a result of the integration of Vuelio and ResponseSource alongside the completion of product enhancements and acquisition of Pulsar, the audience insights and social listening platform. Pulsar complements our existing portfolio which includes Vuelio, the platform that helps organisations make their story matter and ResponseSource, the network connecting journalists and influencers to the resources they need.

Pulsar is a particularly exciting addition to Access Intelligence because it strengthens the Group's technology, data and research capabilities. By combining conversational and behavioural signals from leading digital channels, Pulsar enables brands to understand online conversations across social media, to then determine with which communities to engage. It is market leading technology combined with an innovative team who have quickly integrated into the Group.

Group Performance
Each company within Access Intelligence is a software as service (SaaS) business, which remains a secure and highly sustainable model with a growing, recurring revenue base of subscriptions typically on annual or multiyear contracts. This model means the Group's companies are building resilience to a financial downturn with operations underpinned by long term visibility of contracted revenue. It provides the ability to develop opportunities within a changing market while operating in a highly efficient cost structure.

Growth strategy
Despite dramatic market uncertainty, the Access Intelligence Board and Leadership team are committed to building a market leading and profitable business. Our strategy is to grow through a combination of product innovation and acquisition. This is evidenced by the addition of Pulsar to the Group, a year after acquiring ResponseSource. Their successful integration demonstrates our ability to work fast to identify and capitalise on technology and client synergies that open new revenue, global markets and development opportunities.

In 2019, we continued to invest in our technology and product development within an overarching framework of improving user experience through integrating platforms. This will provide us with greater functionality, including most recently the ability to move the entire office almost overnight to secure home working.

There were new solutions for clients including newsrooms, improved and more closely integrated political services, and secure authentication and data management features for the public sector. This went hand in hand with improved means of enriching media content and data, improving margins and mitigating supply chain risk.

People first
With the rapid expansion of the Group, it became necessary to relocate our offices and so in November 2019 Access Intelligence moved to Hatton Garden. The new space is designed to foster collaboration between each subsidiary with shared workspaces and a town hall meeting space for hosting clients and networking events. It has had an immediate and highly positive effect on overall productivity and wellbeing, contributing to our goal of being the employer of choice for talent in our sector.

Future focused
In an uncertain business environment, we are an agile, innovative business focused on sustainable growth. The results we've seen demonstrate the ongoing commitment and dedication of our team. I would like to thank each one of them for their support.

I look forward to working with you into the future and updating you as we continue our journey to transform the market and deliver on our vision of powering open and effective communication between people, brands and government.

C Satterthwaite
Chairman
3 April 2020

The Access Intelligence Portfolio

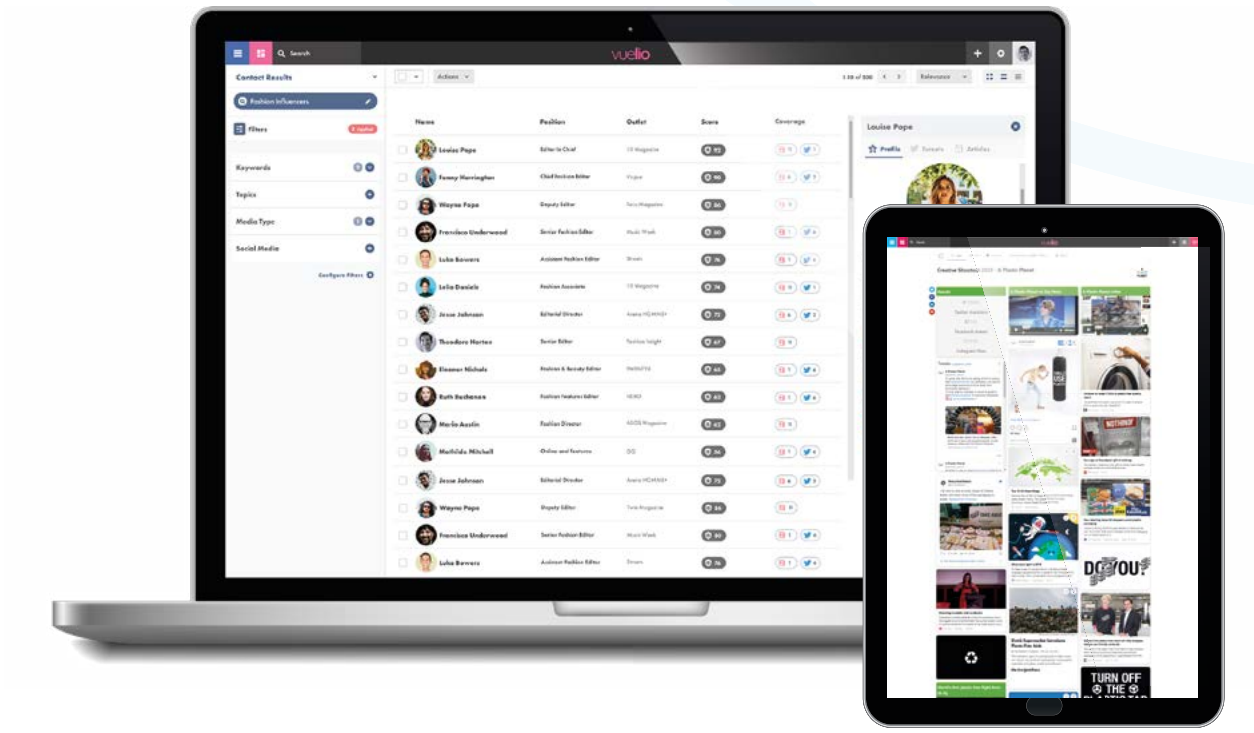
Vuelio

In the age of information overload when it's harder than ever to cut through the noise, Vuelio helps organisations make their story matter providing monitoring, insight, engagement and evaluation tools for politics, editorial and social media in one place

It helps clients determine who and what is most influential to their audience and brand. Then, with a wealth of reporting and relationship management options, they get real-time feedback to create even more effective communications.

From MPs to journalists, expert bloggers to YouTube stars, Vuelio provides influencers with timely and relevant content, while giving them the insight and connections they need for their communications to have impact.

The technology is used by more 3,000 organisations across the world, from large enterprises and communications agencies to public sector bodies and not-for-profits.



The Vuelio Software Suite

Media Database

The Vuelio Media Database provides all the information clients need to better understand and connect with the people that matter to their story, topic or campaign.

Influencer Database

The UK's largest blogger database with specialist influencers that matter to clients' audiences.

News Distribution

Clients tell their story the way they want to, with fast and flexible press release distribution and the ability to gauge impact by viewing live engagement rates.

Online Newsrooms

Makes content easily available to journalists, stakeholders and influencers in a branded, customisable online newsroom.

Media Monitoring

Keeps clients ahead of breaking news and coverage with tailored alerts for broadcast, print, online and social media.

Media Analysis & Reporting

Allows clients to understand their impact by analysing how their story was received with practical insight to make future communications work even better.

Canvas

When the time comes to report activity, Canvas allows the instant generation of a summary report of news stories, social media activity, video and audio from across the web and offline.

Stakeholder Management

Keeps contact consistent with journalists and influencers across teams by having a single, centralised online hub that details every interaction with key stakeholders.

Press Office Management

Streamlines an entire communications strategy with a centralised campaign centre.

FOI Manager

Manages the Freedom of Information process. Keeps track of deadlines, processes statistics and quickly generates reports on the number and type of requests, as required by the FOI Act 2000.

Public Affairs

Clients can monitor Parliament, engage with political stakeholders and contribute to policy – all on one comprehensive public affairs platform.

Political Monitoring

Vuelio Political Monitoring gives full visibility of everything that's happening across the spectrum of Government, Parliament and social media, with tailored political content.

Political Database

The Vuelio political database is a who's who of the UK and European political landscape, constantly updated to reflect changes as they happen.

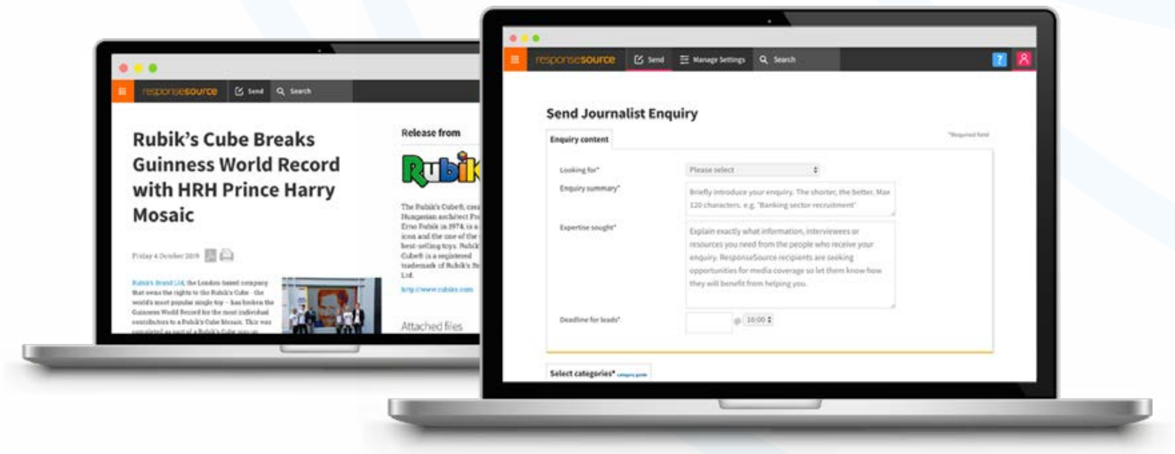
ResponseSource

ResponseSource is a network that connects media and influencers to the resources they need, fast.

More than 30,000 journalists and content creators use ResponseSource to secure the insight, information and connections they need from a selected range of trusted and reliable contacts.

To them, we're a proven resource for creating high quality, expert content.

And for PR and comms professionals, we're the industry's worst-kept secret, an established way to secure the attention of the most important media and influencers.



Journalist Resources

Journalist Enquiry Service

The Journalist Enquiry Service provides relevant, timely requests direct from thousands of top journalists at national, consumer and trade publications.

Press Release Wire

News distributed through the ResponseSource Press Release Wire reaches a verified network of journalists, from feature writers to news desks, print, broadcast and online in relevant sectors.

Freelance Profiles

Thousands of journalists use ResponseSource services to showcase their portfolio, biography and cuttings – allowing them to easily share their profile while keeping control of their contact details.

Media Jobs

A comprehensive database of the best opportunities in media to help all stakeholders find their next PR or journalism role.

Pulsar

Pulsar is the leading AI-powered audience intelligence platform. Combining conversational and behavioural signals from the world's leading digital destinations, Pulsar helps brands understand their audiences better and create messages that matter to them.

TRAC

The most advanced social listening and insights tool on the market, Pulsar TRAC uses AI to help customers analyse public conversation topics from open and premium data sources, seamlessly breaking down those audiences into communities of interest to guide marketing strategy and activation.

CORE

The one-stop-shop monitoring tool for owned-channel analytics, Pulsar CORE allows customers to monitor the growth of their audience, benchmark against competitors, and track the performance of content across channels, from social media to Google Analytics.

TRENDS

The 'Google Trends for social media', Pulsar TRENDS allows customers to track the momentum of conversation topics on social media in real time at both the global and local level, with historical data going back 14 years.

Research

Blending some of the brightest minds in audience intelligence with custom analytics models by industry, Pulsar works with leading brands in continuous and one-off research engagements, integrating quantitative and qualitative methodologies to turn audience data into strategic insight.

Current trading

Continued growth in Vuelio and ResponseSource whilst integrating Pulsar

The combined Vuelio and ResponseSource business continued to scale throughout Q1 2020. This accelerating growth was underpinned by a seven percentage point increase in renewal rates by value compared to Q1 2019.

The integration of Pulsar within the wider Access Intelligence business also proceeded at pace. Pulsar's UK staff were co-located into the Group's new head office in December 2019 and the process of migrating CRM and accounting systems commenced. This migration is expected to complete in Q2 2020 and the Pulsar commercial and finance teams are now reporting into Group functions. Product synergy savings have already been identified and development activity to deliver social media cost savings across the Group has been scheduled.

COVID-19 Update

Since the outbreak of COVID-19, the global economy has entered a period of significant turbulence. The combined impact of the contagion and drastic measures taken by governments, including social distancing and self-isolation have slowed the flow of people, goods and the economy as a whole.

The Access Intelligence leadership team are monitoring in real-time client and market feedback to assess risk. At present there are no discernible trends being seen for the Group as a whole with COVID-19 currently having a variable impact on clients and prospects according to country, industrial vertical, product type and by scale of organisation. There has been, for example, a slowdown in demand from brand led PR agencies and we are closely monitoring our smaller freelance clients where the risk of default is considered to be greater. In contrast, we have seen an increase in demand in some areas as 'new' opportunities have emerged. This has seen increased demand for Vuelio stakeholder monitoring, media management and Pulsar's online audience analysis which is replacing face to face market research to understand audience behaviour.

Whilst it is too early to draw conclusions, it does prove the strength and range of the Access Intelligence product portfolio which provides significant resilience against market volatility.

The Access Intelligence Board and Leadership team have moved quickly to put in place robust measures to reduce exposure to financial risk while also ensuring the company can continue to unlock new opportunities in this changed market. All employees were moved quickly to working from home which has proved successful with continued progress in sales, renewals, product development and both customer and business support functions. The Group's business continuity strategy in respect of COVID-19 is outlined within Risk Management on page 21.

The leadership team has continued to focus on product innovation as the Company seeks to unlock new market opportunities that are evolving in this changed business, media and political environment. These include

- A real time Vuelio stakeholder resource launched in March 2020. Developed to address increased investment in crisis/political monitoring and stakeholder strategies, it includes a daily bulletin summarising stakeholder and media commentary on COVID-19 provided with toolkits and in-depth insights.
- Understanding that audience research has to change and will create demand for new ways to understand culture and audience behaviour, the Group also launched 'Pulsar: Mapping The New Normal' in March 2020. This explores the behavioural shifts taking place in response to COVID-19 with publication of weekly insight snapshots that evidence cultural shifts using data from social media, search, news and web analytics.
- The Company is soon to launch Pulsar Live Audiences a new method of collating audience analysis and completing market research. Rather than asking users to collect and analyse their own data, Pulsar will collect audience data from key verticals, and analyse by matching and pre-empting the research questions brands and agencies have.

In summary

These are challenging circumstances but the Group has had an encouraging Q1 and the organisational response to COVID-19 has been fast and proactive to secure business and open new opportunities. The product innovations identified demonstrate the strength of the Group's leadership, technical expertise and market insight. This approach will be vital to business performance in 2020.

An expanding portfolio that delivers innovation and scale

Access Intelligence is made up of innovative tech companies that deliver high quality SaaS products addressing the fundamental business needs of the PR, marketing and communications industries by providing audience insight and reputation management. Into the future, the ambition of the Group is to develop a next-generation intelligence marketplace that removes inefficiency in the flow of information between organisations, government, media and the public.

This will be achieved by bringing technologies together to create a platform that enables open, real-time communication between a trusted network of opinion leaders from education, business, government, media to influencers who are able to reengage with communities disenfranchised by fake news and spam. These communities already exist but typically in isolation of each other – Access Intelligence will provide the platform to efficiently connect and expand based on value and expertise.

Audience intelligence

In line with this strategic focus, in October 2019 the Group acquired Pulsar, the audience insights and intelligence platform. This brought immediate benefits including a strengthening of technology and research capability while opening new product, client and revenue opportunities.

The Pulsar product capability and existing client set gives the Group an opportunity to broaden targeting beyond the PR and communications sectors to the marketing and advertising industries at a time when there is increasing convergence between the disciplines. The PR and communications industry is worth £14.9bn (PRCA/Norstat: 2019), and whilst healthy, the sector is undergoing transformation driven by convergence with the broader marketing sector. This convergence is led by the rise of influencer and content marketing, "earned media" tactics that have much in common with traditional PR and are outperforming "paid media".

Influence can change in real time across multiple platforms which means companies today need a 'single' live view of who is important to clients and their reputation, including understanding when and how to engage. This insight is increasingly important to marketers who use media, political and influencer insight, monitoring and analysis not only to define marketing delivery but also to test market messaging and determine ROI. By combining media, influencer and political intelligence in one place, Access Intelligence will deliver a new breed of solution in this rapidly developing market that will drive scalable growth.

Technology driven efficiencies

Alongside the Group's focus on innovation has been an ongoing emphasis on realising efficiencies and profitability through the application of technology and machine learning. In 2019, a significant number of sales and administrative processes were automated to achieve cost savings.

The Finance Team have fully integrated NetSuite, a cloud based software for all the Group's key finance processes. NetSuite automates key financial processes and has freed up the team's time for key financial projects. One of which is project-managing the implementation of Configure, Price Quote (CPQ), which will enhance both the Sales and Finance functions. CPQ will help automate the generation of quotes through programmed sets of rules and increase the accuracy and speed of fee estimates, proposals and contract creation, which in turn will relinquish the Sales Teams of admin burden.

At the same time, the Product Development function has automated key elements of product testing and code deployment, speeding up the roadmap from ideation to roll out and client benefit, while greatly expanding the use of product usage analytics and event tracking to help us better understand our clients and inform our roadmap.

Investing in people to thrive

In 2019, Access Intelligence implemented a people and talent management programme reflecting our understanding that success and growth relied on attracting and retaining the very best. This included investing in creating a workplace that was conducive to employee wellbeing and designed to meet environmental and sustainability standards.

