



AccessIntelligence



Empowering Governance, Mitigating Risk, Driving Compliance

www.accessintelligence.com

Annual Report and Accounts 2011
for the year ended 30 November 2011

Stock code: ACC

Welcome

Access Intelligence Plc is a leading supplier of Governance, Risk and Compliance solutions, delivered as Software as a Service (SaaS).

Investor Proposition

Mainly focusing on regulated sectors, we build and develop successful companies to reward our investors with long-term growth whilst maintaining competitive pricing for our customers. Our growing portfolio of solutions, delivered through the Software as a Service (SaaS) model, continue to provide excellent opportunities for cross-selling and joint development.

We work closely with the existing management of our acquired companies wherever possible and have a strong Board with relevant experience to accelerate growth. We have helped the companies we've invested in to implement best practices in finance, product development, and sales and marketing, ensuring to minimise costs whilst maximising performance.

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Highlights

Revenue

£7.23m

2010: £7.22m

Gross Margin

£5.09m

2010: £5.20m

Adjusted EBITDA

£0.72m

2010: £1.53m

Total Comprehensive Income

£2.10m

2010: loss £1.56m

Operational Highlights

- ▶ Solcara Ltd sold for £2.61m creating a profit of £2.19m
- ▶ Successful claim against Cobent vendors reduces acquisition cost by £1.78m
- ▶ Redeemed £0.50m of convertible loan notes
- ▶ Head Office investment in Finance, Technology and Marketing
- ▶ Total contracted future revenue at year end up by 48% to £5.2m up from £3.5m

2011 Brand Facts

- ▶ Alignment of branding for Access Intelligence Group solutions
- ▶ Appointment of new management team at AI Talent (formerly Cobent) and launch of Version 3
- ▶ AI TrackRecord (formerly MS2M) continued penetration of the financial services market
- ▶ AI Procurement has made positive strides into the private sector with new clients including Investec, Age UK and Mencap
- ▶ Significant growth for AI ControlPoint during 2011 with customer acquisitions including ING Insurance and Banking, Thomas Cook and easyJet
- ▶ AI MediaComms achieved ISO9001 and ISO27001 international quality management and information security standards
- ▶ Willow Starcom launch AI Cloud providing hosting services to the Group customers

Access Intelligence at a Glance

Overview

Access Intelligence is an AIM listed company which targets small to medium software companies with good growth potential in selected niche sectors that want to create and release value within their businesses, focusing on managing the governance, risk and compliance life cycle of businesses.

GRC life cycle solutions include:

- › Training and Competence Monitoring and Management
- › Procurement and Supply Chain Management
- › Incident and Business Continuity Management
- › Communication and Reputation Management
- › IT Infrastructure and Support Management

We combine the latest thinking in financial structuring, years of practical hands-on experience and software industry expertise, creativity and hard work, to deliver the right ingredients to create and execute transactions that deliver consistently strong returns to our investors.

Investment Strategy

With particular focus on Compliance and Software as a Service (SaaS) delivery, Access Intelligence invests in businesses with:

Strong, defensible recurring revenues

We expect predictable revenue and earnings growth which generate good levels of free cash flow or attractive returns on the capital reinvested in the business.

High customer retention rates

Solutions we invest in often build long-term customer loyalty. We have good experience in the successful development of customer management programmes.

Strong presence in niche sectors

We seek to acquire companies with a strong presence in niche, especially regulated, industries with high growth potential.

Capable management teams

We understand the disruption a change in management can cause and seek to retain existing staff wherever possible. However, we also have the ability to attract leading industry executives to supplement or replace existing teams should the business require it.

Cross-selling opportunities

We identify businesses that complement the existing subsidiaries in order to encourage cross- and up-selling across the whole Group.

What is SaaS?

Software as a Service (SaaS) solutions are designed to accelerate adoption and value without the cost, burdens, or risks of implementing costly software or hardware.

SaaS delivers on-demand software functionality via the internet from a single application that is shared across multiple users. On Demand solutions require only a web browser for access, eliminating the need to install and maintain the software and hardware associated with desktop installed products. Furthermore, they replace the upfront licence fees and lengthy implementation cycles of traditional installed applications with a “pay-as-you-go” subscription based service.



Benefits for End Users

- › More Frequent Upgrades:
Software developers host their own applications, allowing them to update their software more regularly at a lower cost than traditional software companies.
- › Lower Cost of Ownership:
Maintenance costs are lower, no license costs and the lower distribution costs for the vendor are passed on to the consumer.
- › Higher Level of Service from Vendors:
Vendors must become more responsive to customer needs or they risk losing subscription revenues.

Benefits for Software Vendors

- › More Predictable Revenue and Cash Flows:
Customers pay for software by subscription rather than buying a license resulting in more certainty about future revenue and cash flow.
- › SaaS is Truly Scalable:
Software can be distributed rapidly, via the internet, to many new customers at almost no extra cost to the company.
- › SaaS Companies are Highly Valued:
Due to capital efficiency, high profitability and the lock-in effect.

Access Intelligence at a Glance

continued

When Access Intelligence acquires a new business, we share a common goal—increasing shareholder value through the investee company’s growth and success. Our current portfolio strongly adheres to our Investment Strategy objectives: focussing on business critical solution categories under the compliance umbrella in selected growth and regulated industries, supported by strong recurring revenues and cross-selling opportunities.


Solution Category:

Training and Competence

Description:

Compliance Training and Learning Management Software Solutions

Customers:

DSGI, Aviva, AAH Pharmaceuticals, The Change Group, Ladbrokes, Eli Lilly and Barclays

AI Talent is a leading provider of Compliance Training and Learning Management Solutions. The company is dedicated to helping regulated industries improve their business standards, raise competitive advantage and cost-effectively address compliance and training challenges, through the use of learning technologies.

Over the years demand has grown for AI Talent’s solutions and the company has also extended its services into other non-regulated industries such as call-centre, training and technology services.

AI Talent primarily operates in the UK, Europe and the US.

“DSGI has [so far] saved an estimated \$800,000 in training and administration costs...”

Boyd Glover, Dixons Store Group International

www.aitalent.co.uk


Solution Category:

Training and Competence

Description:

Compliance and Business Performance Solutions for the Financial Services

Customers:

RBS, Aviva and NAB

AI TrackRecord are specialists in developing Compliance and Business Performance Solutions for the Financial Services Industry. They deliver software and consultancy solutions that solve the industry’s key challenges; developing employees, controlling and monitoring compliance commitments and reducing administration overheads.

The new compliance initiatives driven by the Financial Services Authority (FSA) create extensive opportunities for AI Trackrecord in the risk management sector.

“AI TrackRecord has helped us check more cases than we thought possible and the team”

Lupta volut laboratis ectotatu saeprehenet omnis pliae

www.aitrackrecord.com


Solution Category:

eProcurement

Description:

eSourcing and Contract and Supplier Management Solutions

Customers:

Bank of England, Ladbrokes, Met Office, British Heart Foundation, Newcastle University

The AI Procurement solution has been specifically designed to create an effective procurement process for the private sector, which delivers value by improving efficiency, driving down costs and helping to manage supplier relationships.

AI Procurement maps the entire procurement life cycle, from initial sourcing and contact, to supplier performance management and contract renewal. AI Procurement is used by companies including Investec, Ladbrokes, Age UK and Mencap.

Access Intelligence’s procurement solution continues to be delivered as Due North in the public sector and with over 250 customers it continues to be one of the leading providers in this market.

“Introducing the system has made it possible for the Met Office Procurement team to further develop into a strategic resource for the Met Office business, allowing us to further provide Value for Money savings in a time of economic uncertainty.”

Alison Wilkinson, Head of Procurement, Met Office

www.aiprocurement.com



Solution Category:

Enterprise Crisis and Reputation Management

Description:

Incident Monitoring and Management Solutions

Customers:

easyJet, Thomas Cook, Subsea7, Petrofac, Societe General, ING and VISA

AI ControlPoint provides a suite of modules to deliver an effective incident monitoring and management solution; ensuring companies have key functionality to completely manage any type of incident.