Since 2018, the number of employees has more than doubled from 93 to 189 largely through the addition of 47 ResponseSource and 49 Pulsar colleagues along with some limited organic growth. This led Access Intelligence to identify and then secure new office space that would accommodate all of the team in one location close to clients and prospects. In October 2019, the Group relocated to The Johnson Building, a landmark location at the heart of London's newly emerging marketing agency district. The workspace is highly conducive to collaboration with break out areas, meeting hubs and a large Town Hall for presentations. It has already had significant impact on team morale and productivity, and enables the Group to host events in-house. This has already included 'accesswellbeing' yoga sessions for PR and communications professionals alongside political panel sessions with clients and prospects.

A leadership ready for the future

In the last year, several senior hires were made to strengthen the Group leadership capability around core growth functions. This included recruiting Group Heads of HR, Marketing and promoting from within to create Group Heads of Customer Excellence and Commercial Development. At the same time, the Group invested in developing the junior-mid level managers with 29 completing programmes in the foundations of management and business.

"Everyone is open to change and wants to improve. Senior management are open to feedback and passionate about what they do."

Team development

During the year, the Group invested in a dedicated people programme. Initiatives to build team capability included departmental lunch and learns, leadership and management training with regular employee surveys to understand where more support might be needed.

"Great people, with more responsibility and ownership of projects than in previous roles."

Recognising that a high proportion of the team join in their first or second jobs, the Group introduced bespoke induction training programmes to help new joiners quickly feel an active part of the company.

Within the Commercial team, a Sales Academy was formalised to deliver 30 separate internal training sessions in a way that ensured each individual was in control of their learning and can easily identify any gaps in their core knowledge.

"There is a lot of opportunity for learning and development at the company, with a strong emphasis put on personal development, from our CEO down."
Comment from employee survey 2019

"There is a lot of opportunity for learning and development at the company, with a strong emphasis put on personal development, from our CEO down."

A brand identity that delivers a platform for growth

In line with the Access Intelligence ambition and strategic focus, there was a need to evolve the Group's marketing to create a consistent brand that would deliver market stand out and raise awareness of the strength of the portfolio. The rebrand was complete in November 2019 and has had positive client and industry response.

The rebrand was undertaken as part of the Group marketing strategy which is based on customer and market insight. The objective is to build understanding of each portfolio company and position as the technology partner for customers to identify opportunities for engagement and capitalise in a changed marketing and communications landscape. Activated through integrated marketing including PR, events, awards, digital advertising and thought leadership, the strategy has increased awareness, engagement and improved the effectiveness of marketing spend.

As part of this approach, in November the Vuelio Blog Awards were relaunched as the Online Influence Awards to broaden the reach and create new opportunities to engage brands and marketing agencies. The Awards, coupled with the Vuelio influencer survey, continues to put the organisation at the heart of the influencer marketing industry in the UK.

Strategic Report

The Access Intelligence Group is a high growth set of companies with a shared vision of applying technology to power open and effective communications to improve the relationship between government, business, media and the public. Realising this vision relies on market leading products alongside scalable innovation to unlock new global markets and accelerate growth powered by our people. The long term strategy is to create a next-generation intelligence marketplace that removes inefficiency and improves the flow of information between all stakeholders.

Results

During the 2019 financial year, the Group has continued to deliver organic growth and increase adjusted EBITDA profitability, whilst completing the acquisition of Pulsar to add significant scale and technological advancement.

One of the key financial metrics monitored by the board is the change in the customer Annual Contract Value ('ACV') base year-on-year. This metric reflects the annual value of new business won, plus upsells into our existing customer base, less any customer losses. It is an important metric for the Group as it is a leading indicator of future revenue. During 2019, the Group's ACV base grew organically by £1.3 million (10.4%) to £13.7 million. Including the impact of the Pulsar acquisition, the Group's ACV base stood at £18.1 million at 30 November 2019.

Revenue from continuing operations increased by 51% year-on-year to £13,429,000 (2017: £8,888,000). Recurring revenue comprised 97% of the total (2018: 99%), with sales teams incentivised to focus on high contribution SaaS products. Vuelio revenue grew by 5.6% to £9,154,000 whilst ResponseSource revenue for the year was £3,462,000. Pulsar revenue for the post acquisition period from 8 October to 30 November 2019 was £813,000.

The Group's continuing operations delivered adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA) for the year of £805,000 (2018: profit of £34,000). Adjusted EBITDA excludes non-recurring administrative expenses of £1,777,000 (2018: £473,000), a share of loss of associate of £201,000 (2018: £222,000), and a share based payments charge of £63,000 (2018: £Nil). The Group's earnings before interest, tax, depreciation and amortisation (EBITDA) loss from continuing operations for the year was £1,236,000 (2018: loss of £661,000).

Adjusted EBITDA excluding Pulsar was £1,118,000 whilst EBITDA excluding Pulsar was a loss of £923,000.

Loss before taxation from continuing operations was £2,894,000 (2018: £1,717,000). In arriving at the loss before taxation, the Group has incurred £93,000 of net financial expense (2018: £160,000) and charged £1,863,000 in depreciation and amortisation (2018: £896,000).

The Group did not have any discontinued operations during the year (2018: loss of £155,000). Further information relating to prior year discontinued operations is provided within Note 6 to the consolidated financial statements.

2020 will see continued focus on growth in revenue and gross margin, whilst the Group further develops its product suite.

Loss per share

The basic loss per share from continuing operations was 3.44p (2018: 2.98p). Basic loss per share from discontinued operations was 0.00p (2018: loss of 0.34p).

Cash

In October 2019, the Group raised £3,300,000 before expenses by the issue of 6,346,153 Ordinary 5p shares at a price of 52p per share. The funds were raised to fund working capital plus acquisition and integration costs for Pulsar, plus repayment of all of the outstanding 12% June 2020 loan notes.

Cash at the year-end stood at £2,001,000 (2018: £5,300,000) whilst net cash, calculated as cash held less loan notes and other loans, was £1,978,000 (2018: net cash of £4,223,000).

Key performance indicators

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

£'000 Continuing Operations	2019	2018
Revenue	13,429	8,888
Gross margin (%)	75%	70%
Adjusted EBITDA	805	34
EBITDA loss	(1,236)	(661)
Loss before taxation	(2,894)	(1,717)
Loss after taxation	(2,160)	(1,355)
Cash balances	2,001	5,300
Recurring revenue	13,010	8,801

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

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

Dividend

As a result of the significant investment the Company has made in the strategic product innovation and sales development, the directors do not propose to pay a dividend for 2019 (2018: £Nil).

Principal business risks and uncertainties

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

The Board regularly assesses risks and is of the belief that internal control, risk management and stewardship are integral to the proper management of the business. Further information in relation to risk management is provided on page 21 of the Strategic Report and within Note 21 to the consolidated financial statements.

The Board also assesses the appropriateness of preparing the financial statements on a going concern basis and their considerations in respect of the risks relating to going concern are outlined within the Directors' Report on page 28.

Financial instruments

The Group's operations are subject to a variety of financial risks, most notably the effect of credit risks. Liquidity risks are set out on page 21 of the Strategic Report and in Note 21 to the consolidated financial statements. At the year end the Group had no bank borrowings or overdrafts, but had a total of £23,000 of other loans. The Group held £2,001,000 of bank deposits.

1% (2018: 4%) of the Group's revenue is invoiced in a currency other than sterling. Accordingly, foreign exchange risk is not considered a significant risk. To date the magnitude of Euro, US dollar and Australian dollar-based sales has been such that we have not hedged the currency exposure. At 30 November 2019 there were no open exchange contracts.

The most significant financial risk to which the Group is exposed is that of the credit worthiness of our customer base. Around 25% (2018: 40%) of the Group's revenue from continuing operations is contracted with the public sector where the directors have judged the credit risk to be minimal.

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

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

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

Information about the use of financial instruments by the Group is given in Note 20 to the financial statements. The Group has also previously issued convertible loan notes as disclosed in Note 17 to the financial statements.

The new era of reputation management

The market for reputation management is expanding. The PR and communications industry is worth £14.9bn (PRCA/Norstat census (2019) – 8% growth YoY 2018 – 2019) and while healthy, the sector is undergoing transformation driven by convergence with the broader marketing sector. This convergence is led by the rise of influencer and content marketing, "earned media" tactics that have much in common with traditional PR and are outperforming "paid media".

Macro business and socioeconomic trends are also rapidly changing the communications landscape. These include the fragmentation of traditional media, exponential take up of social media and the increasingly direct link that company reputation has with share price performance. The speed of social and its potential risks are prompting in-house teams to take back control of their marketing and communications activities from agencies – and the CMO is taking full ownership of budgets with "influence" at the heart of a combined discipline.

Taken together, these trends demonstrate a convergence not only between PR and marketing but also in the production and sharing of information between the public, business, policy makers, media and online influencers. We live in a world of 'information overload' where finding credible, expert information is challenging, as is identifying who is most influential on a topic or to a business.

Influence can change in real time across multiple platforms which means companies today need a 'single' live view of who is important to customers and their reputation, including understanding when and how to engage. This insight is increasingly important to marketers who use media, political and influencer insight, monitoring and analysis not only to define marketing delivery but also to test market messaging and determine ROI. This is driving growth with the £36.5bn (PWC: 2018) marketing industry forecast to increase spend on marketing technology software by 27% in the next four years (Forrester: 2018).

As the only platform to combine media, influencer and political intelligence in one place, the Access Intelligence Group delivers a new breed of solution in this rapidly developing market. As we invest in our people and technology to accelerate the development of our data insights services, we increasingly will connect to the present and future needs of the PR and Communications professionals but also to the "New CMOs". Our ambition is to develop the platform that informs, enriches and empowers existing networks and provides the contacts – and the intelligent context – to create new ones.

Risk management

The Group's activities expose it to a variety of financial risks which are managed by the Group and subsidiary management teams as part of their day to-day responsibilities.

The Group's overall risk management policy concentrates on those areas of exposure most relevant to its operations. These fall into seven categories:

- Competitive risk — that our products are no longer competitive or relevant to our customers;
- Cash flow and liquidity risk — that we run out of the cash required to run the business;
- Credit risk — that our customers do not pay;
- Key personnel risk — that we cannot attract and retain talented people;
- Capital risk — that we do not have an optimal structure to allow for future acquisition and growth;
- COVID-19 and business continuity risk – that the current COVID-19 pandemic could affect business continuity; and
- Political risk – that the political landscape could adversely affect growth or our clients' ability to trade normally.

Competitive risk

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

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

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

Cash flow and liquidity risk

As a Group we support the cash requirements of three individual trading units, all of which have their individual working capital requirements during a trading month. At the end of 2019 we had no bank borrowings (2018: Nil), no loan notes (2018: £948,000) and £23,000 (2018: £129,000) of other loans. As an acquisitive business which also invests in its existing infrastructure continually, the need to project future requirements is important. To encourage tough cash management and good planning we manage cash as follows:

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

Credit risk

Our sales are split 25%:75% (2018: 40%:60%) between public and private sector organisations. Whilst recognising that circumstances change, we are of the opinion that the public sector will pay its debts providing the purchasing rules have been followed. Despite the tough solvency issues facing all European governments we have seen no reason to change this view at the present time.

The private sector however remains a higher risk and we remain diligent about our approach to these sales:

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

Key personnel risk

This is a people business. Our technical staff create the product and our sales staff sell it, supported by our marketing staff. In 2019 55% (2018: 56%) of our outflows were on people. In a competitive market we recognise good people can be poached or just lose their way. There is nothing that can beat a motivated, educated and focused team. Whilst our size limits the extent of our actions, we address this risk as follows:

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

Capital risk management

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

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

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

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

The Board is also sensitive to the fact that there may be times when capital is in short supply justifying fundraising beyond our immediate needs. With a buy and build strategy new acquisition opportunities must be responded to as they arise, though during the remainder of 2020 the focus will be to build on developing and integrating what we have.

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

The total capital managed by the Group at the year end was 79,222,753 (2018: 63,772,754) ordinary shares of 5p each. Further information on share capital is provided within Note 23 to the consolidated financial statements. The Group is not subject to any externally imposed capital requirements.

COVID-19 and business continuity risk

Since the outbreak of COVID-19, the global economy has entered a period of significant turbulence. The combined impact of the contagion and drastic measures taken by governments, including social distancing and self-isolation have slowed the flow of people, goods and the economy as a whole.

To manage this exceptional situation, the Access Intelligence Board and Leadership team moved quickly to put in place robust measures to reduce exposure to financial risk while securing revenue and delivering innovation that will unlock new opportunities in the changed market.

Business continuity strategy
1. Immediate audit of risk and reduction in non-core spending

- Review of marketing conditions and existing customers' reaction
- Test of all systems to enable secure remote working for the entire workforce
- Supply chain review to identify/reduce exposure to risk

- Audit of client invoicing to identify potential debtors at an early stage
- All non-essential spending on hold

2. Reassure and incentivise client loyalty (upsell and cross sell)

- Identification of client's immediate needs in the current environment and how best to deliver the required product/service solutions
- Implementation of client initiatives to build brand awareness and loyalty including 'free' time-limited access to comms management product functionalities and exclusive dedicated resources
- Strengthened resources and virtual sales team training to encourage upsell and cross sell across the portfolio

Political risk

COVID-19 has accelerated volatility in the global political and economic environment. This follows ongoing uncertainty prompted by negotiation of the UK's future trading relationship with the European Union, which has yet to be finalised beyond 2020.

The outcome of the 2019 General Election and creation of a majority Government, has created a new political landscape. The continued political discourse relating to Brexit has broadened the Group's market considerably. There will be an increase in domestic legislation, which will have an impact on all industries and sectors.

For the first time, many companies will need a broader intelligence service covering UK political and government institutions as well as media channels. There will also be an increased demand for stakeholder strategies, in line with the election of 140 new Members of Parliament.

By order of the Board

J Arnold
Director
Approved by the directors on 3 April 2020

Directors and Advisers

Directors:

Executive directors:

J Arnold	(Chief Executive Officer)
M Fautley	(Chief Financial Officer)

Non-executive directors:
C Satterthwaite (Chairman)
M Jackson
J Hamer
C Pilling

Company Secretary:
Beyond Governance Limited

Registered Office:
The Johnson Building
79 Hatton Garden
London
EC1N 8AW

Company Registration Number:
04799195

Nominated Adviser and Broker:
finnCap
60 New Broad Street
London
EC2M 1JJ

Registrars:
Neville Registrars Limited
Neville House
Steelpark Road
Halesowen
B62 8HD

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

Legal Advisers:
Fieldfisher LLP
Riverbank House
2 Swan Lane
London
EC4R 3TT

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

The Board

Joanna Arnold – Chief Executive Officer

Joanna joined Access Intelligence as COO in 2011 and became CEO in 2014, leading the company to becoming the third largest software provider to the UK PR and Communications industry. Today, the business is known for its commitment to using technology to transform the way in which journalists, politicians and online influencers access trusted, expert insight.

Her vision is a world of open and effective communication that tackles head on issues from fake news to information overload. Today, Access Intelligence has over 3,500 customers with more than 30,000 journalists, politicians and influencers using the software.

Before Access Intelligence, Joanna's career included a combination of investment roles and ten years M&A experience in the software sector. Alongside her role at Access Intelligence, she is a non-executive director at Trailight Ltd, a compliance SaaS platform, solving regulatory challenges for Financial Services companies. Joanna graduated from Edinburgh University in 2004.

Christopher Satterthwaite – Non-Executive Chairman

Christopher spent 15 years as chief executive at Chime where he remains a non-executive director. During his tenure as chief executive, Chime grew operating income from £54m (in 2003) to £246m in 2016. In 2015, he oversaw the sale of a majority stake in the business to Providence Equity Partners for £374 million. He was also the senior non-executive director at Centaur Media plc and former Chairman of the Marketing Society and The Roundhouse. He became a CBE in 2017 for services to the arts.

Mark Fautley – Chief Financial Officer

Mark was appointed CFO in August 2017, having joined Access Intelligence through an acquisition in 2015 where he was previously the UK Finance Director. Mark has more than 15 years' experience of managing local and international finance teams in the Technology and Media sectors and has held senior finance roles for SaaS businesses focussing on communications, public affairs and stakeholder engagement for a number of years.

Mark has been employed by or delivered consulting engagements for numerous FTSE 100 and AIM businesses, including three years working in a senior finance role for a US$2.5 billion revenue joint venture of Rolls-Royce plc. He has worked on the ground in 17 countries across Europe, Latin America and Asia, and has experience in acquisitions, divestments, raising finance and other corporate finance activities.

Mark qualified as a Chartered Accountant in 2006 and is a Fellow of the Institute of Chartered Accountants in England and Wales (FCA).

Michael Jackson – Non-Executive Director

Michael was appointed the Executive Chairman of Access Intelligence in October 2008. He also founded Elderstreet Investments Limited in 1990 and is its Executive Chairman. For the past 25 years, he has specialised in raising finance and investing in the smaller companies sector.

Michael is former Chairman of PartyGaming plc, Computer Software Group, Planit Holdings and until August 2006 was Chairman of FTSE100 company, The Sage Group plc, where he was a Board Director for 23 years and saw the company rise from a market cap of less than £5m to its current valuation of over £3bn.

He is also a Director and investor in many other quoted and unquoted companies.

Chris Pilling – Non-Executive Director

Chris Pilling joined Access Intelligence as Non-Executive director in August 2015.

Chris was the Co-founder and Chief Executive Officer of Complinet Limited which specialised in governance risk and compliance software and data provision. He is CEO and Founder of Matchdeck Limited and also sits on the advisory boards of Avoco Secure Limited and Behavox Limited.

Chris possesses a wealth of experience in the development of online software and services and the management of fast growing technology businesses.

Jeremy Hamer – Non-Executive Director

Jeremy Hamer joined Access Intelligence as a Non-Executive Director in November 2017.

Jeremy has a strong professional background, which blends an early successful career in financial services and then the food industry, with a more recent array of mergers, acquisitions, fundraising and turnaround experience, with a prime focus on the AIM market.

He currently acts as a non-executive director at Unicorn AIM VCT plc, as well as being an active Board level executive coach.

Jeremy was previously a director of Access Intelligence, in various roles, between 2004 and 2015.

Directors' Report

The directors present their annual report and the consolidated financial statements for Access Intelligence Plc ("the Company") and its subsidiary undertakings (together referred to as "the Group") for the year ended 30 November 2019.

Principal activity

Access Intelligence is a technology innovator used by more than 3,500 global organisations every day, from blue-chip enterprises and communications agencies to public sector organisations and not-for-profits. Our technology helps our clients understand what's important to their customers and create high impact, effective communications, in a world of constantly changing politics, news and social media.

Review of business and future outlook

A review of the Group's activities during the year and future outlook is set out in the Chairman's Statement on page 6 and the Strategic Report on pages 17 to 19.

Results

The consolidated trading results for the year and the year-end financial position are shown in the consolidated financial statements on pages 46 to 96. The results for the year and future prospects are reviewed in the Chairman's Statement on page 6 and the Strategic Report on pages 17 to 19.

Directors' interests

The directors who have served during the year and details of their interests, including family interests, in the Company's ordinary 5p shares at 30 November 2019 are disclosed below:

	30-Nov-19 Beneficial No.	**30-Nov-19 Options No.**	30-Nov-18 Beneficial No.	30-Nov-18 Options No.
M Jackson	**2,175,280**	**-**	3,525,280	-
J Arnold	**720,538**	**1,600,000**	561,538	300,000
J Hamer	**675,176**	**-**	675,176	200,000
C Satterthwaite	**52,632**	**-**	52,632	-
M Fautley	**31,578**	**400,000**	31,578	-

The high and low price of shares during the year were 60p and48.5p respectively (adjusted for the one-for-ten share consolidation).

Substantial shareholdings

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

Investor	**No. of shares**	**% holding**	**Nature of holding**
Kestrel Partners LLP	**15,597,930**	**20.46**	**Indirect**
Cello Health plc	**8,152,477**	**10.69**	**Direct**
Elderstreet Draper Esprit VCT plc	**7,125,000**	**9.34**	**Indirect**
Unicorn Asset Management	**6,594,120**	**8.65**	**Indirect**
Cannacord Genuity Group Inc	**6,247,477**	**8.19**	**Indirect**
Chelverton Asset Management Limited	**4,616,576**	**6.05**	**Indirect**
Herald Investment Management Limited	**4,502,538**	**5.90**	**Indirect**
Octopus Investments Ltd	**3,222,380**	**4.23**	**Indirect**
Gresham House Asset Management Limited	**3,196,072**	**4.19**	**Indirect**
Hawk Investment Holdings Ltd	**2,782,051**	**3.65**	**Indirect**

In addition to the above the following substantial shareholders were also holders of non-convertible loan notes at the prior year end.

	As at 30 November 2019	As at 30 November 2018
Elderstreet VCT plc	**-**	300,000
Unicorn AIM VCT plc	**-**	300,000
Hawk Investment Holdings Ltd	**-**	300,000
	-	900,000

At 30 November 2018, the Company had non-convertible loan notes in issue. On 22 June 2015 the Company issued £1,818,000 non-convertible loan notes of which £1,800,000 were issued to substantial shareholders as per the table above. The loan notes carried an interest rate of 10% for one year rising to 12% thereafter. Interest is payable quarterly in arrears. The loans notes are fully repayable in five years.

On 22 April 2016, the Company repaid £900,000 of non-convertible loan notes held by Kestrel Partners LLP. On 7 November 2019, the Company repaid the remaining £918,000 of non-convertible loan notes.

Dividends

Due to the significant and ongoing investment in developing our products, the directors do not propose a dividend in respect of the year ended 30 November 2019 (2018: £Nil).

Research and development and other technical expenditure

Throughout 2019 we have continued to invest in developing our products. The Group engaged an average of 77 (2018: 40) technical staff who both support the existing product offering as well as developing it. In 2019, £2,752,000 (2018: £1,865,000) was spent across the Group on research and development and other technical expenditure. Of this £2,337,000 (2018: £1,344,000) was capitalised and the balance was expensed through the consolidated statement of comprehensive income. Further detail of research and development activity incurred by Group companies is set out on page 14.

People strategy

The Group continues to invest in developing its people including promoting a diverse employee base. Appropriate steps are taken to inform and consult employees regarding matters affecting them and the Group. The Group's policy regarding health and safety is to ensure that, as far as is practical, there is a working environment which will minimise the risk to the health and safety of its employees and those persons who are authorised to be on its premises. The Group encourages staff progression and has introduced more formal training and development of key staff across the Group.

Individual job-related training is provided if needed and it is incumbent upon all managers to find time to mentor and develop their own staff. The Group's remuneration policies are driven locally at subsidiary level to reflect circumstances prevailing in their local labour markets. Our sales teams earn sales commission on top of a competitive basic salary based on their individual targets and incentives for all staff are encouraged. Directors' remuneration is determined by the remuneration committee, details of which are included in Note 8.

Financial risk management and exposure to financial risk

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

Environment

The Group's policy is to regularly review and mitigate the environmental impact of all activities. We comply with legal requirements and do all we can to encourage behaviours that improve sustainability. This includes establishing a company Green Committee responsible for implementing steps to improve sustainability. Initiatives include new approaches to recycling and office waste; promotion of the cycle/walk to work scheme. In addition, the new office space is designed to be highly efficient with low energy usage. Features include sustainable lighting and a low-carbon-cost office refit. During the period covered by this report, the Group has not incurred any fines or penalties or been investigated for any breach of environmental regulations.

Social responsibility

The Group is committed to making a positive contribution to society. This includes partnering with charities to provide pro bono marketing support and encouraging regular fundraising activities. Several donations were made through the year and in aggregate were less than £2,000. No political donations were made during the year (2018: £Nil).

Going concern

The Strategic Report and opening pages to the annual report discuss Access Intelligence's business activities and headline results, together with the financial statements and notes which detail the results for the year, net current liability position and cash flows for the year ended 30 November 2019. The Board has further considered 12-month cash flow forecasts from the date of signing the accounts and consider the assumptions used therein to be reasonable and reflective of the long-term 'software as a service' contracts and contracted recurring revenue.

The Group meets its day to day working capital requirements through its cash balance. It does not have a bank loan or overdraft, although did have an other loan of £23,000 at the year end.

As a result of the market uncertainty due to the ongoing COVID-19 situation, the possible impact on available cash during the next 12 months' trading has been modelled under a range of assumptions and sensitivities. As part of this, the directors have performed a detailed stress test to confirm that the business will be able to operate for at least the following 12 months. This stress test involves the assessment of cash flows against available cash balances and the assumptions used are as follows:

- A 20% reduction in new business, a 38% reduction in upsell and a 12% reduction in renewal rates, with an initial three month fall in sales and renewals, followed by five months of slightly improved performance compared to the initial three months, and then a return towards expected performance from month nine onwards.
- These assumptions are expected to result in a 9% reduction in FY20 revenue and a 19% reduction in FY21 revenue;
- A significant reduction in forecast monthly cash collections from customers, resulting in £5.8m lower cash collection from April 2020 – April 2021;
- A moratorium on uncommitted, non-essential expenditure;
- A restriction on recruitment to only essential roles;
- Deferment of April 2020 VAT payment to March 2021 in line with Government 'Deferral of VAT payments due to coronavirus' guidance; and
- Government support for employees furloughed as a result of reduced commercial activity.

The Group has also assessed an extreme-worst case 'reverse stress tested' scenario which has indicated that Group revenue would need to fall by 12.5% in FY20 and 35% in FY21 before the Group would require additional cash to continue to operate. The assumptions used are as follows:

- A 53% reduction in new business, a 61% reduction in upsell and a 22% reduction in renewal rates, again with an initial three month albeit deeper fall in sales and renewals, followed by five months of slightly improved performance compared to the initial three months, and then a return towards expected performance from month nine onwards.
- These assumptions are expected to result in a 12.5% reduction in FY20 revenue and a 35% reduction in FY21 revenue;
- A significant reduction in forecast monthly cash collections from customers, resulting in £8.4m lower cash collection from April 2020 – April 2021;
- A moratorium on uncommitted, non-essential expenditure;
- A restriction on recruitment to only essential roles;
- Deferment of April 2020 VAT payment to March 2021 in line with Government 'Deferral of VAT payments due to coronavirus' guidance; and
- Government support for employees furloughed as a result of reduced commercial activity; and
- Significant reduction in Group headcount.

The chances of this happening in next 12 months are considered remote due to the long term nature of the Group's customer contracts and the diverse nature of the Group's customer base.

The results of both tests confirm that the Group will be able to continue to operate for at least 12 months from the date of this report. The assessment is based on the Board's best estimate at the date of this report which may be subject to change as the situation evolves further.

As at the date of this report, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Share capital

Details of the Company's share capital are set out in Note 23 to the consolidated financial statements.

Share option plan

The Company administers one approved option scheme called the "Access Intelligence plc Management Incentive Scheme". The scheme was adopted at the AGM held on 22 April 2009 and is open to any eligible employee selected at the discretion of the Board. The scheme initially ran for 10 years from the adoption date and has now been extended for a further period of 10 years. The scheme rules are available at the Company's registered office. Details of the movement in options during the year are in Note 24. In total, no options were granted in the year, none were exercised, and none were forfeited.

Indemnity of directors

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

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Group and Company financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under AIM rules the directors are required to prepare Group financial statements in accordance with IFRS as adopted by the EU.

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

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

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

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

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

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

Statement as to disclosure of information to auditor

In so far as the directors are aware:

- there is no relevant audit information of which the Group's and the Company's auditor is unaware;
- the directors have taken all steps that they ought to have taken to make themselves aware of any

relevant audit information and to establish that the auditor is aware of that information.

Auditor

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

By order of the Board

J Arnold
Director
Approved by the directors on 3 April 2020

Corporate governance

Application of the principles of good governance

The Board recognises the importance of good corporate governance as one of the foundations of a sustainable corporate growth strategy. It has chosen to adopt the Quoted Companies Alliance Corporate Governance Code 2018 (the "QCA Code") as the most appropriate governance model for Access Intelligence.

The role of the Chairman

Christopher Satterthwaite, as Non-Executive Chairman, has ultimate responsibility for management of the Board and, the quality of and the Group's approach to corporate governance.

Governance related matters arising during the year

During the year, and in line with the Rule 26 disclosure requirements for AIM quoted companies, the Board has continued to apply the QCA Code as the most appropriate governance model for the Group.

Application of the QCA code by the Group

The following sections set out the ways in which Access Intelligence applies the ten principles of the QCA Code in support of the Group's medium to long-term success:

Establish a strategy and business model which promote long-term value for shareholders
Access Intelligence is a technology innovator, delivering high quality SaaS products that address the fundamental business needs of clients in the PR, marketing and communication industries.

The Group helps organisations understand what's important to their customers and their brand as they navigate a constantly changing world of politics, news and social media.

The evolving portfolio includes Vuelio, the platform that helps organisations make their stories matter; ResponseSource, a network that connects media and influencers to the resources they need, fast; and Pulsar, an audience insights and social listening platform.

The world of communications, politics and influence is constantly changing, which is why Access Intelligence is a first-mover, constantly investing in the team, products and services to keep clients ahead.

Access Intelligence is listed on AIM with its technology used by more than 3,500 global organisations every day, from blue-chip enterprises and communications agencies to public sector organisations and not-for-profits.

The Group's strategy and business model are set out within the Strategic Report on pages 17 to 19. The strategy and business model are developed by the Chief Executive Officer, Chief Financial Officer and senior management team, and approved by the Board in line with the Group's vision and mission. Progress is actively tracked and debated by the Directors. The senior management team, led by the Chief Executive Officer, is responsible for their effective delivery.

Seek to understand and meet shareholder needs and expectations
Access Intelligence encourages regular dialogue with both existing and potential shareholders to understand their needs and expectations, and to ensure that the Group's strategy, business model and progress are clearly understood.

The Chief Executive Officer and Chief Financial Officer meet with representatives of most major institutional shareholders at least twice per year. Feedback from these meetings is shared with the Board to ensure the Directors understand the unique circumstances, expectations and motivations of a key stakeholder.

The Board also recognises that the Annual General Meeting ("AGM") provides an opportunity to meet private shareholders and values the feedback of such shareholders. All Directors routinely attend the AGM and are available to answer questions raised by shareholders.

Where shareholder voting decisions are not in line with expectations, the Board will engage with shareholders to understand the reasons for this.

The Group's main point of contact for shareholder engagement is the Chief Financial Officer, Mark Fautley, however contact details are also available on the Company's website to support open channels of communication and feedback.

Take into account wider stakeholder and social responsibilities and their implications for long-term success

Engaging with stakeholders enables Access Intelligence to understand their needs more effectively which in turn helps the Group make more informed business decisions. These stakeholders include the Group's employees, customers, suppliers, regulators, environment, local communities as well as media and political influencers.

Access Intelligence engages with its employees through anonymous opinion surveys to gather feedback on all aspects of employment within the Group. This feedback is both considered by the senior management team and reported to the Board on a regular basis. Where necessary, improvements, such as investment in training or IT, are made.

Employee performance reviews are conducted annually. In addition, managers are encouraged to hold regular, informal one-to-one sessions with each of their direct reports.

The Group engages with its customers through regular calls and face-to-face meetings. In addition, the Group holds regular focus groups, in which key clients and other core stakeholders, such as journalists, are brought together to discuss mutual needs and best practices. Finally, feedback is gathered by analysing how customers use our products and engage with the Group's marketing content.

The Research team regularly engages media and political influencers to provide or validate the contents of the Vuelio database, and to remind them of their rights under data protection law. This includes explaining the products and its benefits.

The Group's policy with regards to the environment is to ensure that the actual and potential environmental impact of its activities are managed at all times. The Group complies with legal requirements regarding the environment in all areas where it carries out business.

The Group is committed to making a positive impact in the communities in which it operates. This includes making small donations each year to local charities, with total in aggregate being less than £2,000. Employees are encouraged to raise money for charities and their endeavours may be supported either by the Group or personally by individual Directors.

Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board is responsible for evaluating risk and for ensuring that the Group has appropriate systems and controls in place for effective risk management. The effectiveness of these internal systems and controls is reviewed on an ongoing basis by the Audit Committee and Board.

A budget is prepared each year, which is subject to formal review and approval by the Board. Performance against budget and prior year is reported to the Board as part of the Group's monthly reporting pack. The Board meets monthly to review ongoing performance, including both financial and non-financial Key Performance Indicators ("KPIs"), as well as the consideration of new threats and opportunities presented to the Group.

Mitigation can only provide reasonable, but not absolute, assurance against material misstatement or loss. As such Access Intelligence maintains appropriate insurance cover for the Group's activities, with the types of cover and insured values being reviewed on a periodic basis by the Board.

The Group formally reviews the risks to the business annually, with the key risks to the business and explanations of how these are mitigated being detailed on pages 21 to 23. Whilst the Board is ultimately responsible for risk our culture seeks to empower all employees to manage risk effectively.

Maintain the board as a well-functioning, balanced team led by the chair Access Intelligence is controlled by its Board of Directors, which comprises four Non-Executive Directors and two Executive Directors

Access Intelligence is controlled by its Board of Directors, which comprises, a Non-Executive Chairman, two independent Non-Executive Directors, one non-independent Non-Executive Director and two Executive Directors.

Christopher Satterthwaite, as Non-Executive Chairman, is responsible for the running of the Board and for both the quality of and approach to corporate governance. Joanna Arnold, as Chief Executive Officer, is responsible for running the business and implementing the Group's strategy.

The Board considers itself to be sufficiently independent, in line with the QCA Code which suggests that a board should have at least two independent Non-Executive Directors. Christopher Satterthwaite, Jeremy Hamer and Chris Pilling are deemed by the Board to be independent Non-Executive Directors. The Board consider that as Michael Jackson is a substantial shareholder of Elderstreet Draper Esprit VCT Plc, he is not deemed to be an independent Non-Executive Director.

Directors communicate directly with Executive Directors and senior management between formal Board meetings. The Board met 17 times in the period, including Board meetings for the purposes of approving Directors' transactions.

The Board receives regular and timely information in respect of the Group's operational and financial performance from the Executive Directors, with a detailed board report pack being shared in advance of Board meetings. In addition, the minutes of the previous Board meeting are reviewed and approved by the Board each month and the Directors have access to the advice and services of the Company Secretary.

Non-Executive Directors are required to spend at least two days per month on Company business. All Directors are subject to election by shareholders at the first AGM after their appointment to the Board and seek re-election at least once every three years thereafter.

The Board has a formal schedule of matters reserved for its approval and is supported in its work by the Audit and Remuneration Committees which are each chaired by an Independent Non-Executive Director. The Board has not appointed a Nomination Committee as it has concluded that given the size of the Group this function can be effectively carried out by the Board.

Further details of the responsibilities and composition of the Audit and Remuneration Committees are provided on page 38.

Attendance by Directors at Board meetings during the year was as follows:

Director	Tenure (years)	Board meetings during year	Board meetings attended
C Satterthwaite	1	17	16
M Jackson	11	17	13
C Pilling	4	17	12
J Hamer	2	17	13
J Arnold	6	17	14
M Fautley	2	17	17

Attendance by members of the Audit Committee at Audit Committee meetings during the year was as follows:

Director	Tenure (years)	Audit Committee meetings during year	Audit Committee meetings attended
C Satterthwaite	1	2	2
M Jackson	11	2	1
C Pilling	4	2	1
J Hamer	2	2	2

Attendance by members of the Remuneration Committee at Remuneration Committee meetings during the year was as follows:

Director	Tenure (years)	Remuneration Committee meetings during year	Remuneration Committee meetings attended
C Satterthwaite	1	2	2
M Jackson	11	2	1
C Pilling	4	2	2

Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities
The Board regularly reviews its composition to ensure that it has the necessary breadth and depth of skills to support the ongoing development and growth of the business. The Board is satisfied that it has an effective and appropriate balance of skills between the Directors to deliver the strategy of the Company for the benefit of its shareholders over the medium to long-term. Biographies of the Directors are provided on pages 25 to 27.