AI ControlPoint has seen a number of high profile and successful live deployments which have proved its effectiveness and have subsequently led to increased demand and is now seen as the "weapon of choice" for Crisis Managers, HSE Directors and Operations Teams around the world.

Functionality includes; Incident logging, stakeholder notification, staff and contractor locating and a full audit trail.

"We use ControlPoint for constant monitoring of our systems and are happy to recommend its reliability"
Elaine Rust, Synergy Manager - Subsea 7

www.aicontrolpoint.com



Solution Category:

Enterprise Crisis and Reputation Management

Description:

Stakeholder relations and reputation management software

Customers:

Central and Local Governments, NHS, RBS, Carphone Warehouse, BG Group, Northern Gas, De Beers

With the combined customer base of over 300 clients and a strengthened solution portfolio, AI MediaComms is today the clear market-leader for Stakeholder relations and reputation management software in the UK. AI MediaComms covers all facets of the communications function, including media and public relations, stakeholder and campaign management, internal communications.

AI MediaComms is well established in the public sector, including being used by over 80% of the UK police communications teams. In addition to the public sector, AI MediaComms has been successful in the private sector with customers including: British Gas, RBS, Carphone Warehouse and United Utilities.

"We use AIMediaComms Software to ensure that we consistently communicate the right information."
Bob Cox, Former Chief Press Officer, The Metropolitan Police Service

www.aimediacomms.com



Solution Category:

IT Support Services

Description:

Managed Services, Data Management and Security Solutions

Customers:

easyJet, Stepan, Thomas Cook, EEF North West, Petrofac, Stanley International Betting

AI Cloud comprises of a combination of the best in Data Centre and Enterprise Grade Technology from some of the leading IT companies in the world, combined with a 20 year track record of delivering highly resilient, robust and secure infrastructure platforms. AI Cloud enables its customers to utilise a combination of dedicated and shared resources meaning they can invest in a state of the art solution at a lower cost than doing it themselves.

Many customers are ISV's or IT Professionals; acknowledged experts in their field, who look to AI Cloud to provide them with the platform on which to achieve their business goals. AI Cloud provides high performance business Cloud solutions that enable them to directly reduce the cost of their IT infrastructure, whilst significantly improving the performance capabilities, available capacity and data security.

"Almost immediately we received a greater level of reliability across our systems using the configuration recommended"
Stephen Calderbank, EEF Ltd

www.aicloud.co.uk

Chairman's Statement

Michael Jackson

- › Group repositioned as a provider of compliance Software as a Service solutions
- › Cobent Ltd – under new management
- › Sale of Solcara Ltd in July for £2.6 million
- › Special dividend paid in August 2011 and maiden final dividend proposed for April 2012

I am pleased to announce our results for the year ended 30 November 2011, a period in which the Group has continued to make considerable strategic and financial progress. Whilst a challenging year in terms of profit, our balance sheet has improved immensely and our team has been strengthened on many fronts. Our overall strategy as a compliance Software as a Service provider remains our priority but the focus has matured considerably during the last 12 months, as described below. We sold Solcara Ltd in June, paid our first dividend in August and made progress in many areas of the business.

Results

Group turnover from continuing activities remained flat at £7,232,999 (2010: restated £7,224,737). Adjusted Ebitda fell 53% to £720,544 (2010: restated £1,526,557) largely due to MS2M and Cobent Ltd performing below the levels of the previous year. There was no goodwill impairment in the 2011 financial year (2010: £2,600,000), and no acquisition cost (2010: £98,276). The re-organisation of Cobent Ltd has cost £333,782 (2010: £124,080) and the directors also decided to impair all development expenditure at Cobent Ltd relating to the document management software as it is now integrated with the core Cobent Ltd product costing £299,475

(2010: Enil). The loss after tax on continuing operations was £91,013 (2010: restated loss £1,620,286). On a very positive note Solcara Ltd was sold for £2,610,623 delivering a profit on discontinued operations of £2,192,047 (2010: profit £107,047 on Wired-Gov). The profit attributable to the owners of the parent company before dividend payment was £2,101,034 (2010: loss £1,562,427). The basic loss per share from continuing operations was 0.04p (2010: loss 0.70p) whilst the basic earnings per share on continuing and discontinued operations rose to 0.84p per share (2010: loss 0.67p). The Group had cash at bank of £4,162,377 (2010: £2,214,278).

The continuing commitment to the software-as-a-service business model has enabled the Group to build its long-term visibility of revenues and for the year under review recurring revenues on continuing operations accounted for 66% (2010: restated 66%) of total revenues at £4,807,500 (2010: restated £4,778,130). At 30 November 2011 the deferred revenue stood at £2,553,326 (2010: restated £2,143,083) reflecting the growth in our already invoiced but not recognized revenue. A further £2,713,000 (2010: estimated £1,565,000) of contracted but not yet invoiced revenue is also growing strongly.

2012 will see further investment across the Group with the full benefits starting to come through in the latter parts of the current financial year. The proposed dividend is a sign of our confidence in the future.



Dividend

During the year the shareholders approved a resolution to carry out a capital restructure which was subsequently approved by the High Court of Justice. As a result the holding company has merged its share premium account with its revenue reserves enabling the Group to pay a dividend. In August 2011, as a result of the Solcara Ltd sale the directors paid a special dividend of 0.1 pence per share. The directors now propose a final dividend for the year ended 30 November 2011 of 0.2p which if approved at the AGM will be paid on 20 April 2012. The shares will go ex-dividend on 14 March 2012 with the record date on 16 March 2012.

Disposal

In June 2011 the Group sold Solcara Ltd to Thomson Reuters for £2,610,623 including the working capital adjustment of which all but £250,000 was paid at completion in cash. £250,000 is held in escrow to be released to the Group on 30 June 2012. The direct costs of the sale were £38,213. Further details are available in note 9. The price paid for Solcara Ltd is a reflection of the value a buyer can see in developed software that might not yet be reflected in its operating results.

Convertible Loan Notes

On 30 September 2011 the company redeemed £500,000 of loan notes at par at the request of the loan note holder. As a result the number of shares taken into the fully diluted earnings per share calculation will be reduced by 12,500,000 on a full year basis. Our interest expense also drops by £30,000 per annum.

Cobent Ltd

In September 2011 the directors made a claim against the vendors of Cobent Ltd under the terms of the sale and purchase agreement dated February 2010. The result of this claim was the return to the Group of 29,666,667 shares which had been issued as

consideration of £1,780,000 of the original purchase price. The shares are held in treasury at the reporting date and 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.

This claim had been necessary due to the profit performance of Cobent Ltd since our acquisition of it announced on 1 March 2010. Although Cobent's performance had started well post acquisition, posting an operating profit over the 9 months of our ownership last year, the performance was slipping fast by November 2010. The subsequent replacement of the team and re-focusing of the strategy has cost the Group £333,782 in exceptional re-organisation costs this year on top of trading losses before tax of £311,567.

However the new team have made considerable progress in turning the business around, the second half of 2011 was an improvement on the first half, its deferred revenue at 30 November 2011 had risen to £384,205 (2010: £30,806) and it has been self sufficient in cash terms since July 2011.

Operations — Software as a Service segment

Access Intelligence has developed a portfolio of complementary brands for the Governance, Risk and Compliance marketplace. The solutions cover the GRC lifecycle, delivering compliance-driven training and competence, internal and external operational governance and incident and reputation management. In order to facilitate cross-selling opportunities within our complementary products, we have realigned the branding of our subsidiaries under the AI umbrella. The brands within the portfolio are at differing stages of maturity and require different levels of investment to drive growth.

Recurring Revenues

at 66%

R&D Spend

£0.64m

Chairman's Statement

continued

At the Group level we made our first key hire in marketing during 2011, and added resource in finance and technology functions in early 2012, to help stabilise the Group's embryonic brands, whilst driving strategic opportunities in the more established subsidiaries. This enhanced level of investment will continue in 2012 with the formation of Group centres of excellence to drive strategic sales and marketing, project management, product innovation, quality and infrastructure support, all designed to provide the foundations of best in class GRC solutions, delivered by adept, agile customer-focussed teams. These solutions can either be sold individually or as a combined end-to-end suite, with ease of deployment and integration into existing corporate systems with minimal training.