Where new Board appointments are considered, the search for candidates is conducted and appointments are made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board, including but not limited to gender balance.

The Directors keep their skillset up to date with ongoing training and are individually assessed on an annual basis through the annual evaluation process.

The Board are supported by the Company Secretary, a role carried out by Beyond Governance Limited who provide expert advice to the board and minute each meeting. Every Director is aware of the right to have any concerns minuted and to seek independent advice at the Group's expense where appropriate.

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement
The Board and its committees propose to undertake a performance evaluation annually, taking into account the Financial Reporting Council's Guidance on Board Effectiveness.

All Directors will undergo a performance evaluation before being proposed for re- election to ensure that their performance is and continues to be effective, that where appropriate they maintain their independence and that they are demonstrating continued commitment to the role. Formal performance reviews are carried out annually with all Executive Directors.

The Board regularly reviews its composition, particularly in conjunction with succession planning, and may utilise the results of performance evaluations when considering this composition and/or succession planning. Succession is seen as a vital task for the Board and is regularly reviewed.

Promote a corporate culture that is based on ethical values and behaviours
The Board seeks to ensure that the highest standards of integrity and ethical behaviour are demonstrated in the conduct of the Group's operations and are demonstrated through the company's objectives, strategy and business model. These standards are enshrined in the Group's written policies which are adopted by all employees and reviewed during the annual performance review.

An open culture is encouraged within the Group, with employee feedback sought and regular progress and performance updates provided to all employees. The Board monitors and promotes a healthy culture which permeates every aspect of the business including how it seeks to recruit, nominate, train and engage with its employees. The Company's performance and reward schemes align employee behaviour with the Company culture.

Maintain governance structures and processes that are fit for purpose and support good decision- making by the board
The long-term success of Access Intelligence is the responsibility of the Board of Directors, which comprises four Non-Executive Directors and two Executive Directors. The Executive Directors have responsibility for the operational management of the Group's activities. The Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions.

There is a clear separation of the roles of the Non-Executive Chairman and the Chief Executive Officer. The Chairman is responsible for the running of the Board and has ultimate responsibility for management of the Board and, amongst other matters, the quality of and the Group's approach to corporate governance. The Chief Executive Officer has ultimate responsibility for implementing the strategy of the Board and managing the day-to-day business activities of the Group. The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

The Board has established an Audit Committee and a Remuneration Committee, with formal terms of reference, which are each chaired by an independent Non-Executive Director. The Audit Committee is chaired by Jeremy Hamer and the Remuneration Committee is chaired by Chris Pilling.

The Board has not appointed a Nomination Committee as it has concluded that given the size of the Group this function can be effectively carried out by the Board.

The Board receives regular and timely information in respect of the Group's operational and financial performance from the Executive Directors, with a detailed board report pack being circulated each month. The Board generally meets on a monthly basis, with 17 Board meetings having been held during the year, including Board meetings for the purposes of approving Directors' transactions.

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders
Access Intelligence communicates with shareholders in a number of ways, including:

- the Group's Annual Report and Accounts;
- full year and half year announcements;
- other regulatory announcements;
- the Annual General Meeting;
- update meetings with existing shareholders;
- outcomes of all votes in a clear and transparent manner; and
- Audit committee report/remuneration committee report.

A range of corporate information, including annual reports for the last five completed financial years, full and half year results announcements, notices of General Meetings for the last five completed financial years and other regulatory announcements, is also available to shareholders, investors and the public through the Group's website.

Further details of the role of the Audit, Remuneration and Nomination committees are set out below.

Audit Committee

The audit committee comprises Jeremy Hamer, Christopher Satterthwaite, Michael Jackson and Chris Pilling, and is chaired by Jeremy Hamer. It is responsible for ensuring that appropriate financial reporting procedures are properly maintained and reported on. Where required, meetings are held with the Group's auditors to review their reports on the accounts and the Group's internal controls.

It also reviews the performance of the Group's auditors to ensure an independent, objective, professional and cost-effective relationship is maintained. As well as reviewing the Group's published financial results, the committee reviews the Group's corporate governance processes (including risk analysis), accounting policies and procedures, reporting to the Board on any control issues identified.

Remuneration Committee

The remuneration committee consists of Chris Pilling, Christopher Satterthwaite and Michael Jackson and is chaired by Chris Pilling. The committee's aim is to ensure that the Executive Directors are rewarded for their contribution to the Group and are motivated to enhance the return to shareholders. The remuneration committee is responsible for reviewing the performance of the Directors and setting their remuneration, meeting on an "as required" basis.

Nomination Committee

The Board has not appointed a Nomination Committee as it has concluded that given the size of the Group this function can be effectively carried out by the Board.

Independent auditor's report to the members of Access Intelligence Plc

Opinion

We have audited the financial statements of Access Intelligence PLC (the 'Parent company') and its subsidiaries (the 'Group') for the year ended 30 November 2019 which comprise:

- the Consolidated Statement of Comprehensive Income;
- the Consolidated Statement of Financial Position;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Statement of Cash flow;
- the Company Statement of Financial Position
- the Company Statement of Changes in Equity; and
- the Notes to the Consolidated Financial Statements and the Notes to the Company Financial Statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The financial reporting framework that has been applied in the preparation of the Parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent company's affairs as at 30 November 2019 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 ''the Financial Reporting Standard applicable in the UK and Republic of Ireland''); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on:

- the overall audit strategy,
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Key audit matter:
The Group's accounting policy for revenue recognition is set out in the accounting policy notes on "Revenue" on page 64. Under this policy, the amount of revenue recognised in a year will represent the fair value of the Group's entitlement to consideration in respect of services provided in that year.

The Group has a number of various contractual arrangements, whereby revenue is deferred and recognised over the passage of time based on the service provided. There is a risk that revenue may not be recognised in the correct period. We have determined that fraud could arise through the manipulation of the deferral of revenue in order to record revenue in one period or another. We have identified the cut off of revenue as a key audit matter to reflect the significance of reported revenues to the users of the financial statements.

Our response:

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

General procedures included, but were not limited to:

- review of the methodology applied in relation to revenue recognition for services provided under various contractual arrangements; and
- assessing the related internal control environment, including testing on a sample basis certain controls that we considered to be key in the determination of revenue to be recognised.

Substantive procedures included, but were not limited to:

- for a sample of contracts covering more than one period, agreement of both the contract value and term to signed contracts, and recalculation of both recognition and deferral of revenue; and
- for this sample, assessed whether revenue was appropriately recognised in November (final month of the financial year) and December (first month of subsequent financial year) by reference to contract details.

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

Application of the going concern basis of preparation and the impact of the outbreak of COVID-19 on the financial statements

Key audit matter:
The Directors have summarised their assessment of the applicability of the going concern basis of preparation within the Directors' Report on page 30 and in the summary of significant accounting policies on page 57. The Group is reporting net current liabilities at the year end and a loss on operations during the year. The Group expects to incur further losses and cash outflows until such a time as the contribution from projected revenue increase covers operating costs.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK. The Directors' consideration of the impact on the financial statements is disclosed in the Strategic Report on page 22 and going concern assessment on page 30. Whilst the situation is still evolving, based on the information available at this point in time, the directors have assessed the impact of COVID-19 on the business and have concluded that adopting the going concern basis of preparation is appropriate.

As per Note 29 to the financial statements, the directors have also concluded that COVID-19 is a non-adjusting post balance sheet event.

In light of the above, we have identified the applicability of the going concern basis of preparation of financial statements and the appropriateness of the related financial statement disclosures, including those relating to COVID-19, as a key audit matter.

Our response:

In forming our conclusion over the applicability of the going concern assumption, we assessed the Directors' conclusion to adopt the going concern basis for preparation of the financial statements and we evaluated how the Directors' going concern assessment considered the impacts arising from COVID-19. The procedures we performed are set out below:

- review of the Directors' Board Paper on going concern, approved by the Board on 25 March 2020, including challenging the key assumptions underlying cash flow projections;
- review of the Director's sensitivity analysis, including consideration of the appropriateness of sensitivities applied in the connection with the COVID-19 pandemic based on a 'most likely' (base case) scenario and a 'reverse stress tested scenario'.
- enquiries of the Directors to understand the period of assessment considered, the completeness of the adjustments taken into account, and the implication of those adjustments when assessing both the 'most likely' scenario and the 'reverse stress tested scenario' on the Group's future financial performance
- performance of our own additional sensitivity analysis, review of contingency planning, and consideration of cash headroom levels under the 'base case' monthly cash flow forecasts and evaluation whether the Directors' conclusion that liquidity remained in all scenarios was reasonable
- considered, on the basis of the results of the procedures above, whether the financial statement disclosures on going concern, including those relating to COVID-19 implications, are appropriate.

Our observations:

Based on the work performed, we conclude that the Directors' use of the going concern basis of preparation is reasonable, and that appropriate disclosures on going concern, including the impact of COVID-19, have been made in the financial statements.

Impairment of goodwill and other intangible assets

Key audit matter:

The Group's accounting policy in respect of intangible assets is set out in the accounting policy notes on 'Intangible assets – Goodwill', 'Intangible assets – Research and development expenditure', 'Intangible assets – Database', 'Intangible assets – Customer Relationships', and 'Intangible assets – Brand Values' on pages 61 and 62. The Group's policy on impairment of assets is set out under 'Impairment of non-financial assets' on page 62 The Group's commentary on the related accounting estimates is set out under 'Significant estimates' on page 58.

Goodwill is not amortised, and requires an annual impairment review. For other assets, a full impairment review is required where the Directors have identified an indicator that the assets may be impaired. The Directors have concluded that the Group's reported operating losses represent an indicator of potential impairment, and have therefore performed a full impairment review on intangible assets and investments.

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

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

General procedures included, but were not limited to:

- review of the methodology used by the Directors for the impairment review, and
- consideration of the review and approval processes adopted.

Substantive procedures included, but were not limited to:

- review of Director's Board Paper on impairment, including challenging the key assumptions underlying management's discounted cash flow ('DCF') projections, such as revenue growth, cost savings, and discount rate;
- testing the calculations in the DCF projections;
- review of Director's sensitivity analysis, including consideration of the appropriateness of sensitivities applied; and
- consideration of the related financial statement disclosures to assess whether they are adequate and appropriate.

Our observations:
The methodology used by the Directors in their impairment review of goodwill and intangible assets is appropriate. On the basis of our audit procedures, we consider that the Directors' assessment that there is no further required impairment of goodwill and intangibles is reasonable.

Acquisition of Fenix Media Limited and Face US Inc. (collectively "Pulsar")

Key audit matter
The Group acquired Pulsar during the year. The Group's accounting policy for the consolidation of acquired entities is set out in the accounting policy notes on 'Basis of consolidation' on page 59. Under IFRS 3 Business Combinations, the Group recognises the identifiable assets acquired, including intangible assets, at their fair value on the acquisition date. The Group's accounting policy in respect of acquired intangible assets is set out in the accounting policy notes on 'Intangible assets – Goodwill', 'Intangible assets – Research and development expenditure', 'Intangible assets – Customer Relationships', and 'Intangible assets – Brand Values' on pages 61 and 62.

Reflecting the requirement for management judgement in acquisition accounting, we have identified the provisional estimate of the fair value of the separate intangible assets and goodwill as a key audit matter.

Our response:
Our audit procedures on the accounting for the acquisition of Pulsar included the review of the methodology applied by management to identify acquired intangible assets and to estimate provisionally the fair value of those assets. Our procedures included:

- review of management's Board Paper on acquisition accounting to gain an understanding of the applied methodology and underlying assumptions;
- with the assistance of our valuation specialists, challenging management's identification of individual intangible assets and reviewing management's valuation methodology and underlying assumptions; and
- in light of the negative goodwill arising on the acquisition, challenged management on why they consider the acquisition to represent a bargain purchase.

Our observations:
On the basis of our procedures, the Directors have identified appropriate acquired intangible assets and have made reasonable provisional valuations of those assets.

Our application of 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 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 and Parent company materiality	**£205,000**
How we determined materiality The Group considers reported revenue to be a key performance indicator, and is frequently used to provide an indicator of enterprise value in the software as a service (SaaS) sector. We therefore consider Group reported revenue to be an appropriate basis for determining materiality.	
Rationale for benchmark applied Having considered factors such as the Group's AIM listing and the limited external debt, we determined materiality at 1.5% of Group reported revenue for the year.	
Performance materiality – Group and Parent company We performed our audit procedures using a lower level of materiality – termed 'performance materiality' – which is set to reduce to an appropriate level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. Having considered factors such as the Group's control environment, we set performance materiality at 70% of overall materiality.	**£143,000**
Reporting threshold – Group and Parent company We agreed with the Audit Committee that we would report to that committee all identified corrected and uncorrected audit differences in excess of this level, together with differences below that level that, in our view, warranted reporting on qualitative grounds.	**£6,000**

The range of financial statement materiality across components, audited to the lower of local statutory audit materiality and materiality capped for group audit purposes, was between £26,000 and £70,000, being all below group financial statement materiality.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements such as making assumptions on significant accounting estimates.

We gained an understanding of the legal and regulatory framework applicable to the Group and Parent company, the structure of the Group and the Parent company and the industry in which it operates. We considered the risk of acts that could be considered to be contrary to applicable laws and regulations, including fraud. We designed our audit procedures to respond to those identified risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006. We tailored the scope of our Group audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the parent company and Group's accounting processes and controls and its environment and considered qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

Our tests included, but were not limited to, obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by irregularities including fraud, review of minutes of directors' meetings in the year and enquiries of management. As a result of our procedures, we did not identify any Key Audit Matters relating to irregularities, including fraud (other than the key audit matter on revenue recognition outlined above).

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are discussed under "Key audit matters" within this report.

Each of the Group's trading subsidiaries owned throughout the year (AI MediaData Limited, Access Intelligence Media and Communications Limited, and ResponseSource Limited) was considered to be a significant component of the Group, and was subject to a full scope audit of its statutory financial statements performed by the Group engagement team to an appropriate entity-level materiality. Fenix Media Limited and Face US Limited were acquired during the year, and were assessed as being significant components subjected to specific scope audit procedures. The Group engagement team also tested the consolidation process.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements;

- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements;

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 32, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

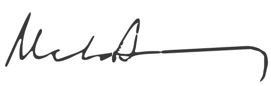
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

Use of the audit report

This report is made solely to the Parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent company and the Parent company's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:



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

3 April 2020

Consolidated Statement of Comprehensive Income

Year ended 30 November 2019

	Note	2019 £'000	2018 £'000
Revenue	3	**13,429**	8,888
Cost of sales		**(3,395)**	(2,673)
Gross profit		**10,034**	6,215
Recurring administrative expenses		**(9,229)**	(6,181)
Adjusted EBITDA		**805**	34
Non-recurring administrative expenses	5	**(1,777)**	(473)
Share of loss of associate	14	**(201)**	(222)
Share based payments	24	**(63)**	-
EBITDA		**(1,236)**	(661)
Depreciation of tangible fixed assets	15	**(169)**	(78)
Amortisation of intangible assets	13	**(1,694)**	(818)
Operating loss	5	**(3,099)**	(1,557)
Gain arising on acquisition	7	**298**	-
Financial income		**2**	-
Financial expense	9	**(95)**	(160)
Loss before taxation		**(2,894)**	(1,717)
Taxation credit	10	**734**	362
Loss for the year from continuing operations		**(2,160)**	(1,355)
Loss for the year from discontinued operations	6	**-**	(155)
Loss for the year		**(2,160)**	(1,510)
Other comprehensive income		**-**	-
Total comprehensive loss for the period attributable to the owners of the Parent Company		**(2,160)**	(1,510)

Earnings per share		Continuing Operations 2019	Continuing Operations 2018
Basic loss per share	12	**(3.44)p**	(2.98)p
Diluted loss per share	12	**(3.44)p**	(2.98)p

		Continuing and Discontinued Operations 2019	Continuing and Discontinued Operations 2018
Basic loss per share	12	**(3.44)p**	(3.32)p
Diluted loss per share	12	**(3.44)p**	(3.32)p

Consolidated Statement of Financial Position

At 30 November 2019

	Note	2019 £'000	2018 £'000
Non-current assets			
Intangible assets	13	**16,143**	14,033
Investment in associate	14	**117**	318
Property, plant and equipment	15	**884**	167
Deferred tax assets	22	**21**	37
Total non-current assets		**17,165**	14,555
Current assets			
Trade and other receivables	16	**7,737**	3,640
Current tax receivables		**995**	362
Cash and cash equivalents	25	**2,001**	5,300
Total current assets		**10,733**	9,302
Total assets		**27,898**	23,857
Current liabilities			
Trade and other payables	18	**3,807**	3,913
Accruals		**1,206**	1,006
Provisions	26	**-**	75
Deferred revenue	19	**7,935**	6,354
Interest bearing loans and borrowings	17	**23**	210
Total current liabilities		**12,971**	11,558
Non-current liabilities			
Provisions	26	**213**	96
Interest bearing loans and borrowings	17	**-**	867
Deferred tax liabilities	22	**643**	609
Total non-current liabilities		**856**	1,572
Total liabilities		**13,827**	13,130
Net assets		**14,071**	10,727
Equity			
Share capital	23	**3,961**	3,189
Treasury shares		**(148)**	(148)
Share premium account		**17,242**	13,075
Capital redemption reserve		**191**	191
Share option reserve		**411**	348
Other reserve		**502**	-
Retained earnings		**(8,088)**	(5,928)
Total equity attributable to the equity holders of the Parent Company		**14,071**	10,727

The consolidated financial statements were approved and authorised for issue by the Board of directors on 3 April 2020 and signed on its behalf by

J Arnold
Director

The notes on pages 56 to 96 form part of these financial statements.

Consolidated Statement of Changes in Equity

Year ended 30 November 2019

	Share capital £'000	Treasury shares £'000	Share premium account £'000	Capital redemption reserve £'000	Share option reserve £'000	Equity reserve £'000	Other reserve £'000	Retained earnings £'000	Total £'000
Group									
At 1 December 2017	**1,743**	**(148)**	**2,352**	**191**	**348**	**255**	**-**	**(4,418)**	**323**
Total comprehensive loss for the year	-	-	-	-	-	-	-	(1,510)	(1,510)
Conversion of convertible loan notes	340	-	2,193	-	-	(255)	-	-	2,278
Issue of share capital	1,106	-	8,530	-	-	-	-	-	9,636
Share-based payments	-	-	-	-	-	-	-	-	
At 1 December 2018	**3,189**	**(148)**	**13,075**	**191**	**348**	**-**	**-**	**(5,928)**	**10,727**
Total comprehensive loss for the year	-	-	-	-	-	-	-	(2,160)	(2,160)
Issue of share capital	772	-	4,167	-	-	-	-	-	4,939
Arising on acquisition	-	-	-	-	-	-	502	-	502
Share-based payments	-	-	-	-	63	-	-	-	63
At 30 November 2019	**3,961**	**(148)**	**17,242**	**191**	**411**	**-**	**502**	**(8,088)**	**14,071**

Share capital and share premium account

When shares are issued, the nominal value of the shares is credited to the share capital reserve. Any premium paid above the nominal value is taken to the share premium account. Access Intelligence plc shares have a nominal value of 5p per share. Directly attributable transaction costs associated with the issue of equity investments are accounted for as a reduction from the share premium account.

Treasury shares

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

Share option reserve

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

Capital redemption reserve

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

Equity reserve

The equity reserve arises as a result of the equity component that has been recognised on the convertible loan notes that have been issued by the Group (see Note 17: 'Interest bearing loans and borrowings')

The reserve is determined by deducting the amount of the liability component from the fair value of the convertible loan notes as a whole, net of income tax effects and the relative proportion of the directly attributable transaction costs associated with the issue of the compound instruments.

Other reserve

This reserve arises as a result of the difference between the fair value and the nominal value of consideration shares issued on acquisition.

Retained earnings

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

Consolidated Statement of Cash Flow

Year ended 30 November 2019

	Note	2019 £'000	2018 £'000
Loss for the year		**(2,160)**	(1,510)
Adjusted for:			
Taxation	10	**(734)**	(362)
Financial expense	9	**95**	160
Financial income	9	**(2)**	-
Gain arising on acquisition		**(298)**	-
Depreciation and amortisation	13,15	**1,863**	896
Share based payments		**63**	-
Share of loss of associate		**201**	222
Loss on sale of A.I. Talent Limited	6	**-**	64
Operating cash outflow before changes in working capital		**(972)**	(530)
(Increase)/decrease in trade and other receivables		**(1,790)**	174
(Decrease)/Increase in trade and other payables		**(864)**	2,414
Net cash (outflow)/inflow from operations before taxation		**(3,626)**	2,058
Taxation received		**-**	458
Net cash (outflow)/inflow from operations		**(3,626)**	2,516
Cash flows from investing			
Acquisition of property, plant and equipment	15	**(856)**	(78)
Acquisition of software licenses and other intangible assets	13	**(56)**	(36)
Cost of software development	13	**(2,337)**	(1,344)
Disposal of A.I. Talent Limited (net of expenses)	6	**-**	(5)
less: cash and cash equivalents disposed of	6	**-**	(142)
Investment in associate	14	**-**	(260)
Acquisition of Pulsar	7	**(43)**	-
Acquisition of ResponseSource Ltd	7	**-**	(5,000)
Net cash outflow from investing		**(3,292)**	(6,865)
Cash flows from financing activities			
Interest paid		**(124)**	(160)
Repayment of loan notes	17	**(918)**	-
Issue of shares (net of expenses)	23	**4,521**	9,136
Exercise of share options	23	**140**	-
Net cash inflow from financing		**3,619**	8,976
Net (decrease)/increase in cash and cash equivalents	25	**(3,299)**	4,627
Opening cash and cash equivalents	25	**5,300**	673
Closing cash and cash equivalents	25	**2,001**	5,300

The notes on pages 56 to 96 form part of these financial statements.

Notes to the Consolidated Financial Statements

1. General Information

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

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

2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been applied consistently to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS's') as adopted by the European Union, and with those parts of the Companies Acts applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention and on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Going concern

The Strategic Report and opening pages to the annual report discuss Access Intelligence's business activities and headline results, together with the financial statements and notes which detail the results for the year, net current liability position and cash flows for the year ended 30 November 2019. The Board has further considered 12-month cash flow forecasts from the date of signing the accounts and consider the assumptions used therein to be reasonable and reflective of the long-term 'software as a service' contracts and contracted recurring revenue.

The Group meets its day to day working capital requirements through its cash balance. It does not have a bank loan or overdraft, although did have an other loan of £23,000 at the year end.

As a result of the market uncertainty due to the ongoing COVID-19 situation, the possible impact on available cash during the next 12 months' trading has been modelled under a range of assumptions and sensitivities. As part of this, the directors have performed a detailed stress test to confirm that the business will be able to operate for at least the following 12 months. This stress test involves the assessment of cash flows against available cash balances and the assumptions used are as follows:

- A 20% reduction in new business, a 38% reduction in upsell and a 12% reduction in renewal rates, with an initial three month fall in sales and renewals, followed by five months of slightly improved performance compared to the initial three months, and then a return towards expected performance from month nine onwards.
- These assumptions are expected to result in a 9% reduction in FY20 revenue and a 19% reduction in FY21 revenue;
- A significant reduction in forecast monthly cash collections from customers, resulting in £5.8m lower cash collection from April 2020 – April 2021;
- A moratorium on uncommitted, non-essential expenditure;
- A restriction on recruitment to only essential roles;

- Deferment of April 2020 VAT payment to March 2021 in line with Government 'Deferral of VAT payments due to coronavirus' guidance; and
- Government support for employees furloughed as a result of reduced commercial activity.

The Group has also assessed an extreme-worst case 'reverse stress tested' scenario which has indicated that Group revenue would need to fall by 12.5% in FY20 and 35% in FY21 before the Group would require additional cash to continue to operate. The assumptions used are as follows:

- A 53% reduction in new business, a 61% reduction in upsell and a 22% reduction in renewal rates, again with an initial three month albeit deeper fall in sales and renewals, followed by five months of slightly improved performance compared to the initial three months, and then a return towards expected performance from month nine onwards.
- These assumptions are expected to result in a 12.5% reduction in FY20 revenue and a 35% reduction in FY21 revenue;
- A significant reduction in forecast monthly cash collections from customers, resulting in £8.4m lower cash collection from April 2020 – April 2021;
- A moratorium on uncommitted, non-essential expenditure;
- A restriction on recruitment to only essential roles;
- Deferment of April 2020 VAT payment to March 2021 in line with Government 'Deferral of VAT payments due to coronavirus' guidance; and
- Government support for employees furloughed as a result of reduced commercial activity; and
- Significant reduction in Group headcount.

The chances of this happening in next 12 months are considered remote due to the long term nature of the Group's customer contracts and the diverse nature of the Group's customer base.

The results of both tests confirm that the Group will be able to continue to operate for at least 12 months from the date of this report. The assessment is based on the Board's best estimate at the date of this report which may be subject to change as the situation evolves further.

As at the date of this report, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Significant judgements

In addition to going concern, the areas involving a high degree of judgement or complexity relate to:

- the recognition of deferred tax assets in relation to losses (refer to Note 22); and
- the recoverability of trade receivables (refer to Note 16).

Significant estimates

Further to the significant judgements above the areas where key assumptions and estimates have been made by management relate to:

- the impairment testing of goodwill and capitalised development costs and other non-current assets. A full impairment review has been performed on a "value in use" basis, which requires estimation of future net operating cashflows, the time period over which they occur, an appropriate discount rate and an appropriate growth rate. Further details, including sensitivity analysis are given in Note 13 and the accounting policy is set out in Note 2; and
- the charge for share-based payment transactions which include assumptions on future share prices movements, expected future dividends, and risk-free discount rates (refer to Note 24).

New standards and interpretations

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

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

New standards, amendments and interpretations issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

In January 2016, the IASB issued IFRS 16 Leases. The new standard supersedes IAS 17 and is effective for annual periods beginning on or after 1 January 2019. The objective of IFRS 16 is to ensure a single lease accounting model and lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlining asset is of low value.

The Group plans to apply modified retrospective approach and measure the lease liability based on the remaining lease payments, discounted using the incremental borrowing rate as of the date of initial application. Right of use assets will be measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group will elect to apply the standard to contracts that were previously identified as leases applying IAS 17 and IFRIC 4.

The Group will elect to use the exceptions proposed by the standard on lease contracts for which the lease term ends within 12 months as of the date of initial application, and lease contracts for which the underlying assets are low value.

The Group will apply the standard to a portfolio of leases with similar characteristics, since it is reasonably expected that the resulting effect is not materially different from applying the standard on a lease-by-lease basis.

The Group believes that at the initial implementation date of the standard, assets are expected to increase by £917,000 and liabilities by £917,000. Accordingly, from the initial application date, instead of presenting the rental expenses for the leased assets under operating leases, the Group will recognize depreciation expenses for depreciation of the right-of-use assets that were recognized and will also recognize financing expenses for the lease liability. Therefore, application of the standard is expected to result in a decrease in operating expenses in the amount of £857,000 in 2020 and an increase in depreciation and in financing expenses in the amount of £1,280,000. In addition, following application of the standard, there is expected to be an increase in cash flows from operating activities of £920,000 and an increase in cash outflows from financing activities in the amount of £1,083,000. Application of the standard is expected to reduce the Group's net profit for 2020 by £163,000.

The Group will continue to assess the impact in the 2020 financial year. For details in respect of existing operating leases see Note 26.

Other new standards, amendments and interpretations issued but not yet effective include:

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

Basis of consolidation

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

The results of subsidiary undertakings acquired or disposed of in the year are included in the Group statement of comprehensive income from the effective date of acquisition or to the effective date of disposal. Accounting policies are consistently applied throughout the Group. Inter-company balances and transactions have been eliminated. Material profits from inter-company sales, to the extent that they are not yet realised outside the Group, have also been eliminated.

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

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

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

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

Foreign currency translation

The functional currency of Face US dba Pulsar is US Dollars and the functional currency of all other Group companies is Sterling.

Foreign currency transactions are booked in the functional currency of the Group company at the exchange rate ruling on the date of transaction. Foreign currency monetary assets and liabilities are retranslated into the functional currency at rates of exchange ruling at the balance sheet date. Exchange differences are included in the income statement. On consolidation, assets and liabilities, including related goodwill, of overseas subsidiaries, are translated into Sterling at rates of exchange ruling at the balance sheet date. The results and cash flows of overseas subsidiaries are translated into Sterling using average rates of exchange. Any loss on net monetary assets is charged to the consolidated income statement.

Business combinations

In accordance with IFRS 3 "Business Combinations", the fair value of consideration paid for a business combination is measured as the aggregate of the fair values at the date of exchange of assets given and liabilities incurred or assumed in exchange for control.

The assets, liabilities and contingent liabilities of the acquired entity are measured at fair value as at the acquisition date. When the initial accounting for a business combination is determined, it is done so on a provisional basis with any adjustments to these provisional values made within 12 months of the acquisition date and are effective as at the acquisition date.

To the extent that deferred consideration is payable as part of the acquisition cost and is payable after one year from the acquisition date, the deferred consideration is discounted at an appropriate interest rate and, accordingly, carried at net present value in the consolidated balance sheet. The discount component is then unwound as an interest charge in the consolidated income statement over the life of the obligation.

Where a business combination agreement provides for an adjustment to the cost of a business acquired contingent on future events, the Group accrues the fair value of the additional consideration payable as a liability at acquisition date. This amount is reassessed at each subsequent reporting date with any adjustments recognised in the consolidated income statement.

If the business combination is achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree is re measured at the acquisition date through the consolidated income statement. Transaction costs are expensed to the consolidated income statement as incurred.

Acquisition related expenses include contingent consideration payments agreed as part of the acquisition and contractually linked to ongoing employment as well as business performance (Acquisition-related employment costs). Acquisition-related employment costs are accrued over the period in which the related services are received and are recorded as exceptional costs.

Disposal groups held for sale

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

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

Discontinued operations

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

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

Property, plant and equipment

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

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

Fixtures, fittings and equipment - 3 - 5 years

Leasehold improvements - over the lease term

Intangible assets - Goodwill

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

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

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

Intangible assets - Research and development expenditure

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

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

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

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

In 2019 there were five (2018: five) capitalised development projects. The prior year projects both related to the development of new functionality within the Vuelio and Pulsar platforms. The directors assessed the capitalisation criteria of its internally generated material intangible assets through a review of the output of the work performed, the specific costs proposed for capitalisation, the likely completion of the work and the likely future benefits to be generated from the work. The directors assess the useful life of the completed capitalised development projects to be five years from the date of the first sale or when benefits begin to be realised and amortisation will begin at that time.

Intangible assets - Database

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

Intangible assets - Customer relationships

On acquisition of businesses, a fair value was calculated in respect of the customer relationships acquired. Amortisation is calculated on a straight-line basis over the estimated useful economic life of the customer relationships. It is the directors' view that this useful economic life is up to nine years, based on known and forecast customer retention rates.

Intangible assets - Brand value

Acquired brands, which are controlled through custody or legal rights and could be sold separately from the rest of the Group's businesses, are capitalised where fair value can be reliably measured. The Group applies a 20-year straight line amortisation policy on all brand values. The conclusion is that a realistic life for the brand equity would be a 'generation' or 20 years. Where there is an indication of impairment, the directors will perform an impairment review by analysing the future discounted cash flows over the remaining life of the brand asset to determine whether impairment is required.

Software licences

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

Impairment of non-financial assets

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

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

Reversals of impairment

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

Financial instruments

Financial assets
Financial assets are measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). The measurement basis is determined by reference to both the business model for managing the financial asset and the contractual cash flow characteristics of the

financial asset. The group's financial assets comprise of trade and other receivables and cash and cash equivalents.

Trade receivables

Trade receivables are measured at amortised cost are carried at the original invoice amount less allowances for expected credit losses.

Expected credit losses are calculated in accordance with the simplified approach permitted by IFRS 9, using a provision matrix applying lifetime historical credit loss experience to the trade receivables. The expected credit loss rate varies depending on whether, and the extent to which, settlement of the trade receivables is overdue and it is also adjusted as appropriate to reflect current economic conditions and estimates of future conditions. For the purpose of determining credit loss rates, customers are classified into groupings that have similar loss patterns. The key drivers of the loss rate are the nature of the business unit and the location and type of customer. When a trade receivable is determined to have no reasonable expectation of recovery it is written off, firstly against any expected credit loss allowance available and then to the income statement.

Subsequent recoveries of amounts previously provided for or written off are credited to the income statement. Long-term receivables are discounted where the effect is material.

Cash and cash equivalents

Cash held in deposit accounts is measured at amortised cost.

Financial liabilities

The Group's financial liabilities consist of trade payables, loans and borrowings, and other financial liabilities. Trade payables are non-interest bearing. Trade payables initially recognised at their fair value and subsequently measured at amortized cost. Loans and borrowings and other financial liabilities, which include the liability component of convertible redeemable loan notes, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method. Interest expense is measured on an effective interest rate basis and recognised in the income statement over the relevant period.

Convertible loan notes

The component parts of compound instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated at the present value of the stream of future cash flows (including both coupon payments and redemption) discounted at the market rate of interest that would have been applied to an instrument of comparable credit quality with substantially the same cash flows, on the same terms, but without the conversion option.

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

Provisions

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

Deferred and accrued income

The Group's customer contracts include a diverse range of payment schedules dependent upon the nature and type of services being provided. The Group often agrees payment schedules at the inception of long-term contracts under which it receives payments throughout the term of contracts. These payment schedules may include progress payments as well as regular monthly or quarterly payments for ongoing service delivery. Payments for transactional services may be at delivery date, in arrears or in advance.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract. The Group's contract liability relates only to deferred revenue and the aggregate amount is disclosed in Note 19.

Where payments made are less than the revenue recognised at the period end date, the Group recognises an accrued income contract asset for this difference.

At each reporting date, the Group assesses whether there is any indication that accrued income assets may be impaired by considering whether the revenue remains highly probable and that no revenue reversal will occur. Where an indicator of impairment exists, the Group makes a formal estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and is written down to its recoverable amount.

Current and deferred income tax

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

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

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

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

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

Share-based payments

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

Fair value is measured by use of the Black–Scholes method or the Monte Carlo method. The charges to profit or loss are recognised in the subsidiary employing the individual concerned.

Employee benefits

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

Revenue

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

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

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

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

Customers do not have a contractual right to non-specific upgrades and therefore, the provision of these non-specific upgrades are accounted for as part of the related service contract as explained above.