Training and Competence

AI Talent, previously named Cobent Ltd, went through significant restructuring in 2011 and has benefited from new management, office rationalisation and a focus on tighter cost control. Whilst the restructuring efforts resulted in a significant one-off cost in the first half of 2011, we substantially reduced the operational losses in the second half and returned the business to a cash positive position. The pipeline development targeted key regulated industries, delivering revenue growth from financial services and pharmaceuticals customers. Product innovation at AI Talent continued to be strong with the launch of v.3 of the Learning Compliance Suite incorporating an industry-leading user interface, enhanced performance management and incorporating the new Controlled Document Manager.

Whilst 2011 proved to be a tough year with the strengthening of the whole business, 2012 has begun well for AI Talent with continued momentum in the pharmaceuticals sector in both the UK and US markets. The new sales and marketing engine is starting to deliver and product innovation continues with the launch of enterprise reporting and mobile solutions. We hope to return the business to profit during the first half of 2012.

AI TrackRecord, previously MS2M, has continued to leverage its customer base of industry leading financial services institutions. With the Retail Distribution Review on the horizon, the solution's functionality is essential to ensuring organisations meet the regulatory requirements and avoiding substantial fines from the FSA. The company's investment in strategic marketing is starting to deliver results with opportunities in the mortgage and general insurance markets emerging.

During 2012 we will invest significantly in research and development at AI TrackRecord, within our centre of excellence for development, enhancing its risk monitoring functionality which will be integrated with other Group products to drive additional value across the brands.

e-Procurement

AI Procurement/Due North had another successful year opening 24 new accounts in the public and private sectors. Despite continued Government spending cuts, Due North's ProContract solution was sold into key customers including the East Midlands Improvement Efficiency Partnership, several London Boroughs and the NHS. Investment in the private sector offering is starting to pay off, with new clients including Investec, Age UK and Mencap, as well as strong pipeline development, further offsetting reliance on the public sector.

We invested heavily in R&D in 2011, upgrading the product to .Net and developing new private sector functionality which will be delivered to new customer in the first half of 2012. The new AI Procurement private sector product launch brings industry leading auction tools, supplier relationship management capabilities and a network of over 250,000 active suppliers, further cementing Due North's reputation as an innovator in the procurement market.

Enterprise Crisis and Reputation Management

AI MediaComms' enviable track record in the public sector continued despite tough market conditions, with the new Freedom of Information management product proving successful in the NHS and Central Government. In the private sector, the Vuelio product has continued to strengthen its brand equity within the wider stakeholder management market, benefiting from private sector wins including RBS, Trafigura and Electricity North West.

The business also achieved ISO9001 and ISO27001, international quality management and information security standards, a reflection of the Group's continued focus on delivering robust solutions to its customer base.

2012 sees the launch of enhanced stakeholder management functionality, broadening the product for public affairs and other communications teams. We will also continue to drive strategic sales and marketing to position AI MediaComms as a major provider in the corporate sector.

AI ControlPoint grew significantly in 2011, moving from a fledgling incubator opportunity to a robust and scalable business. Despite its low cost base, AI ControlPoint continued to develop its suite of incident management solutions and delivered a number of high-profile deployments in Oil and Gas, Financial Services and Aviation sectors including Petrofac, ING, Thomas Cook and easyJet. The business signed a number of three year contracts totalling c£1.2m although most of this is not yet visible due to the revenue recognition of the SaaS business model.

2012 will bring support from our centre of excellence in sales and marketing to capitalise on the brands emerging reputation as the "weapon of choice" for Emergency Response teams in high risk industries who consider it "easy to use" and "highly flexible".

Operations — IT Support Services segment

Willow Starcom had a transformational year in 2011 as the business moved away from traditional channel hardware maintenance towards direct end-user hosted services. This shift led to a significant improvement in product margins with the replacement of channel business by revenue generated from direct end user relationships. We continued to invest and develop the cloud based solutions and services both for SMEs, predominantly in the North West of England, and to support the hosting requirements of the Group's own brands.

2012 brings the launch of AI Cloud, as the Group's infrastructure solution for the delivery of our Software as a Service (SaaS) proposition.

Strategy and Market

The Group continues to drive market leading innovation across its suite of GRC solutions with investment of £638,970 in research and development during 2010/11. The investment has enabled Access Intelligence to competitively engage with both industry leading companies and SME businesses, providing value driven solutions to support their compliance life cycle.

With the significant growth of cloud computing, the SaaS model continues to demonstrate itself as the most value driven deployment option for both customers and vendors. While customers benefit from a lower total cost of ownership, improved solution availability and increased data security, it enables Access Intelligence

to take advantage of a stable recurring revenue base (through three year contracts), reduced implementation costs and greater scalability. In addition, synergies in the development of product functionality across the Group will enable significant return on investment through the SaaS model, with a prime example being customisable reporting.

In 2012 we will continue to invest heavily for future shareholder value, depressing profits in the short term in order to benefit from significant revenue growth in 2013 and beyond. The centre of excellence for strategic sales and marketing, technology, and IT infrastructure will provide the core support for the growth of the embryonic brands whilst supporting the established subsidiaries on an ad hoc basis. The technology centre of excellence will continue to drive best practice in product development and quality assurance, enabling opportunities for deployment of innovation across the Group to be recognised at a substantially reduced cost and enhanced quality. In addition the Group will drive organic growth by leveraging the opportunities in cross selling and centralised marketing resources.

The markets in which we operate continue to experience ever more stringent regulation, forcing companies to continually review their governance processes to ensure compliance. With Access Intelligence's solutions core to companies achieving compliance, there continues to be significant opportunities both within our enviable customer base and regulated markets as a whole for the Group to expand further. The board continues to review acquisition opportunities that will add value to the management of our customer's compliance lifecycle and drive additional value to the Group.

Directors and Staff

On 30 July 2011 Howard Sears resigned from the board to follow other interests.

On 1 November 2011 Henrik Bang joined the board as a non-executive director. His experience and skills as a builder of businesses, most recently at Netcall plc, will be a significant addition to the board.

On 5 December 2011 Joanna Arnold was promoted to the position of Chief Operating Officer of the Group. She joined the company in November 2008 and the board in December 2010 after an early career in financial services.

Chairman's Statement

continued

On 6 March 2012 Kole Dhoot took-over from Jeremy Hamer as Chief Financial Officer as the demands of the job now justify a full-time executive. Jeremy will remain on the board as a non-executive director.

Outlook

The need for software solutions to provide the necessary governance, risk and compliance data and controls is growing across regulated and non-regulated industries, in both the public and private sectors. With that clearly in focus we are investing heavily in our software and our skill base to provide state of the art solutions to these enterprise challenges.

2011 was a tough year which included the implementation of the Cobent Ltd turnaround strategy. The company also continued the process of investing in product innovation as well strengthening in particular our sales and marketing skills. 2012 will see further investment across the Group with the full benefits starting to come through in the latter part of the year.

Our strategy continues to evolve but as described above the cohesiveness of our product offering is growing, the number of customers using more than one of our solutions is growing and the opportunity to combine technologies is accelerating.

I would like to thank all our staff for their hard work and help in a year where progress was considerable. Together we have delivered significant advances in most areas of the Group and I look forward to working with them in 2012.