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

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

Cost of sales

Cost of Sales comprises third party costs directly related to the provision of services to customers. During the year the Group changed the classification of certain employee salary costs which in previous years had been disclosed within Cost of Sales. For the year ended 30 November 2019, all employee costs have been disclosed within administrative expenses. As a result, £410,000 of staff costs that had previously been disclosed within Cost of Sales in the Income Statement for the year ended 30 November 2018 have been reclassified to Administrative expenses.

Operating lease payments

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

Finance income and finance expenses

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

Interest payable comprises interest payable or finance charges on loans classified as liabilities.

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

Dividend distributions

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

Foreign exchange

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

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

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

3. Revenue

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

The Group's revenue was generated from the following territories:

	Continuing Operations 2019 £'000	Continuing Operations 2018 £'000
United Kingdom	**12,577**	8,189
European Union	**316**	453
Rest of the world	**536**	246
	13,429	8,888

4. Segment reporting

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

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

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

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

No single customer generates more than 10% of the Group's revenue.

Operating segments

The Group operating segments have been decided upon according to their revenue model and product or service offering being the information provided to the Chief Executive Officer and the Board. The Reputation segment derives its revenues from software subscription sales and support and training revenues. The Audience Insights segment derives its revenues from software subscription sales and consultancy services. The segments are:

- Reputation
- Audience Insights
- Head Office
- Discontinued - Disposals

2019

The segment information for the year ended 30 November 2019, is as follows:

	Reputation £'000	Audience Insights £'000	Head office £'000	Consolidation adjustment £'000	Continuing operations £'000	Discontinued Disposals £'000	Consolidations adjustment £'000	Discontinued operations £'000	Total £'000
External revenue	12,714	817	-	(102)	**13,429**	-	-	-	**13,429**
Adjusted EBITDA	555	(309)	661	(102)	**805**	-	-	-	**805**
Non-recurring administrative expenses	(1,226)	-	(391)	(160)	**(1,777)**	-	-	-	**(1,777)**
Share of loss of associate	-	-	-	(201)	**(201)**	-	-	-	**(201)**
Share based payments	(63)	-	-	-	**(63)**	-	-	-	**(63)**
Depreciation and amortisation	(1,479)	(83)	(12)	(289)	**(1,863)**	-	-	-	**(1,863)**
Gain arising on acquisition	-	-	-	298	**298**	-	-	-	**298**
Financial income	-	-	2	-	**2**	-	-	-	**2**
Financial expense	-	-	(95)	-	**(95)**	-	-	-	**(95)**
Taxation	713	(20)	(37)	78	**734**	-	-	-	**734**
(Loss)/Profit after taxation	(1,500)	(412)	128	(376)	**(2,160)**	-	-	-	**(2,160)**
Reportable segment assets	1,539	4,405	21,940	1,292	**27,898**	-	-	-	**27,898**
Reportable segment liabilities	(8,590)	(2,620)	(1,566)	(780)	**(13,827)**	-	-	-	**(13,827)**
Other information: Additions to property, plant and equipment	78	-	778	-	**856**	-	-	-	**856**

2018

The segment information for the year ended 30 November 2018, is as follows:

	Reputation £'000	Audience Insights £'000	Head office £'000	Consolidation adjustment £'000	Continuing operations £'000	Discontinued Disposals £'000	Consolidations adjustment £'000	Discontinued operations £'000	Total £'000
External revenue	8,888	-	-	-	**8,888**	145	-	**145**	**9,033**
Adjusted EBITDA	53	-	(3)	(16)	**34**	(91)	-	**(91)**	**(57)**
Non-recurring administrative expenses	(290)	-	-	(183)	**(473)**	-	-	**-**	**(473)**
Share of loss of associate	-	-	(222)	-	**(222)**	-	-	**-**	**(222)**
Share based payments	-	-	-	-	**-**	-	-	**-**	**-**
Loss on sale of subsidiary	-	-	-	-	**-**	-	(64)	**(64)**	**(64)**
Depreciation and amortisation	(1,193)	-	(34)	331	**(896)**	-	-	**-**	**(896)**
Financial income	-	-	-	-	**-**	-	-	**-**	**-**
Financial expense	(6)	-	(154)	-	**(160)**	-	-	**-**	**(160)**
Taxation	362	-	-	-	**362**	-	-	**-**	**362**
(Loss)/Profit after taxation	(1,074)	-	(413)	132	**(1,355)**	(91)	(64)	**(155)**	**(1,510)**
Reportable segment assets	1,257	-	23,692	(1,092)	**23,857**	-	-	**-**	**23,857**
Reportable segment liabilities	(6,891)	-	(6,559)	320	**(13,130)**	-	-	**-**	**(13,130)**
Other information: Additions to property, plant and equipment	78	-	-	-	**78**	-	-	**-**	**78**

5. Operating Loss

Operating loss is stated after charging:

	2019 £'000	2018 £'000
Depreciation of property, plant and equipment	182	78
Amortisation of development costs	1,111	311
Amortisation of brand values	79	61
Amortisation of software licences	105	64
Amortisation of database	161	201
Amortisation of customer list	225	181
Loss on foreign currency translation	4	12
Non-recurring items (see below)	1,777	473
Operating lease charges - land and buildings	592	358
Auditor's remuneration (see below)	151	96
Research and development and other technical expenditure (income statement) (a further £2,337,000 (2018: £1,344,000) was capitalised)	415	526
Increase in provision for receivables	105	130

The non-recurring costs are made up of the following:

	2019 £'000	2018 £'000
Non-recurring transitional hosting, migration and integration costs	1,204	270
Office relocation costs	341	-
Acquisition costs	160	183
Compensation and notice payments - all staff	25	20
Non-recurring legal costs	47	-
	1,777	473

Auditor's remuneration is further analysed as:

	2019 £'000	2018 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	48	31
The audit of the Company's subsidiaries, pursuant to legislation	57	33
Tax services	16	8
Non-audit fees related to acquisitions	30	24
	151	96

6. Discontinued operations

A.I. Talent Ltd

In May 2018, the Group sold its subsidiary A.I. Talent Ltd for cash consideration of £1. This business unit had been reported as a discontinued operation and classified as held for sale at 30 November 2017 following the commitment of the Group's management in 2017 to sell the entity.

	2019 £'000	2018 £'000
Results of discontinued operations		
Revenue	-	145
Expenses	-	(236)
Results from operating activities	-	(91)
Tax	-	-
Results from operating activities, net of tax	-	(91)
Loss on sale of discontinued operation	-	(64)
Tax on gain on sale of discontinued operation	-	-
Loss for the year from discontinued operations	-	(155)
Earnings per share		
Basic earnings per share	-	(0.34)p
Diluted earnings per share	-	(0.34)p

	2019 £'000	2018 £'000
Cash flows from/(used in) discontinued operation		
Net cash from operating activities	-	(6)
Net cash used in investing activities	-	-
Net cash used in financing activities	-	-
Net cash flows for the year	-	(6)

7. Acquisition of business

Pulsar

On 2 October 2019, the Group entered into a share purchase agreement to acquire the entire issued share capital of Fenix Media Limited and Face US Inc. (collectively "Pulsar"). The consideration for the acquisition was payable by the allotment and issue of 8,653,846 Ordinary Shares of 5p each and, under the terms of the Share Purchase Agreement, a cash payment of £1,600,000 was due to the Group by the vendors in respect of net working capital after the agreement of an appropriate completion Balance Sheet. This payment was received in February 2020.

As a result of a post-completion review of pre-acquisition accounting within Pulsar, an agreement was reached with the vendors on 5 February 2020 that 4,076,238 of the consideration shares would be sold back to the Group for £1, subject to Access Intelligence shareholder approval.

The fair value of shares issued as consideration is considered to be 52 pence per share. Of the 8,653,846 shares issued to the vendors, 3,076,923 shares are deemed to have been issued in respect of the cash due from the vendors of £1,600,000. Of the remaining 5,576,923 shares issued to the vendor, 4,076,238 shares are subject to the buy back and 1,500,685 shares remain as consideration paid to the vendors. The fair value of the consideration shares paid to the vendors is therefore assessed as £780,000.

The Board believe that the acquisition enhances Access Intelligence's capabilities in social media analysis, audience segmentation and social media marketing evaluation. It provides the Group with the opportunity to increase its market share and gain a leading product in the social media market, and also to increase the capabilities and customer reach of the Company's Vuelio platform.

In the seven-week period that Pulsar was owned by the Group, it contributed revenue of £813,000 and a loss of £416,000. Had Pulsar been included within the Group's results since 1 December 2018, total Group revenue would have been £18,011,000, adjusted EBITDA loss would have been £959,000, and total Group loss after tax would have been £4,541,000.

Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred.

	£'000
Consideration Shares (1,500,685 @ 52p)	780
Total consideration	**780**

Acquisition related costs

The Group incurred acquisition related costs of £160,000 on legal fees, due diligence costs and stamp duty. These costs have been included within 'non-recurring administrative expenses'.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition. The intangible assets identified primarily comprise the fair values estimated for the software platform and brand acquired.

	£'000
Property, plant and equipment	43
Intangible assets	1,391
Trade debtors	962
Other Debtors and Prepayments	1,067
Cash and cash Equivalents	153
Trade Creditors	(250)
Social Security and Other taxes	(207)
Deferred income	(1,662)
Deferred Tax	(93)
Accruals	(326)
Total identifiable net assets acquired	**1,078**
Goodwill	(298)
Total consideration	**780**

A cost-based approach was used to value the software platform, determining the likely cost of building an equivalent software platform from new. The useful life of the software platform has been estimated at 5 years.

The brand was valued by using a relief from royalty approach, based on a royalty rate of 0.75% and using a discount factor of 16%. This discount factor is in line with value-in-use calculations performed for intangibles testing (see Note 13). The useful life of the brand has been estimated at 20 years.

Trade and other receivables include gross contractual amounts due of £962,000, of which £Nil was expected to be uncollectable at the date of acquisition

Accruals and deferred income includes an amount of £1,671,000 which relates to the fair value of deferred revenue acquired. The fair value has been estimated based on the value of deferred revenue relating to contracts transferred, discounted in accordance with IFRS.

Goodwill

Goodwill recognised on this acquisition represents the difference between the consideration paid and the fair value of the net assets acquired.

The goodwill arising has been recognised as follows and has been released through the income statement as a gain arising on acquisition:

	£'000
Consideration transferred	**780**
Fair value of identifiable net assets	**1,078**
Goodwill	**(298)**

ResponseSource

On 9 October 2018, the Group entered into a share purchase agreement to acquire the entire issued share capital of ResponseSource Ltd ("ResponseSource"). The consideration for the acquisition was: £5,000,000 payable in cash plus the agreed amount of free cash in ResponseSource at the date of Completion; and £500,000 by the allotment and issue of 793,651 Ordinary Shares of 5p each at a price of 63 pence per share.

The acquisition was completed on 5 November 2018 with payment of the initial cash consideration of £5,000,000 and allotment of the 793,651 Consideration Shares. An additional £1,854,000 consideration was paid on 17 December 2018 in respect of free cash in ResponseSource at the date of Completion. A further £200,000 was retained in respect of a pre-acquisition tax liability of ResponseSource that had not yet crystallised. The tax charge and the balance of the retained amount were paid post year end.

The Board believe that the acquisition will fulfil a current need and longer term strategic aim to strengthen the Group's service to the journalist and PR sectors by improving Access Intelligence's media data and press release wire offering, as well as providing major upsell opportunities for core Vuelio services to ResponseSource's customers.

In the three-week period that ResponseSource was owned by the Group, it contributed revenue of £222,000 and a loss of £1,000. Had ResponseSource been included within the Group's results since 1 December 2017, total Group revenue would have been £12,090,000, adjusted EBITDA would have been £705,000, and total Group loss after tax would have been £1,073,000.

Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred.

	£'000
Cash – Initial consideration	**5,000**
Cash - Deferred consideration (paid year ended 30 November 2019)	**1,854**
Cash - Deferred consideration (paid post year end)	**200**
Shares	**500**
Total consideration	**7,554**

Acquisition related costs

The Group incurred acquisition related costs of £183,000 on legal fees, due diligence costs and stamp duty.

These costs have been included in 'non-recurring expenses'.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

The intangible assets identified primarily comprise the fair values estimated for the software platform, media contacts database, customer list and brand acquired.

	£'000
Property, plant and equipment	**22**
Intangible assets	**3,466**
Trade and other receivables	**761**
Cash and cash equivalents	**2,198**
Trade and other payables	**(320)**
Deferred tax	**(572)**
Accruals and deferred income	**(1,770)**
Total identifiable net assets acquired	**3,785**
Goodwill	**3,769**
Total consideration	**7,554**

A cost-based approach was used to value the software platform, determining the likely cost of building an equivalent software platform from new. The useful life of the software platform has been estimated at 5 years.

A cost-based approach was used to value the media contacts database, determining the likely cost of building an equivalent media contacts database from new. The useful life of the database has been estimated at 3 years.

The customer list was valued by assessing a discounted cash flow for the acquired customer list, based on customer attrition rates and using a discount factor of 12%. This discount factor is in line with value-in-use calculations performed for intangibles testing (see Note 13). The useful life of the customer list has been estimated at 9 years.

Trade and other receivables include gross contractual amounts due of £622,000, of which £Nil was expected to be uncollectable at the date of acquisition.

Accruals and deferred income includes an amount of £1,671,000 which relates to the fair value of deferred revenue acquired. The fair value has been estimated based on the value of deferred revenue relating to contracts transferred, discounted in accordance with IFRS.

Goodwill

Goodwill recognised on this acquisition represents the difference between the consideration paid and the fair value of the net assets acquired. It includes the value inherent in the assembled workforce acquired. The goodwill arising has been recognised as follows:

	£'000
Consideration transferred	**7,554**
Fair value of identifiable net assets	**3,785**
Goodwill	**3,769**

8. Particulars of employees

	2019	2018
The average number of persons (including directors) employed by the Group during the year was:		
Technical and support	**77**	45
Commercial	**97**	34
Finance and administration	**15**	21
	189	100

Costs incurred in respect of these employees were:

	2019 £'000	2018 £'000
Wages and salaries costs	**7,982**	5,207
Social security costs	**905**	483
Pension costs	**236**	99
Health insurance	**21**	11
Employee benefits	**14**	7
Compensation for loss of office	**-**	20
	9,158	5,826

The compensation for loss of office charge of £Nil (2018: £20,000) relates to Nil employees (2018: 3 employees) who were made redundant during the year.

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

Directors' remuneration

	Salaries £	Fees £	2019 £	2018 £
Executive Directors				
J Arnold	270,000	-	**270,000**	211,631
M Fautley	169,000	-	**169,000**	107,339
Non-Executive Directors				
C Satterthwaite	-	80,000	**80,000**	20,000
M Jackson	-	40,000	**40,000**	40,000
C Pilling	-	30,000	**30,000**	30,000
J Hamer	-	30,000	**30,000**	30,000
	439,000	180,000	**619,000**	438,970

J Arnold received health insurance benefits during the year of £Nil (2018: £462). J Arnold received payments into a personal retirement money purchase pension scheme during the year of £9,000 (2018: £6,509).

M Fautley received payments into a personal retirement money purchase pension scheme during the year of £6,500 (2018:£4,685).

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

The number of directors at 30 November 2019 accruing retirement benefits under money purchase schemes was two (2018: two).

The interests of the directors in share options are detailed in the Directors' Report on page 29 of this report. J Arnold exercised 300,000 share options during the year and J Hamer exercised 150,000 share options during the year.

During the year, J Arnold was granted options over 1,600,000 shares with an exercise price of 56.0p per share and M Fautley was granted options over 400,000 shares with an exercise price of 56.0p per share. The share based payments charge during the year relating to directors was £33,310 (2018: £Nil).

9. Financial expense

	2019 £'000	2018 £'000
Effective interest charged on convertible loan notes	**-**	44
Interest charged on non-convertible loan notes	**94**	110
Other interest	**1**	6
Total financial expense	**95**	160

10. Taxation

	2019 £'000	2018 £'000
Current income tax		
UK corporation tax credit for the year	**(661)**	(362)
Adjustment in respect of prior year	**(2)**	-
Total current income tax credit	**(663)**	(362)
Deferred tax (Note 22)		
Origination and reversal of temporary differences	**(71)**	-
Total deferred tax	**(71)**	-
Total tax credit	**(734)**	(362)

As shown above the tax assessed on the loss on ordinary activities for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

The differences are explained as follows:

Factors affecting tax credit	2019 £'000	2018 £'000
Loss on ordinary activities before tax from continuing operations	**(2,894)**	(1,717)
(Loss)/profit on ordinary activities before tax from discontinued operations	**-**	(155)
Loss on ordinary activities before tax	**(2,894)**	(1,872)
Loss on ordinary activities multiplied by effective rate of tax	**(550)**	(356)
Items not deductible for tax purposes	**105**	340
Items not taxable for tax purposes	**(12)**	(65)
Adjustment in respect of prior years	**(2)**	-
Additional R&D claim CTA 2009	**(330)**	(312)
Deferred tax not recognised	**55**	31
Total tax credit	**(734)**	(362)
Tax credit reported in the Consolidated Statement of Comprehensive Income	**(734)**	(362)
Tax charge attributable to discontinued operations	**-**	-
Total tax credit	**(734)**	(362)

Factors that may affect future tax expenses

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

11. Dividend paid

Due to the significant and ongoing investment in developing our products, the directors do not propose a dividend in respect of the year ended 30 November 2019.

12. Earnings per share

The calculation of earnings per share is based upon the total Group loss for the year of £2,160,000 (2018: loss of £1,510,000) divided by the weighted average number of ordinary shares in issue during the year which was 62,739,805 (2018: 45,523,476). The 4,076,238 shares subject to a buy back agreement in respect of the Pulsar acquisition have been excluded from the weighted average number of ordinary shares in issue during the year.

In 2019 and 2018 potential ordinary shares from the share option schemes have an anti-dilutive effect due to the Group being in a loss making position. As a result, dilutive loss per share is disclosed as the same value as basic loss per share.

This has been computed as follows:

	Continuing Operations	**Discontinued Operations**	**Total**	Continuing Operations	Discontinued Operations	Total
Numerator	**2019 £'000**	**2019 £'000**	**2019 £'000**	2018 £'000	2018 £'000	2018 £'000
(Loss)/profit for the year and earnings used in basic EPS	**(2,160)**	**-**	**(2,160)**	(1,355)	(155)	(1,510)
Earnings used in diluted EPS	**(2,160)**	**-**	**(2,160)**	(1,355)	(155)	(1,510)
Denominator						
Weighted average number of shares used in basic EPS ('000)	**62,740**	**-**	**62,740**	45,523	45,523	45,523
Effects of:						
Dilutive effect of options	**N/A**	**N/A**	**N/A**	N/A	N/A	N/A
Dilutive effect of loan note conversion	**N/A**	**N/A**	**N/A**	N/A	N/A	N/A
Weighted average number of shares used in diluted EPS ('000)	**62,740**	**-**	**62,740**	45,523	45,523	45,523
Basic (Loss)/earnings per share (pence)	**(3.44)**	**-**	**(3.44)**	(2.98)	(0.34)	(3.32)
Diluted loss per share for the year (pence)	**(3.44)**	**-**	**(3.44)**	(2.98)	(0.34)	(3.32)

The total number of options or warrants granted at 30 November 2019 of 5,787,776 (2018: 1,951,832), would generate £2,822,423 (2018: £567,305) in cash if exercised. At 30 November 2019, 4,357,944 options (2018: Nil) were priced above the mid-market closing price of 53.5p per share (2018: 58p per share) and 1,429,832 (2018: 1,951,837) were below.

Of the 5,787,776 options and warrants at 30 November 2019, 4,357,944 (2018: 322,000) staff options were eligible for exercising at an average price of 55.7p (2018: 26.9p). Also eligible for exercising were the 1,429,832 (2018: 1,429,832) warrants priced at 27.5p per share held by Elderstreet VCT plc and other individuals consequent to an initial investment in the Company in October 2008.

13. Intangible fixed assets

	Brand Value £'000	Goodwill £'000	Development Costs £'000	Software Licences £'000	Database £'000	Customer relationships £'000	Total £'000
Cost							
At 1 December 2017	1,369	9,176	1,153	204	997	830	13,729
Capitalised during the year	-	-	1,344	36	-	-	1,380
On acquisition	306	3,769	1,690	75	273	1,122	7.235
Disposals	-	(5,205)	-	(3)	-	-	(5,208)
At 30 November 2018	**1,675**	**7,740**	**4,187**	**312**	**1,270**	**1,952**	**17,136**
Capitalised during the year	-	-	2,337	56	20	-	2,413
On acquisition	483	-	908	-	-	-	1,391
At 30 November 2019	**2,158**	**7,740**	**7,432**	**368**	**1,290**	**1,952**	**20,940**
Amortisation and impairment							
At 1 December 2017	589	5,205	402	90	742	462	7,490
Charge for the year	61	-	311	64	201	181	818
Disposals	-	(5,205)	-	-	-	-	(5,205)
At 30 November 2018	**650**	**-**	**713**	**154**	**943**	**643**	**3,103**
Charge for the year	79	-	1,124	105	161	225	1,694
At 30 November 2019	**729**	**-**	**1,837**	**259**	**1,104**	**868**	**4,797**
Net Book Value							
At 30 November 2019	**1,429**	**7,740**	**5,595**	**109**	**186**	**1,084**	**16,143**
At 30 November 2018	1,025	7,740	3,474	158	327	1,309	14,033

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

	Carrying amount		Remaining amortisation period	
	2019 £'000	2018 £'000	**2019 Years**	2018 Years
Brand				
Access Intelligence Media and Communications	**660**	720	**11**	12
ResponseSource	**289**	305	**19**	20
Pulsar	**480**	-	**20**	-
Development Costs				
Access Intelligence Media and Communications - Vuelio Platform Development	**27**	86	**2**	3
AIMediaData - Vuelio Platform Development	**3,311**	1,723	**5**	5
ResponseSource - Platform Development	**1,327**	1,665	**4**	5
Pulsar - Platform Development	**930**	-	**3**	-
Database				
AIMediaData - PR & Media Contacts Database	**-**	61	**-**	-
ResponseSource - PR & Media Contacts Database	**186**	266	**2**	3
Customer Relationships				
AIMediaData - Acquired Customer Relationships	**97**	202	**1**	2
ResponseSource - Acquired Customer Relationships	**987**	1,107	**8**	9

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

The carrying value of goodwill allocated to each CGU is:

Goodwill	**2019 £'000**	2018 £'000
Continuing operations		
Access Intelligence Media and Communications Limited	**1,928**	1,928
AIMediaData Limited	**2,043**	2,043
ResponseSource Ltd	**3,769**	3,769
	7,740	7,740

At the reporting date, impairment tests were undertaken by comparing the carrying values of CGUs with their recoverable amounts. The recoverable amounts of the CGUs are based on value-in-use calculations.

These calculations use pre-tax cash flow projections covering a five-year period based on approved budgets and forecasts in the first three years, followed by applying specific growth rates for which the key assumptions in respect of annual revenue growth rates range between 0% and 7.5% from year 4 onwards, with a terminal value after year five.

The key assumptions used for value-in-use calculations are those regarding revenue growth rates and discount rates over the forecast period. Growth rates are based on past experience, the anticipated impact of the CGUs significant investment in research and development, and expectations of future changes in the market.

The discount rate used for all CGUs was 16%, based on an assessment of the Group's cost of capital and on comparison with other listed technology companies. The terminal growth rate used for the purposes of goodwill impairment assessments was 2.5%. The Board considered that no impairment to goodwill is necessary based on the value-in-use reviews of Access Intelligence Media and Communications Limited, AIMediaData Limited and ResponseSource Ltd as the value-in-use calculations exceeded the carrying values of goodwill relating to those companies.

Sensitivity analysis has been performed on reasonably possible changes in assumptions upon which recoverable amounts have been estimated. Based on the sensitivity analysis, a reduction of 62% in EBITDA delivered by Access Intelligence Media and Communications Limited would result in the carrying value of its goodwill and intangible assets being equal to the recoverable amount. For AIMediaData Limited, a 68% reduction in EBITDA would result in the carrying value of its goodwill and intangible assets being equal to the recoverable amount. For ResponseSource Ltd, a 41% reduction in EBITDA would result in the carrying value of its goodwill and intangible assets being equal to the recoverable amount. For Pulsar, a 22% reduction in EBITDA would result in the carrying value of its goodwill and intangible assets being equal to the recoverable amount.

For Access Intelligence Media and Communications Limited, a 20% percentage point increase in the discount rate would result in the carrying value of goodwill and intangible assets being equal to the recoverable amount. For AIMediaData Limited, a 28% percentage point increase in the discount rate would result in the carrying value of goodwill and intangible assets being equal to the recoverable amount. For ResponseSource Ltd, a 9% percentage point increase in the discount rate would result in the carrying value of goodwill and intangible assets being equal to the recoverable amount. For Pulsar, a 7% percentage point increase in the discount rate would result in the carrying value of goodwill and intangible assets being equal to the recoverable amount.

Other impairments

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

In 2019, no development costs (2018: £Nil) were impaired as a result of projects that did not perform as expected.

The directors considered that there were no indicators of impairment relating to the remaining intangible fixed assets at 30 November 2019.

14. Investment in associate

	2019 £'000	2018 £'000
Cost		
At 1 December	885	625
Additions	-	260
At 30 November	**885**	**885**
Share of loss of associate and impairment		
At 1 December	567	345
Share of loss of associate	201	222
At 30 November	**768**	**567**
Net Book Value		
At 1 December	318	280
At 30 November	**117**	**318**

As part of the consideration for the disposal of AITrackRecord Limited, the Group received a 20% shareholding in TrackRecord Holdings Limited, a company registered in England and Wales. The fair value of this shareholding based on the funding raised by TrackRecord Holdings Limited was £625,000.

The shareholding in TrackRecord Holdings Limited is treated as an investment in associate as the Group is not able to exercise control over the company, but is able to exercise significant influence over the company by way of its 20% shareholding and through J Arnold being the Group's representative on the board of TrackRecord Holdings Limited.

During the year ended 30 November 2018, the Group invested a further £260,000 in Track Record Holdings Limited, representing its 20% share of a £1,300,000 fundraising round.

During the year, the Group's share of the loss of TrackRecord Holdings Limited was £201,000 (2018: £222,000). As the Group applies the equity method of accounting for its investment in TrackRecord Holdings Limited, the carrying value of investments in associates is reduced by this share of loss at the year-end.

During the year, the Group made available a loan facility of £100,000 to Track Record Holdings Limited on an unsecured basis. The final repayment date of the facility is November 2029 and interest is payable at a rate of 10% on any amount drawn down from the facility. A non-utilisation fee of 1% of any amount of the facility not drawn down is also payable.

As part of the agreement, Track Record Holdings Limited paid the Group a commitment fee of £2,000 in November 2019. The total value drawn down by Track Record Holdings Limited at 30 November 2019 was £Nil.

Summarised financial information for associate

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

	Track Record Holdings Limited 2019 £'000	Track Record Holdings Limited 2018 £'000
Total current assets	**604**	1,048
Total non-current assets	**778**	785
Total current liabilities	**(798)**	(246)
Net assets	**584**	1,587
Access Intelligence Plc share of net assets (20%)	**117**	318

Reconciliation to carrying amounts	**Track Record Holdings Limited 2019 £'000**	Track Record Holdings Limited 2018 £'000
Opening net assets 1 December	**1,587**	1,399
Issue of share capital	**-**	130
Share premium on issue of shares	**-**	1,170
Loss for the period	**(1,003)**	(1,112)
Net assets	**584**	1,587

Summarised statement of comprehensive income	**Track Record Holdings Limited 2019 £'000**	Track Record Holdings Limited 2018 £'000
Revenue	**943**	703
Loss for the period from continuing operations	**(1,003)**	(1,112)
Other comprehensive income	**-**	-
Total comprehensive income	**(1,003)**	(1,112)

15. Property, plant & equipment

	Fixtures, fitting and equipment £'000	Leasehold improvements £'000	Total £'000
Cost			
At 1 December 2017	454	279	733
Additions	76	2	78
Disposals	(1)	-	(1)
On acquisition of business	22	-	22
At 1 December 2018	**551**	**281**	**832**
Additions	272	584	856
Disposals	(271)	-	(271)
On acquisition of business	43	-	43
At 30 November 2019	**595**	**865**	**1,460**
Depreciation			
At 1 December 2017	418	169	587
Charge for the year	49	29	78
At 1 December 2018	**467**	**198**	**665**
Charge for the year	81	101	182
Disposals	(271)	-	(271)
At 30 November 2019	**277**	**299**	**576**
Net Book Value			
At 30 November 2019	**318**	**566**	**884**
At 30 November 2018	84	83	167

16. Trade and other receivables

	2019 £'000	2018 £'000
Current assets		
Trade receivables	**3,579**	2,618
Less: provision for impairment of trade receivables	**(100)**	(182)
	3,479	2,436
Prepayments and other receivables	**4,258**	1,204
	7,737	3,640

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

	2019 £'000	2018 £'000
Days outstanding		
31–60 days	**364**	556
61–90 days	**123**	182
91-180 days	**508**	375
	995	1,112

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

	2019 £'000	2018 £'000
At 1 December	**182**	137
Increase in provision	**105**	130
On acquisition of business	**7**	-
Written off in year	**(194)**	(85)
At 30 November	**100**	182

Ageing of impaired debt	2019 £'000	2018 £'000
Days outstanding		
91-180 days	**23**	38
181-270 days	**17**	43
More than 270 days	**60**	101
	100	182

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

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

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above together with our cash deposits totalling £2,001,000 (2018: £5,300,000). The Group does not hold any collateral as security.

As disclosed in Note 21, credit risk is considered according to sector and necessary allowances are made when needed by assessing changes in our customers' credit profiles and credit ratings.

17. Interest bearing loans and borrowings

	2019 £'000	2018 £'000
Current		
Convertible loan notes	**-**	-
Non-convertible loan notes	**-**	110
Other	**23**	100
	23	210
Non-current		
Convertible loan notes	**-**	-
Non-convertible loan notes	**-**	838
Other	**-**	29
	-	867

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

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

In 2014, the Company agreed terms with Elderstreet VCT (a company related to M Jackson) and Unicorn AIM VCT plc to extend the loans such that they mature on 31 December 2015, with enhanced interest at 8% during this extended period with conversion rights unchanged at 4p per share. In January 2016, the maturity dates of the loan notes were extended to 31 December 2016 with all other terms remaining unchanged.

In December 2016 the maturity dates of the loan notes were further extended to 31 December 2017 with all other terms remaining unchanged.

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

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

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

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

	2019 £'000	2018 £'000
Proceeds of issue of convertible loan notes	-	-
Existing loan notes rolled over	-	2,350
Equity component	-	(255)
Deferred taxation	-	(79)
Initial fair value of liability component	-	2,016
Cumulative interest charged	-	1,265
Cumulative interest paid	-	(1,003)
Converted into equity	-	(2,278)
Liability component at 30 November	-	-

The equity component of £Nil (2018 £255,000) was originally credited to equity reserve. This was transferred to share premium on conversion of the loan notes.

The interest charged for the year is calculated by applying an effective rate of interest of 0% (2018: 10.1%) to the liability component for the 12-month period. The liability component is measured at amortised cost.

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

	2019 £'000	2018 £'000
Opening loan liability	**-**	2,359
Interest charged for the year	**-**	29
Interest paid in the year	**-**	(106)
Converted into equity	**-**	(2,282)
Liability component at 30 November	**-**	-

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

The loans notes were fully repayable in five years. £900,000 of these loan notes were repaid on 22 April 2016 and the remaining £918,000 were repaid on 7 November 2019.

	2019 £'000	2018 £'000
Opening loan liability	**948**	954
Interest charged for the year	**94**	104
Repayment of non-convertible loan notes	**(918)**	-
Interest paid in the year	**(124)**	(110)
Liability component at 30 November	**-**	948

18. Trade and other payables

Due within one year	**2019 £'000**	2018 £'000
Trade and other payables	**3,103**	3,284
Other taxes and social security costs	**495**	324
VAT payable	**191**	305
	3,789	3,913

19. Deferred revenue

	2019 £'000	2018 £'000
At 1 December	**6,354**	4,137
Invoiced during the year	**13,349**	9,434
Revenue recognised during the year	**(13,429)**	(8,888)
On acquisition of business	**1,661**	1,671
At 30 November	**7,935**	6,354

All deferred revenue is expected to be recognised within one year.

20. Financial instruments

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

The Group finances its operations through a combination of cash resources, loan notes and equity. Short term flexibility is provided by moving resources between the individual subsidiaries. Exposure to interest rate fluctuations is minimal as all borrowings are at fixed rates of interest. The Group also has deposit facilities on which 0.25% interest was being earned throughout 2019 (2018: 0.75%) and will be optimising the use of these accounts going forward. The Group's exposure to interest rate risk is not significant and therefore no sensitivity analysis has been performed.

Small amounts of foreign currency risk exist in five subsidiaries which invoice in currencies other than sterling. Due to the relative size of the currency risks concerned no hedging takes place in Australian dollars, Euros or US dollars. At the year-end there were no open contracts, however the Group was holding a US dollar deposit of $99,090 (2018: $Nil) which in 2019 was translated at the rate of £0.8116:$1 for inclusion in the consolidated statement of financial position. This amounted to £80,421 (2018: £Nil). There are no hedges against this balance.

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

At 30 November 2019 borrowings comprised non-convertible loan notes of £Nil (2018: £948,000), and other loans of £23,000 (2018: £129,000).

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

The objectives of the Group's treasury activities are to manage financial risk, secure cost-effective funding where necessary and minimise the adverse effects of fluctuations in the financial markets on the value of the Group's financial assets and liabilities, on reported profitability and on the cash flow of the Group. Interest income is sought wherever possible and in 2019 produced £2,000 (2018: £Nil) of income.

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

2019	Loans, receivables and other payables £'000	Total £'000
Assets per the balance sheet		
Trade and other receivables excluding prepayments	5,961	5,961
Cash and cash equivalents	2,001	2,001
	7,962	7,962
Liabilities per the balance sheet		
Trade and other payables excluding accruals	3,807	3,807
Interest bearing loans and borrowings	23	23
	3,830	3,830
Undiscounted contractual maturity of financial liabilities		
Amounts due within one year		3,830
Amounts due between one and five years		-
		3,830
Less: future interest charges		-
Financial liabilities carrying value		3,830

The above analysis excludes corporation tax receivable.

2018	Loans, receivables and other payables £'000	Total £'000
Assets per the balance sheet		
Trade and other receivables excluding prepayments	2,436	2,436
Cash and cash equivalents	5,300	5,300
	7,736	7,736
Liabilities per the balance sheet		
Trade and other payables excluding accruals	3,913	3,913
Interest bearing loans and borrowings	1,077	1,077
	4,990	4,990
Undiscounted contractual maturity of financial liabilities		
Amounts due within one year		4,233
Amounts due between one and five years		867
Amounts that convert to equity		
		5,100
Less: future interest charges		(110)
Financial liabilities carrying value		4,990

The liquidity risk relating to the contractual liabilities listed above is managed on a local basis through their day to day cash management. The Group is liquid with £2,001,000 (2018: £5,300,000) available cash resources against a liability payable within the next 12 months of £3,509,000 (2018: £4,013,000).