M Jackson

Chairman

Tuesday 6 March 2012

Directors and Advisers

Directors:	M Jackson (Chairman) J Hamer (Chief Financial Officer) D Lowe (non-executive director) R Jackson (non-executive director) J Arnold (Chief Operating Officer) Appointed 16 December 2010 H Sears Resigned 30 July 2011 H Bang (non-executive director) Appointed 1 November 2011
Company Secretary:	J Hamer
Registered Office:	32 Bedford Row London WC1R 4HE
Company registration number:	04799195
Bankers:	Bank of Scotland Aldgate House 1-4 Market Place Hull HU1 1RA Investec Bank plc 2 Gresham Street London EC2V 7QP
Legal Advisers:	Wedlake Bell 43 Bedford Row London WC1R
Auditors:	Mazars LLP Chartered Accountants & Statutory Auditor Tower Bridge House St Katharine's Way London E1W 1DD
Brokers and Nominated Advisers:	Northland Capital Partners (formally Astaire Securities plc) 60 Gresham Street London EC2V 7BB
Registrars:	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA
Financial PR:	Cubitt Consulting 30 Coleman Street London EC2R 5AL

Directors' Report

The directors present their annual report and the consolidated financial statements of the Group for the year ended 30 November 2011.

Directors and their interests

Principal activity

Access Intelligence is a Software and Computer Services group of companies providing business critical compliance and legislative driven software solutions and services to both public and private sectors on a recurring revenue basis. Since the flotation on AIM in November 2003, the Group has made six acquisitions focused in the areas of compliance software and data backup and recovery. The Group has also sold 3 subsidiaries and had 4 dormant companies struck-off.

Review of business and future outlook

A review of the Group activities during the year and future outlook is set out in the Chairman's statement on pages 6 to 10.

Results and dividends

The consolidated trading results for the year and the year-end financial position are shown in the financial statements on pages 20 to 24. The results for the year and future prospects are reviewed in the Chairman's Statement on pages 6 to 10.

On a monthly basis management accounts are prepared which provide performance indicators covering sales, gross margins, overhead costs, operating profit, EBITDA, earnings per share and cash flow. The key performance indicators for the year are:

(£000s)	2011	Restated 2010
Revenue	7,233	7,224
Gross Margin (%)	70	72
Adj. EBITDA before Cobent restructuring costs	720	1,527
EBITDA	351	1,266
Loss before taxation on continuing operations	(279)	(1,569)
Profit after taxation on continuing and discontinued operations	2,101	(1,562)
Cash balances	4,162	2,214

These performance indicators are measured both against an approved budget and the previous year's actual results. Further analysis of the Group's performance using these indicators is provided in the Chairman's Statement on pages 6 to 10. Each subsidiary's managing director provides a three month forecast of projected profitability on a monthly basis as part of their operations reporting to the Group board. 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.

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 they are implementing. The Statement of Corporate Governance notes the objectives and mechanisms of internal control. Detailed strategic planning meetings are held at Group and subsidiary level. The board constantly assesses risks and is of the belief that internal control, risk management and stewardship are integral to the proper management of the business.

The directors who have served during the year and details of their interests, including family interests, in the company's ordinary 0.5p shares at 30 November 2011 are disclosed below:

	30 November 2011		30 November 2010	
	Beneficial No.	Options No.	Beneficial No.	Options No.
M Jackson	20,063,636	7,808,103	19,363,636	2,808,103
J Hamer	5,991,762	2,100,000	5,441,762	2,100,000
D Lowe	4,597,475	1,841,897	4,597,475	1,841,897
R Jackson	4,636,364	3,381,318	4,636,364	3,381,318
H Sears — resigned	Nil	Nil	16,666,667	4,239,130
J Arnold	Nil	1,000,000	Nil	1,000,000
H Bang	Nil	Nil	Nil	Nil

Following the departure of T Dillon and H Sears they each returned 2,500,000 options to M Jackson. M Jackson had transferred the benefit of these options to them at the time of acquisition on the condition that they remained responsible for Cobent Ltd. These options had been granted to M Jackson as a condition of his initial investment in October 2008.

The high and low of the share price during the year were 5.25p and 2.20p respectively.

Investor	No. of shares	% holding	Nature of holding
Elderstreet VCT Plc	33,005,000	14.5%	Direct
Octopus Asset Management Limited	23,299,000	10.2%	Direct
Unicorn AIM VCT Plc	21,400,200	9.4%	Direct
T1ps Investment Management Limited	10,775,000	4.7%	Direct
David Alderson	9,065,641	4.0%	Direct
Maven Capital Partners	7,367,574	3.2%	Direct

In addition to the above the following substantial shareholders are also holders of the Convertible Redeemable Loan Instruments issued in June 2009 to support the acquisition of Ether Ray Ltd.

Unicorn AIM VCT plc	£750,000
Elderstreet VCT plc	£500,000

On 30 September 2011 the £500,000 of loan notes held by Octopus Asset Management Limited were redeemed at par. The remaining convertible loan notes will now convert to equity in June 2014 at 4p per share unless the loan note holder exercises their right to convert earlier.

Dividends

The company paid a special dividend of 0.1p per share in August 2011 following the sale of Solcara Ltd. The company has also announced its intention to propose a final dividend of 0.2p per share to the shareholders at the forthcoming AGM on 16 April 2012.

Research & development

All subsidiaries are encouraged to invest in the development of their products continuously. The Group employs 35 technical staff who support both the existing product offering as well as developing it. In 2011 £638,970 was spent across the Group on research and development. Of this £314,000 was capitalized and the balance was expensed through the consolidated income statement.

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 date of this report.

Our policy is to write development expenditure off to the comprehensive income statement as incurred unless it relates to a new product that is yet to be launched. In such cases the expenditure is capitalised and written-off over 3 years beginning with the first sale.

Financial instruments

The Group's operations are subject to a variety of financial risks most notably the effect of foreign exchange risks and credit risks. At the present time the Group has £2,000 bank borrowings, in the form of an overdraft, and holds in excess of £4,000,000 of bank deposits. The Group does not enter into derivative contracts other than the forward currency contracts detailed below.

5% (2010: 4%) of the Group's revenue is invoiced in a currency other than sterling. To date the materiality of euro based sales has been such that we have not hedged the currency exposure. In relation to US dollar denominated sales we do hedge by selling forward small amounts of the currency in line with our estimated future receipts. At the 30 November 2011 there were no open contracts.

The most significant financial risk to which the Group is exposed is that of the credit worthiness of our client base. Around 49% (2010; 53%) of the Group's revenue is contracted with the public sector where the directors have judged the credit risk to be minimal.

Directors' Report

continued

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:

- › most invoices are not of a high value
- › in many cases we are able to switch off the service the moment a debt becomes due

The Group holds a number of deposits with a single UK bank. In recent years we have become increasingly aware that even financial institutions such as banks are not immune from financial risk. That said the directors review the financial position of their deposit holder on a regular basis and at this time are satisfied with its credit worthiness.

Information about the use of financial instruments by the Group is given in note 19 to the financial statements.

Employee relations

The Group supports the employment of disabled people, wherever possible, both when recruiting and by retention of those who become disabled during their employment.

Appropriate steps are taken to inform and consult employees regarding matters affecting them and the Group.

The Group's policy regarding health and safety is to ensure that, as far as is practical, there is a working environment which will minimise the risk to the health and safety of its employees and those persons who are authorised to be on its premises.

Whilst encouraging the training and development of key staff the Group does not at this time have any formal programmes in place. 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. Incentives for all staff are encouraged and the managing directors' of each subsidiary have an annual profit sharing contract based upon the profitability of their subsidiary. Director's remuneration is determined by the remuneration committee details of which are included in note 5.

Environment

The Group's policy with regard to the environment is to ensure that we understand and effectively manage the actual and potential environmental impact of our activities. Our operations are conducted such that we comply with all legal requirements regarding the environment in all areas where we carry out our business. During the period covered by this report the Group has not incurred any fines or penalties or been investigated for any significant breach of environmental regulations.

Social responsibility

The Group has made certain small donations during the year supporting local charities. We encourage our staff to raise money for charities by supporting their endeavours both as a company or the directors individually.

Events after the balance sheet date

On 5 December 2011 Joanna Arnold was promoted to Chief Operating Officer from her role as Development Director which she had held for the preceding 12 months.

On 6 March 2012 Kole Dhoot took over as Chief Financial Officer from Jeremy Hamer as the role became full-time.

Suppliers' payment policy

It is Group policy to agree and clearly communicate the terms of payment as part of the commercial arrangements negotiated with suppliers and then to pay according to those terms based upon the timely receipt of an accurate invoice.