Management monitor cash balances weekly. However should any subsidiary, or the Company, find that it does not have the liquidity to pay a debt as it becomes due an inter-company cash transfer will be made available by another member of the Group.

21. Financial and operational risk management

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

- Competitive risk — that our products are no longer competitive or relevant to our customers;
- Cash flow and liquidity risk — that we run out of the cash required to run the business;
- Credit risk — that our customers do not pay;
- Key personnel risk — that we cannot attract and retain talented people;
- Capital risk — that we do not have an optimal structure to allow for future acquisition and growth;
- COVID-19 and business continuity risk – that the current COVID-19 pandemic could affect business continuity; and
- Political risk – that the political landscape could adversely affect growth or our clients' ability to trade normally.

Further information on these risks and the Group's actions to mitigate them is provided on page 21 to 23 of the Strategic Report.

22. Deferred tax assets and liabilities

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

	Convertible loan notes £'000	Share-based payments £'000	Tax losses £'000	Accelerated tax on assets £'000	Fair value of intangible assets £'000	Total £'000
At 1 December 2017	(29)	-	176	(147)	-	-
Charge to profit or loss	29	-	(164)	135	-	-
On acquisition	-	-	-	-	(572)	(572)
At 30 November 2018	**-**	**-**	**12**	**(12)**	**(572)**	**(572)**
At 1 December 2018	-	-	12	(12)	(572)	(572)
Charge to profit or loss	-	-	9	(14)	76	71
On acquisition	-	-	-	-	(121)	(121)
At 30 November 2019	**-**	**-**	**21**	**(26)**	**(617)**	**(622)**
Attributable to:						
Continuing operations	-	-	21	(26)	(617)	(622)
Discontinued operations	-	-	-	-	-	
Total	**-**	**-**	**21**	**(26)**	**(617)**	**(622)**

At the reporting date the Group had unused tax losses of approximately £6,500,000 (2018: £6,900,000) available for offset against future profits. A deferred tax asset has been recognised in respect of all available losses expected to be utilised against future taxable profits within three years based on the forecasts approved by the directors. The tax losses do not have any expiry date.

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

Deferred tax assets totalling £1,105,000 (2018: £1,161,000) arising in respect of losses have not been included in the statement of financial position due to uncertainties in regard to their recoverability. The following is the aggregate amounts of deferred tax balances in each group entity, after allowable offset, for financial reporting purposes:

	2019 £'000	2018 £'000
Deferred tax assets	**21**	37
Deferred tax liabilities	**(643)**	(609)
Total	**(622)**	(572)

23. Share capital

Equity: Ordinary shares of 5p each	2019 £'000	2018 £'000
Allotted, issued and fully paid 79,222,753 ordinary shares of 5p each (2018: 63,772,754 ordinary shares of 0.5p each)	**3,961**	3,189

	2019	2018
Number of shares at 1 December	**63,772,754**	348,674,357
New shares issued in year (pre-share consolidation)	**-**	70,000,008
Conversion of convertible loan notes (pre share consolidation)	**-**	67,916,665
Consolidation of shares	**-**	(437,931,927)
New shares issued in year (post-share consolidation)	**14,999,999**	15,113,651
Share options exercised (post-share consolidation)	**450,000**	-
Number of shares at 30 November	**79,222,753**	63,772,754

In November 2018, the Company completed a one-for-ten share consolidation to reduce the number of Ordinary Shares in issue.

During the year, 100,000 share options were exercised at 27.5p, 100,000 share options were exercised at 25.0p, 100,000 share options were exercised at 22.0p and 150,000 share options were exercised at 43.75p.

In October 2019, 6,345,153 shares were issued in a placing at 52.0p per share and 8,653,846 shares were issued as consideration for the acquisition of Pulsar. 3,076,923 of the Pulsar acquisition shares are deemed to have been issued for £1,600,000 cash and 4,076,238 shares are subject to a buy back agreement.

On 21 September 2011 29,666,667 ordinary shares of 0.5 pence, and with a total nominal value of £148,333 were returned to the Company. Post consolidation, this equates to 2,966,666 5p shares held in treasury at the year end. The shares held in treasury have no voting rights, or rights to dividends and so the total issued share capital for voting and dividend purposes is 76,256,087 (2018: 60,806,088).

Transaction costs associated with share issues in the year amounted to £379,000 (2018: £465,000). Transaction costs are accounted for as a reduction from the share premium account.

24. Equity-settled share-based payments

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

Ordinary share options and warrants granted and subsisting at 30 November 2019 were as follows:

Date of grant	Exercise price	No of shares	Exercisable between
23 October 2008	27.5p	1,429,832	No time limit
04 December 2009	55.0p	22,000	Dec 2012 - Dec 2019
18 February 2019	56.0p	3,602,000	Feb 2022 - Feb 2029
24 October 2019	54.5p	733,944	Oct 2022 - Oct 2029
		5,787,776	

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

	At start of year	Granted	Exercised	Forfeited	At end of year
WAEP 2018 (p)	2.91	-	-	-	29.1
WAEP 2019 (p)	**29.1**	**55.7**	**31.1**	**43.8**	**48.8**
Options 2018	19,518,379	-	-	-	1,951,832
Options 2019	**1,951,832**	**4,335,944**	**(450,000)**	**(50,000)**	**5,787,776**

Due to the share consolidation in the prior year, the share options and warrants granted and subsisting at 1 December 2018 were adjusted on the basis of one option or warrant for every previous 10 options or warrants.

The range of prices at which options and warrants can be exercised is 27.5p to 56.0p.

During 2019, options were granted over 3,602,000 shares with an exercise price of 56.0p per share and 733,944 shares with an exercise price of 54.5p per share.

50,000 options were cancelled in the year (2018: Nil).

The weighted average price of shares on the date of exercise during the year was 31.1 pence (2018: Nil pence).

The option movements detailed above resulted in a share-based payment charge for the Group of £63,000 (2018: £Nil).

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

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

25. Cash and cash equivalents

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

	As at 30 November 2018 £'000	Cash outflow £'000	As at 30 November 2019 £'000
Cash and cash equivalents	5,300	(3,299)	**2,001**

	As at 30 November 2017 £'000	Cash inflow £'000	As at 30 November 2018 £'000
Cash and cash equivalents	673	4,627	**5,300**

26. Commitments

Capital commitments

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

Operating lease commitments

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

	Land and buildings	
	2019 £'000	2018 £'000
Not later than one year	**788**	278
Later than one year and not later than five years	**3,615**	297
	4,403	575

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

There were no other operating lease commitments.

Provisions and contingent liabilities

	Leasehold dilapidations £'000
At 1 December 2018	171
Released in the year in respect of exiting leasehold properties	(171)
Additions	213
At 30 November 2019	**213**
Due within one year	-
Due after more than one year	213

Leasehold dilapidations relate to the estimated cost of returning a leasehold property to its original state at the end of the lease in accordance with the lease terms. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease.

The earliest point at which it is considered that this amount may become payable is July 2024 for the Group's leasehold property.

27. Related party transactions

Two (2018: two) of the directors have received all of their remuneration through their individual service companies during the year. The payments represent short term employee benefits. The amounts involved are as follows and relate to activities within their responsibilities as directors:

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

	2019 £	2018 £
C Pilling (via The Personal Web Company Limited)	**30,000**	30,000
J Hamer (via Fin Dec Limited)	**30,000**	30,000

At the year end Access Intelligence Plc owed Elderstreet Investments Limited, a company of which M Jackson is a director, £Nil (2018: £8,337).

During the year interest on convertible loans of £Nil (2018: £30,685) and on non-convertible loans of £40,438 (2018: £36,000) was paid to Eldersteet VCT plc, a company of which M Jackson is a director.

At the year end, an amount of £2,040 (2018: £2,040) was due from M Jackson.

During the year, the Group recognised a share based payment charge of £33,310 (2018: £Nil) in respect of key management personnel.

During the year, the Group made available a loan facility of £100,000 to Track Record Holdings Limited on an unsecured basis. The final repayment date of the facility is November 2029 and interest is payable at a rate of 10% on any amount drawn down from the facility. A non-utilisation fee of 1% of any amount of the facility not drawn down is also payable.

As part of the agreement, Track Record Holdings Limited paid the Group a commitment fee of £2,000 in November 2019. The total value drawn down by Track Record Holdings Limited at 30 November 2019 was £Nil.

During the year Access Intelligence Media and Communications Limited received services from Macranet Limited, a company in which M Jackson is a director, totalling £Nil (2018: £31,500). At the year end the Company owed £Nil (2018: £Nil) to Macranet Limited.

28. Pension commitments

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

During the year £229,000 (2018: £97,000) was contributed by the Group to individual pension schemes. At 30 November 2019 no pension contributions were outstanding (2018: £Nil).

29. Events after the reporting date

On 6 February 2020, the Group announced an update in respect of an independent accounting review it had initiated to review the pre-acquisition accounting within the Pulsar business and a resulting agreement with the Pulsar vendors in respect of the purchase price paid for the business.

In full and final settlement of any dispute under the Agreement regarding the appropriate valuation of the business, the vendors agreed that 4,076,238 of the consideration shares will be sold back to Access Intelligence for £1. As Access Intelligence currently does not have the requisite approvals to acquire these shares, a shareholder's meeting will be convened to obtain the necessary approval for the buy back. Upon completion of the buy back the relevant shares will be cancelled.

Post year end and since the outbreak of COVID-19, the global economy has entered a period of significant turbulence. The Group's considerations in respect of this are detailed on pages 12 and 13.

Company Statement of Financial Position

Company Number: 04799195
At 30 November 2019

	Note	2019 £'000	2018 £'000
Non-current assets			
Tangible assets	4	766	90
Investments	5	25,796	20,503
Deferred tax assets		-	37
Total non-current assets		26,562	20,630
Current assets			
Trade and other receivables	6	2,495	493
Amounts due from group undertakings	7	478	50
Cash at bank and in hand		600	2,518
Total current assets		3,573	3,061
Total assets		30,135	23,691
Current liabilities			
Trade and other payables	8	1,403	2,400
Amounts due to group undertakings	7	5,691	2,624
Accruals		544	458
Interest bearing loans and borrowings	9	23	210
Total current liabilities		7,661	5,692
Non-current liabilities			
Interest bearing loans and borrowings	9	-	867
Provisions		213	-
Total non-current liabilities		213	867
Total liabilities		7,874	6,559
Net assets		22,261	17,132
Capital and reserves			
Called up share capital		3,961	3,189
Treasury shares		(148)	(148)
Share premium account		17,242	13,075
Capital redemption reserve		191	191
Share option reserve		411	348
Equity reserve		-	-
Profit and loss account		604	477
Equity shareholders' funds		22,261	17,132

The Company reported a profit for the financial year ended 30 November 2019 of £127,000 (2018: loss of £484,000).

The financial statements were approved by the Board of directors on 3 April 2020 and signed on its behalf by

J Arnold
Director

Company Statement of Changes in Equity

Year ended 30 November 2019

	Share capital £'000	Treasury shares £'000	Share premium account £'000	Capital redemption reserve £'000	Share option reserve £'000	Equity reserve £'000	Retained earnings £'000	Total £'000
At 1 December 2017	1,743	(148)	2,352	191	348	255	961	5,702
Total comprehensive income for the year	-	-	-	-	-	-	(484)	(484)
Issue of share capital	1,106	-	8,530	-	-	-	-	9,636
Conversion of convertible loan notes	340	-	2,193	-	-	(255)	-	2,278
At 1 December 2018	**3,189**	**(148)**	**13,075**	**191**	**348**	**-**	**477**	**17,132**
Total comprehensive income for the year	-	-	-	-	-	-	127	127
Issue of share capital	772	-	4,167	-	-	-	-	4,939
Share based payments	-	-	-	-	63	-	-	63
At 30 November 2019	**3,961**	**(148)**	**17,242**	**191**	**411**	**-**	**604**	**22,261**

Notes to the Company Financial Statements

Year ended 30 November 2019

1. General Information

The Company is incorporated in England and Wales. The principal activity of the Company is to act as the holding company of the Group.

2. Accounting Policies

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

Basis of preparation

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

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

In preparing these financial statements, the Company has taken advantage of the disclosure exemptions, as permitted by FRS 102 paragraph 1.12.

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

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

Going Concern

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

Significant judgements

In addition to going concern, the areas involving a high degree of judgement or complexity relate to:

- the recognition of deferred tax assets in relation to losses (refer to Note 22 of the consolidated financial statements for further details).

Significant estimates

Further to the significant judgements above the areas where key assumptions and estimates have been made by management relate to:

- the charge for share-based payment transactions which include assumptions on future share prices movements, expected future dividends, and risk-free discount rates (refer to Note 24 of the consolidated financial statements for further details).

Share-based payments

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

Fair value is measured by use of the Black–Scholes method or the Monte Carlo method. Further details in relation to share-based payments are set out in Note 24 of the consolidated financial statements.

Tangible assets

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

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

- Fixtures, fittings and equipment - 4 years
- Leasehold improvements - over lease term

Investments

Investments in subsidiaries and associates are stated at cost less provision for any impairment

Intangible assets

Software licences

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

Impairment of non-financial assets

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

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

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

Reversals of impairment

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

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

Financial instruments

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

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

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

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

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

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

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

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

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

Convertible loan notes

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

Taxation

The tax expense for the year comprises current and deferred tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax liabilities are provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on the current tax rates and law.

Timing differences arise from the inclusion of items of total comprehensive income in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Employee benefits

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

Operating lease payments

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

Finance income and finance expenses

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

Interest payable comprises interest payable or finance charges on loans classified as liabilities.

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

Foreign exchange

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

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

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

3. Result for the year

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

The auditor's remuneration for audit and other services is disclosed in Note 5 to the consolidated financial statements.

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

	2019	2018
Technical and support	**1**	-
Commercial	**-**	-
Finance and administration	**7**	4
	8	4

Their aggregate remuneration comprised:

	2019 £'000	2018 £'000
Wages and salaries costs	**140**	151
Social security costs	**16**	12
Pension costs	**3**	12
Health insurance	**-**	7
Compensation for loss of office	**8**	-
	167	182

4. Tangible fixed assets

	Fixtures fittings and equipment £'000	Leasehold improvements £'000	Total £'000
Cost			
At 1 December 2018	278	154	432
Additions	194	371	565
Disposals	(255)	-	(255)
At 30 November 2019	**217**	**525**	**742**
Depreciation			
At 1 December 2018	268	74	342
Charge for the year	10	78	88
Disposals	(255)	-	(255)
At 30 November 2019	**23**	**152**	**175**
Net Book Value			
At 30 November 2019	**194**	**373**	**567**
At 30 November 2018	10	80	90

5. Investments

	Investment in subsidiaries £'000	Loans to subsidiaries £'000	Investment in associate £'000	Total £'000
Cost				
At 1 December 2017	8,309	7,389	625	16,323
Additions	7,734	1,484	260	9,478
Disposals	(5,207)	-	-	(5,207)
At 1 December 2018	10,836	8,873	885	20,594
Additions	502	4,700	-	5,202
Disposals	-	-	-	-
At 30 November 2019	**11,338**	**13,573**	**885**	**25,796**
Impairment				
At 1 December 2017	5,207	-	91	5,298
Disposals	(5,207)	-	-	(5,207)
At 1 December 2018	-	-	91	91
Reversal of impairment	-	-	(91)	(91)
At 30 November 2019	**-**	**-**	**-**	**-**
Net Book Value				
At 30 November 2019	**11,338**	**13,573**	**885**	**25,796**
At 30 November 2018	10,836	8,873	794	20,503

At 30 November 2019 the Company was the beneficial owner of the entire issued share capital and controlled all the votes of its subsidiaries. The subsidiaries are set out below:

Subsidiary		**Activity**	**Share type**	**% holding**
AIMediaData Limited	England and Wales	Software development	Ordinary	100%
Access Intelligence Media and Communications Limited	England and Wales	Software development	Ordinary	100%
ResponseSource Ltd	England and Wales	Software development	Ordinary	100%
Fenix Media Limited	England and Wales	Software development	Ordinary	100%
Face US dba Pulsar	USA	Software development	Ordinary	100%

The registered office of all subsidiaries is the same as the registered office of the Company (see page 24).

At 30 November 2019 the Company was the beneficial owner of the following share capital of an associate, which is incorporated in England and Wales:

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

6. Trade and other receivables

	2019 £'000	2018 £'000
Trade receivables	**37**	5
Prepayments and other debtors	**2,226**	184
Other taxes and social security	**232**	304
	2,495	493

7. Amounts due from/ to group undertakings

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

	2019 £'000	2018 £'000
Amounts due from group undertakings	**478**	50
Amounts due to group undertakings	**(5,691)**	(2,624)
	(5,213)	(2,574)

8. Trade and other payables

	2019 £'000	2018 £'000
Trade payables	**780**	304
Other creditors	**584**	2,096
Other taxes and social security	**39**	-
	1,403	2,400

9. Interest bearing loans and borrowings

	2019 £'000	2018 £'000
Current		
Convertible loan notes	**-**	-
Non-convertible loan notes	**-**	110
Other	**23**	100
	23	210
Non-current		
Non-convertible loan notes	**-**	844
Other	**-**	23
	-	867

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

10. Share capital

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

11. Equity-settled share-based payments

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

12. Commitments

Capital Commitments

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

Operating lease commitments

See Note 26 of the consolidated financial statements for further details.

13. Related party transactions

The Company has taken the exemption permitted by Section 33 'Related Party Disclosures' not to disclose transactions with members of Access Intelligence Plc group. See Note 27 of the consolidated financial statements for details of other related party transactions.

14. Events after the reporting date

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

Access Intelligence

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