The Group's trade creditor days for the year ended 30 November 2011 were 53 days (2010: 60 days) calculated in accordance with the requirements set down in the Companies Act 2006. This represents the ratio, expressed in days, between the amounts invoiced to the Group by its suppliers in the year and the amounts due, at the year end, to trade creditors within one year.

Share capital

Details of the company's share capital are set out in note 22 to the financial statements.

In September 2011 a claim was made by the Group under the terms of the Cobent Ltd sale and purchase agreement against the vendors. This action resulted from the poor trading performance of the company since its acquisition on 1 March 2010. The result of this claim was the return of 29,666,667 ordinary shares in Access

Intelligence plc in full and final settlement. The value of these shares at completion in February 2010 was £1,780,000 and the shares are currently held in treasury. The shares have a nominal value of 0.5p and represent 11% of the company's called up share capital.

In May 2011, the High Court of Justice sanctioned a capital reduction and cancellation of the share premium account, which had been approved by a special resolution of the shareholders. As a result the share premium account of £13,490,000 was cancelled in order to create distributable reserves and allow the payment of a dividend.

Share option plan

The company administers one approved option scheme called the Access Intelligence plc Management Incentive Scheme. The scheme was adopted at the AGM held on 22 April 2009 and is open to any eligible employee selected at the discretion of the board. The scheme period will extend for 10 years from the adoption date. The scheme rules are available at the Company's registered office. Details of the movement in options during the year are in note 23. In total 6,000,000 options were granted in the year 1,316,399 were bought out and 3,478,260 were forfeited.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors Report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent company 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 statement 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 parent company financial statements are required by law to give a true and fair view of the state of affairs of the parent 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;
- for the Group financial statements, state whether they have been prepared in accordance with IFRS as adopted by the EU;
- for the parent company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the parent company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report

continued

Statement as to disclosure of information to auditors

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

In so far as the directors are aware:

- › there is no relevant audit information of which the company's auditors are unaware; and
- › the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Mazars LLP have acted as auditors throughout the period and, in accordance with section 485 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 Hamer

Secretary

Approved by the directors on Tuesday 6 March 2012

Corporate Governance

Application of the principles of good governance

As an AIM listed company, the Group is not required to follow the provisions of the Combined Code as set out in the Financial Services Authority Listing Rules. Nevertheless, the Group is committed to applying the highest principles of corporate governance commensurate with its size.

The board

The Group began the year managed by a board, consisting of a Chairman, one executive member and three non-executive members until the appointment on 16 December 2010 of Joanna Arnold as development director. From 31 July 2011 following the departure of Howard Sears the number of non-executive directors reduced to two (2010: 3) until on 1 November 2011 Henrik Bang was recruited to the board as a non-executive director. These board members retain responsibility for the formulation of corporate strategy, approval of acquisitions, divestments and major capital expenditure and treasury policy. The appointment of new directors is a matter reserved for the board as a whole rather than for a separate nomination committee.

The board meets monthly and has a schedule of matters specifically referred to it for decision. All directors have access to advice from the company secretary and training is available for directors as necessary.

Each member of the board comes up for re-election by the shareholders at annual general meetings every three years by rotation.

The board considers the non-executive directors to be independent.

Internal control

The directors have overall responsibility for ensuring that the Group maintains a system of internal control to provide them with reasonable assurance regarding effective and efficient operations, internal financial control and compliance with laws and regulations. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Group's strategic objectives. However, there are inherent limitations in any system of internal control and accordingly even the most effective system can only provide reasonable and not absolute assurance. The board has reviewed the operation and effectiveness of the system of internal control in operation during the period.

The board is also responsible for assessing and minimising all business risks, supported by group personnel able to provide specific assistance in matters relating to regulatory compliance, health and safety, environment, quality systems and insurance cover for property and liability risks.

Monthly accounts, with commentary on current year performance compared with planned performance, together with key ratio analysis and working capital information, are prepared in accordance with group accounting policies and principles. They are consolidated and reviewed by the board in order to monitor overall performance and trigger appropriate management intervention where applicable.

The board monitors the funding requirements and banking facilities provided to the Group in addition to the management of investment and treasury procedures. Capital and significant investment expenditure is approved against performance criteria.

The board confirms that it has established the procedures necessary to implement the guidance "Internal Control: Guidance for Directors on the Combined Code". The board has considered the need for an internal audit function but has concluded that the size of the Group does not justify the expense at present. The need for an internal audit function will continue to be reviewed periodically.

Relations with shareholders

The board attaches great importance to maintaining good relationships with shareholders. The board regards the Annual General Meeting as an opportunity to communicate directly with investors who are encouraged to participate.

Report on remuneration

The remuneration committee comprises one non-executive director, D Lowe, and the Chairman, M Jackson. The Chairman of the Remuneration Committee is D Lowe.

The committee reviews the terms of employment and total remuneration of the executive directors, including the granting of share options, meeting once this year (2010: 2) to ensure that the company can attract, retain and motivate directors capable of delivering the company's objectives. No director is involved in the decision relating to his/her own remuneration.

Corporate Governance

continued

Full details of directors' remuneration are given in note 5 to the financial statements.

The executive Chairman has taken no remuneration or fees during this financial year (2010: £41,333). The committee has regard to rates of pay for similar positions in comparable companies as well as internal factors such as performance. The objective of the company's remuneration policy is to ensure that members of the executive management are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the company.

The directors are eligible for share options under the company's share option scheme. The exercise of options granted under this share option scheme is not dependent on performance criteria.

Audit committee

The audit committee is appointed by the board and must comprise a minimum of two members, including one non-executive director. D Lowe chairs the audit committee with M Jackson as the other member. The committee met on 2 occasions in 2011 (2010: 2).

The audit committee may examine any matters relating to the financial affairs of the Group. This includes reviews of the annual accounts and announcements, internal control procedures, accounting policies, compliance with accounting standards, the appointment of external auditors and other such related functions as the board may require.

The audit committee has given consideration to the possibility of their current auditor withdrawing from the market. The committee has a short list of suitable alternative auditors and would begin immediately to seek tenders as part of the process of appointing a replacement.

Nominations committee

The Group has not appointed a nominations committee despite the recommendation in the Combined Code. The board has concluded that given the size of the Group this function can be effectively carried out by the whole board.

Compliance

In the opinion of the directors, the company has complied throughout the year with the provisions of Section 1 of the Combined Code with the exception that there is no separate Nomination Committee.

The company has complied fully with the requirements of provision C2.1 of the Combined Code (review of effectiveness of internal control system) throughout the period.

Going concern

The directors report that, in connection with paragraph C1.2 of the Combined Code and after making enquiry, they have a reasonable expectation that the company and the Group have adequate resources to continue in operational existence. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Independent Auditors' Report to the Members of Access Intelligence Plc

We have audited the financial statements of Access Intelligence Plc for the year ended 30 November 2011 which comprise the Consolidated Statement of Financial Position and Parent Company Balance Sheet, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Parent Company Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRS's) 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).

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 15, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

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 2011 and of the Group's profit for the year then ended;
- › the Group financial statements have been properly prepared in accordance with IFRS's as adopted by the European Union;
- › the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- › the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Richard Metcalfe (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
6 March 2012

Consolidated Statement of Comprehensive Income

Year ended 30 November 2011

	Note	2011 £'000	Restated 2010 £'000
Revenue — continuing operations	3	7,233	7,224
Cost of sales		(2,142)	(2,023)
Gross profit		5,091	5,201
Administrative expenses		(5,212)	(3,878)
Share-based payment	23	(35)	(39)
		(156)	1,284
Impairment of goodwill	12,13	—	(2,600)
Cost of acquisition		—	(98)
Operating loss	4	(156)	(1,414)
Financial income	6	26	—
Financial expense	7	(149)	(155)
Loss before taxation		(279)	(1,569)
Taxation recovery/(charge)	8	188	(51)
Loss for the year from continuing operations		(91)	(1,620)
Profit for the year from discontinued operations net of income tax expense	9	2,192	58
Profit/(loss) for the year attributable to the equity holders of the parent company		2,101	(1,562)
Other comprehensive income		—	—
Total comprehensive income for the period attributable to the owners of the parent company		2,101	(1,562)
Earnings per share			
Continuing and discontinued operations			
Basic profit/(loss) per share	11	0.84p	(0.67)p
Diluted profit/(loss) per share	11	0.64p	(0.67)p
Continuing operations			
Basic loss per share	11	(0.04)p	(0.70)p
Diluted loss per share	11	(0.04)p	(0.70)p

The notes on pages 25 to 57 form part of these financial statements.

Consolidated Statement of Financial Position

Year ended 30 November 2011

	Note	2011 £'000	2010 £'000
Non-current assets			
Property, plant and equipment	14	249	204
Intangible assets	13	8,130	8,519
Deferred tax assets	21	199	420
Total non-current assets		8,578	9,143
Current assets			
Inventories	15	253	248
Trade and other receivables	16	1,932	1,967
Current tax receivables	8	—	74
Cash and cash equivalents	24	4,162	2,214
Total current assets		6,347	4,503
Total assets		14,925	13,646
Current liabilities			
Trade and other payables	18	803	761
Accruals and deferred income		2,973	2,889
Bank overdraft	24	2	—
Total current liabilities		3,778	3,650
Non-current liabilities			
Interest bearing loans and borrowings	17	1,183	1,607
Deferred tax liabilities	21	368	554
Total non-current liabilities		1,551	2,161
Total liabilities		5,329	5,811
Net assets		9,596	7,835
Equity			
Share capital	22	1,286	1,286
Treasury shares		(148)	—
Share premium account		—	13,490
Capital redemption reserve		191	191
Share option valuation reserve		226	319
Equity reserve		126	176
Retained earnings		7,915	(7,627)
Total equity attributable to the equity holders of the parent company		9,596	7,835

The consolidated financial statements were approved and authorised for issue by the board of directors on Tuesday 6 March 2012 and signed on its behalf by:

M Jackson
Chief Executive

The notes on pages 25 to 57 form part of these financial statements.

Consolidated Statement of Changes in Equity

Year ended 30 November 2011

Attributable to equity holders of the parent

	Share capital £'000	Treasury shares £'000	Share premium account £'000	Capital redemption reserve £'000	Share option reserve £'000	Equity reserve £'000	Retained earnings £'000	Total £'000
Group								
At 1 December 2009	797	—	8,955	191	247	186	(6,065)	4,311
Total comprehensive income for the year	—	—	—	—	—	—	(1,562)	(1,562)
Issue of new shares	489	—	4,665	—	—	—	—	5,154
Equity component of convertible loan notes	—	—	—	—	—	(10)	—	(10)
Share-based payments	—	—	—	—	53	—	—	53
Tax credit relating to share-based payment	—	—	—	—	19	—	—	19
Cost of fundraising	—	—	(130)	—	—	—	—	(130)
At 30 November 2010	1,286	—	13,490	191	319	176	(7,627)	7,835
At 1 December 2010	1,286	—	13,490	191	319	176	(7,627)	7,835
Total comprehensive income for the year	—	—	—	—	—	—	2,101	2,101
Capital re-organisation	—	—	(13,490)	—	—	—	13,490	—
Equity component of convertible loan notes — equity portion	—	—	—	—	—	(50)	28	(22)
Share-based payments — lapsed/exercised in year	—	—	—	—	(32)	—	32	—
Share-based payments — current year	—	—	—	—	22	—	—	22
Tax reversal relating to share-based payment	—	—	—	—	(83)	—	—	(83)
Dividends recognised as distributions to owners	—	—	—	—	—	—	(257)	(257)
Treasury shares	—	(148)	—	—	—	—	148	—
At 30 November 2011	1,286	(148)	—	191	226	126	7,915	9,596

Share capital and share premium account

When shares are issued, the nominal value of the shares is credited to the share capital reserve. Any premium paid above the nominal value is taken to the share premium account. Access Intelligence plc shares have a nominal value of 0.5p per share. Directly attributable transaction costs associated with the issue of equity investments are accounted for as a reduction from equity, net of any relating income tax benefit.

In May 2011, the High Court of Justice sanctioned a capital reduction and cancellation of the share premium account, which had been approved by special resolution by the shareholders. As a result the share premium account of £13,490,000 was cancelled in order to create distributable reserves and allow the payment of a dividend.

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. 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 (note 17). The reserve is determined by deducting the amount of the liability component from the fair value of the convertible loan notes as a whole, net of income tax effects and the relative proportion of the directly attributable transaction costs associated with the issue of the compound instruments.

Retained earnings

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

Consolidated Statement of Cash Flow

Year ended 30 November 2011

	Note	2011 £'000	Restated 2010 £'000
Loss for the year from continuing operations after tax		(91)	(1,620)
Adjusted for:			
Taxation		(188)	51
Depreciation		86	82
Impairment of intangible assets		421	2,600
Share option valuation charge		35	39
Interest income		(26)	—
Interest expense		149	155
Loss on disposal of property, plant and equipment		1	11
Operating cash inflow before changes in working capital		387	1,318
Decrease/(increase) in trade and other receivables		286	(658)
(Increase)/decrease in inventories		(5)	20
Increase in trade and other payables		126	546
Net cash inflow from the continuing operations		794	1,226
Taxation received/(paid)		61	(128)
Net cash inflow from continuing activities		855	1,098
Cash flows from investing in continuing activities			
Interest received		26	—
Acquisition of subsidiary		—	(3,200)
Cash acquired with subsidiary		—	64
Acquisition of property, plant and equipment		(134)	(108)
Proceeds of sale of subsidiary (net)		2,345	136
Cost of software development		(314)	(415)
Net cash inflow/(outflow) from investing in continuing activities		1,923	(3,523)
Cash flows from financing continuing activities			
Interest paid		(118)	(113)
Issue of equity share capital		—	3,055
Redemption of loan notes		(500)	—
Cost of share issues		—	(130)
Repayment of borrowings		(25)	(17)
Payment of dividend		(257)	—
Net cash (outflow)/inflow from financing continuing activities		(900)	2,795
Net increase in cash and cash equivalents	24	1,878	370
Cash from discontinued operations	9	68	130
Opening cash and cash equivalents		2,214	1,714
Closing cash and cash equivalents	24	4,160	2,214

The notes on pages 25 to 57 form part of these financial statements.

Notes to the Consolidated Statements

1 General information

Access Intelligence plc ('the Company') and its subsidiaries (together the 'Group') provide software and computer services to critical compliance and legislative driven businesses in both the public and private sectors. During the year the Group sold its 100% shareholding in Solcara Ltd, a software development company with a recurring revenue base.

The Company is a public limited company which is listed on the Alternative Investment Market and is incorporated and domiciled in the UK. The address of the Company's registered office is provided in the Officers and Professional 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.

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.

The areas involving a high degree of judgement or complexity and where key assumptions and estimates have been made by management relate to the impairment testing of goodwill and capitalised development costs, refer to note 13 for further details 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 23 for further details.

Restatement of prior year figures

In April 2011 the Group were approached by a third party regarding the possible sale of Solcara Ltd. The directors decided to proceed with the transaction and completed the sale on 30 June 2011. As a result the 2010 figures in both the consolidated statement of income and statement of cash flows have been restated in order to present Solcara Ltd. as a discontinued operation. The details of Solcara's financial performance and financial position at the date of sale are detailed in note 9 to the consolidated statements.

New standards and interpretations

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 December 2010 which are relevant to the Group or Company's operations, have been adopted during the year.

Notes to the Consolidated Statements *continued*

2 Accounting Policies *continued*

Effective dates
(periods beginning
on or after)

IAS 24 (revised) 'Related party disclosures' *The revised standard supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised standard clarifies and simplifies the definition of a related party in relation to the following: associates and subsidiaries, jointly controlled entities, investments by members of key management personnel and investments made by close family members, and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities.*

1 January 2011

The amendment to this standard does not have a material impact on the Group or Company's financial statements.

Improvements to IFRS (May 2010)

There have been various amendments made to existing standards and interpretations as a result of the May 2010 improvements to IFRSs, which provide clarifications to existing requirements. Amendments to the following standards are applicable to the Group's and/or Company's operations:

IFRS 3 'Business Combinations' — *transition requirements for contingent consideration; measurement of non-controlling interest; and un-replaced and voluntary replaced share-based payment awards.*

IFRS 7 'Financial Instruments' — *increased emphasis on the interaction between qualitative and quantitative disclosures.*

IAS 1 'Presentation of Financial Statements' — *clarification of the presentation of the statement of changes in equity.*

IAS 27 'Consolidated and Separate Financial Statements' — *transition requirements for amendments made as a result of IAS 27 (revised).*

IAS 34 'Interim Financial Reporting' — *accounting for significant events and transactions.*

These improvements made to IFRS have not had a material impact on the Group or Company's financial statements in the current year.

IFRS 7 (amendment) — Financial instruments disclosures

1 July 2011

The amendments enhance existing required disclosures for transferred financial assets that are not derecognised, and require additional disclosure on an entity's continuing involvement in derecognised financial assets.

The amendments do not have a material impact on the Group or Company's financial statements.

2 Accounting policies continued

The following standards, amendments and interpretations that have become mandatory for accounting periods beginning on or after 1 December 2010 are not considered relevant to the Group or Company's operations:

IFRIC 13 — 'Customer loyalty programmes'.

IFRIC 14 — IAS 19 'Prepayments of a minimum funding requirement'.

IFRIC 19 — 'Extinguishing financial liabilities with equity instruments'.

Standards, amendments and interpretations in issue but not yet effective

The following standards, amendments and interpretations are in issue but are mandatory for accounting periods beginning on or after 1 December 2011 or later periods. The Group and Company have not early adopted them:

	Effective dates (periods beginning on or after)
IAS 12 — Income taxes: <i>Limited scope amendment (recovery of underlying assets)</i> .	1 January 2012
IFRS 9 — Financial instruments: <i>Classification and measurement</i> .	1 January 2013
IAS 1 — Presentation of Financial Statements: <i>Revision to items presented within other comprehensive income</i> .	1 July 2012
IFRS 10 — Consolidated Financial Statements: <i>Clarification on the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent Company</i> .	1 January 2013
IFRS 12 — Disclosure of Interests in Other Entities: <i>Sets out new and comprehensive disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities</i> .	1 January 2013
IFRS 13 — Fair Value Measurement: <i>This standard sets out a comprehensive framework for defining and measuring fair value and also includes additional disclosure requirements about fair value measurements</i> .	1 January 2013
IAS 27 — Separate Financial Statements: <i>Consequential changes following the issue of IFRS 10 as no longer deals with the accounting or disclosure requirements for consolidated financial statements and therefore includes the requirements for individual financial statements only</i> .	1 January 2013

The amendments on the above are not considered at this stage to have a material impact on the Group or Company's forthcoming financial statements. The Group does not anticipate adopting these new standards prior to the mandatory effective dates.

The following standards, amendments and interpretations are in issue but are mandatory for accounting periods beginning on or after 1 December 2011 or later periods. They are not considered to be relevant for the Group and Company:

	Effective dates (periods beginning on or after)
IAS 19 — Employee Benefits: <i>Revision to post-employment benefits and termination benefits</i> .	1 January 2013
IFRS 11 — Joint Arrangements: <i>Revision for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form as is currently the case</i> .	1 January 2013
IFRIC 20 — Stripping Costs in the Production Phase of a Surface Mine.	1 January 2013
IAS 28 — Investments in Associates and Joint Ventures: <i>Consequential changes following the issue of IFRS 11</i> .	1 January 2013

Notes to the Consolidated Statements *continued*

2 Accounting policies *continued*

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 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.

Adjustments are made where necessary to bring the accounting policies of acquired businesses into alignment with those of the Group.

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.

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 both a straight-line and reducing balance basis over the estimated useful lives of fixtures, fittings and equipment. The estimated useful lives are as follows:

Fixtures, fittings and equipment — 3–5 years

Intangible assets

Goodwill

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

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

In respect of acquisitions prior to 1 December 2006, goodwill is included at 1 December 2006 on the basis of its deemed cost, which represents the amount recorded under UK GAAP which was broadly comparable save that only separable intangibles were recognised and goodwill was amortised. On transition, amortisation of goodwill has ceased.

Research and development expenditure

Expenditure identified as development expenditure being costs incurred on clearly defined unique projects whose outcome can be assessed with reasonable certainty and which are expected to lead to new products and revenue streams is measured at cost less accumulated amortisation and accumulated impairment losses. Where development expenditure does not meet these requirements then it is recognised as an expense in the period it is incurred.

Amortisation will be calculated so as to write off the cost of an asset over the useful economic life of that asset. In 2011 there was two (2010; 2) capitalised development project. The directors assess the useful life of the current capitalised development projects to be 3 years from the date of the first sale and amortisation will begin at that time.

2 Accounting policies continued

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. From 1 December 2010 the Group reassessed the useful life of the brands and as a result has changed the useful life assessment to apply a 20 year straight line amortisation policy (2010: unlimited life) on all brand values. The rationale behind this reassessment is based upon the directors' view of the life of the deployable brand assets and existing brand equity.

The brand equity in each case has been built up over a 5-10 year period addressing the needs of two large global markets that have yet to reach maturity. In the event that the developed world became saturated it is the directors' view that the developing world will soon find a need for such products. The conclusion is that a realistic life for the brand equity would be a 'generation' or 20 years. Where there is an indication of impairment, the directors will perform an impairment review by analysing the future discounted cash flows over the remaining life of the brand asset to determine whether impairment is required.

Impairment of non-financial assets

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

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date. The recoverable amount is the higher of the fair value less costs to sell and value in use of the cash generating unit containing the goodwill or intangible assets with an indefinite useful life.

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

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. 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.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost is determined on a first in first out (FIFO) basis and is calculated as the cost of materials, direct labour and appropriate production overheads based on normal capacity levels. Net realisable value is based on estimated selling price less additional costs to completion and costs to be incurred in marketing, selling and distribution.

Notes to the Consolidated Statements *continued*

2 Accounting policies *continued*

Financial instruments

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

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

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

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

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

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

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

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

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

Convertible loan notes

The component parts of compound instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, in the case of a convertible loan note denominated in the functional currency of the issuer that may be converted into a fixed number of equity shares, the fair value of the liability component is estimated at the present value of the stream of future cash flows (including both coupon payments and redemption) discounted at the market rate of interest that would have been applied to an instrument of comparable credit quality with substantially the same cash flows, on the same terms, but without the conversion option. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. 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.

2 Accounting policies continued

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.

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 balance sheet 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 balance sheet 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 either the binominal or Black-Scholes methods, both recognised options valuation methods. The charges to the profit and loss rest in the subsidiary employing the executive 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 service contracts and/or hosted services which are invoiced in advance, it is the Group's policy to spread the income of each contract equally over the contract's life. The full value of each sale being credited to deferred revenue when invoiced to be released to the statement of comprehensive income in equal instalments over the contract period.

Notes to the Consolidated Statements *continued*

2 Accounting policies *continued*

Revenues from the delivery of infrastructure are recognised on installation with associated training and consultancy fees recognised when specified contractual milestones are met or on project completion. In the event that these services are invoiced in advance they will be credited to deferred revenue and released to the comprehensive income statement once delivered.

Income from the sale of licences is recognisable in full at the date of sale.

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 the profit and loss account 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.

3 Revenue

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

The Group's revenue was split into the following territories:

	2011	2010
	£'000	£'000
United Kingdom	6,699	6,842
European Union	162	30
Rest of the World	372	352
	7,233	7,224

All non-current assets are held in the United Kingdom as they were in 2010.

No customer represents 10% or more of revenue as was the case in 2010.

3 Revenue continued

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 intangibles including goodwill.

Operating segments

The Group operating segments have been decided upon according to their revenue model and product or service offering. The software as a service segment derives its revenues from software licence sales and support and training revenues. The IT support services revenue derives from maintenance and back-up services. The segments are:

- › Software as a service
- › IT support services
- › Division in recovery — Cobent Ltd
- › Head Office

The composition of reportable operating segments has changed from the prior year to include an additional reportable segment: Division in recovery – Cobent Ltd. In 2010 the segment had been aggregated and included as part of Software as a Service reportable segment, however during this year the directors considered that the segment reporting disclosure provides more useful information to present this division separately because of the transformation in operating structure the Company has been undertaking. The prior year information has been restated to show the corresponding items of segment information.

Notes to the Consolidated Statements *continued*

3 Revenue *continued*

The segment information for the year ended 30 November 2011, having restated the Solcara Ltd trading activity as discontinued activities and the separate segmental information for Cobent Ltd, is as follows:

	Software as a service £'000	IT support services £'000	Head office £'000	Cobent Ltd £'000	Discontinued operations (see note 9) £'000	Consolidation adjustment £'000	Total £'000
External revenue	4,369	1,895	—	969	—	—	7,233
Internal revenue	5	15	—	—	—	(20)	—
Operating profit/(loss)	1,162	210	(803)	(656)	—	(69)	(156)
Re-allocation of exceptional costs	—	—	283	(283)	—	—	—
Internal dividend	(350)	(100)	450	—	—	—	—
Finance income	17	1	8	—	—	—	26
Finance costs	—	—	(144)	(5)	—	—	(149)
Taxation	23	(6)	179	170	—	(178)	188
Profit from discontinued operations	—	—	—	—	2,192	—	2,192
Profit/(loss) after taxation	852	105	(27)	(774)	2,192	(247)	2,101
Reportable segment assets	6,249	1,482	11,660	481	—	(4,863)	15,009
Reportable segment liabilities	2,736	972	3,858	1,138	—	(3,393)	5,311
Other information:							
Additions to property, plant and equipment	65	57	12	—	—	—	134
Depreciation and amortisation	81	37	—	21	—	69	209
Impairment of development cost	—	—	—	299	—	—	299

3 Revenue continued

The segment information for the year ended 30 November 2010, having restated the Solcara Ltd trading activity as discontinued activities, is as follows:

	Software as a service £'000	IT support services £'000	Head office £'000	Cobent Ltd £'000	Discontinued operations (see note 9) £'000	Consolidation adjustment £'000	Total £'000
External revenue	4,499	1,760	—	965	—	—	7,224
Internal revenue	5	10	—	—	—	(15)	—
Operating profit	1,313	156	(372)	187	—	—	1,284
Impairment of Goodwill	—	—	—	(2,600)	—	—	(2,600)
Cost of acquisition	—	—	(98)	—	—	—	(98)
Finance income	—	—	—	—	—	—	—
Finance costs	—	—	(151)	(4)	—	—	(155)
Taxation	(74)	(8)	31	—	—	—	(51)
Profit from discontinued operations	—	—	—	—	58	—	58
Profit/(loss) after taxation	1,239	148	(590)	(2,417)	58	—	(1,562)
Reportable segment assets	4,977	1,263	10,623	670	824	(4,711)	13,646
Reportable segment liabilities	2,196	665	3,772	663	725	(2,210)	5,811
Other information:							
Additions to property, plant and equipment	83	18	—	5	2	—	108
Additions to intangible assets	108	—	—	6,015	—	—	6,123
Depreciation and amortisation	40	33	7	—	2	—	82

Notes to the Consolidated Statements *continued*

4 Operating (loss)

Operating loss is stated after charging:

	2011 £'000	2010 £'000
Depreciation of property, plant and equipment	86	82
Amortisation of development costs	54	—
Amortisation of Brand values	68	—
Loss on disposal of property, plant and equipment	1	11
Impairment of goodwill	—	2,600
Exceptional costs (see below)	633	124
Operating lease charges — land and buildings	262	191
Acquisition costs	—	98
Auditors' remuneration (see below)	68	70
Share-based payments	35	53
Research and development expenditure — p&l (a further £314k (2010: £413k) was capitalised)	325	403
Cost of inventories	513	348
Impairment losses and (recoveries) on trade receivables	(34)	11

The exceptional costs relating to Cobent Ltd are made up of the following elements:

	2011 £'000	2010 £'000
Compensation for loss of office — director	30	124
Compensation and notice payments — all staff	122	—
Impairment of development cost	299	—
Recruitment & temporary fees	78	—
Legal costs	24	—
Legal costs on the sale & purchase agreement & other matters	80	—
	633	124

Auditors' remuneration is further analysed as:

	2011 £'000	2010 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	12	8
Under-provision from 2010	8	—
The audit of the Company's subsidiaries, pursuant to legislation	37	37
Tax services	8	5
Other services	3	20
Total auditors' remuneration	68	70

5 Particulars of employees

	2011 No.	2010 No.
The average number of persons (including directors) employed by the Group during the year was:		
Selling, distribution and administration	53	65
Technical	36	39
	89	104

Costs incurred in respect of these employees were:

	2011 £'000	2010 £'000
Wages and salaries	3,646	3,650
Social security costs	398	419
Pension costs	48	54
Health insurance	3	2
Employee benefits	1	29
Compensation for loss of office	93	124
	4,209	4,278

The compensation for loss of office charge of £93,026 (2010: £124,000) relates to 4 Cobent employees who were made redundant during the year. Of this £30,000 was paid to H Sears and is included in salaries in the table below.

The reportable key management personnel are considered to be comprised of the Company directors, the remuneration of whom is detailed in the table below.

Directors' remuneration

	Salaries £	Fees £	2011 £	2010 £
M Jackson	—	—	—	41,333
J Hamer	50,000	—	50,000	59,773
D Lowe	9,000	—	9,000	12,250
R Jackson	116,667	8,500	125,167	74,952
H Sears	60,200	2,500	62,700	48,333
J Arnold	75,000	—	75,000	—
H Bang	—	—	—	—
	310,867	11,000	321,867	236,641

R Jackson received £2,765 (2010: £4,560) in health and insurance benefits paid through Solcara Ltd. Included in the above salary cost R Jackson received £80,000 as compensation for loss of office under the terms of a compromise agreement on the completion of the sale of Solcara Ltd.

H Sears received £30,000 by way of compensation of loss of office included in his salary figure above and charged to the consolidated income statement as part of the exceptional costs on the turnaround of Cobent Ltd referred to in note 4 above.

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

Notes to the Consolidated Statements *continued*

5 Particulars of employees *continued*

The number of directors at 30 November 2011 accruing retirement benefits under money purchase schemes was £nil (2010: £nil).

The interests of the directors in share options are detailed in the Director's Report on page 12 of this report.

6 Financial income

	2011 £'000	2010 £'000
Interest receivable on bank accounts	26	—

7 Financial expense

	2011 £'000	2010 £'000
Effective interest charged on convertible loan notes	144	147
Interest on other loans	5	8
	149	155

8 Taxation

	2011 £'000	Restated 2010 £'000
Analysis of tax (credit)/charge in the year	£'000	£'000
Current income taxes charge/(credit):		
UK corporation tax credit for the year	—	(74)
Adjustment in respect of prior year	30	(17)
	30	(91)
Deferred tax (note 21)		
Impact of change in tax rate	(10)	—
Origination and reversal of temporary differences	(161)	142
Adjustment in respect of prior year	(47)	—
Income tax expense on continuing operations	(188)	51

As shown above, the tax assessed on the loss on ordinary activities for the year is lower than (2010: higher) the standard rate of corporation tax in the UK of 26% (2010: 28%).

The differences are explained as follows:

	2011 £'000	Restated 2010 £'000
Factors affecting tax credit/charge	£'000	£'000
(Loss) on ordinary activities before tax	(279)	(1,569)
(Loss) on ordinary activities by rate of tax of 26.7% (2010: 27.7%)	(74)	(434)
Expenses not deductible for tax purposes	37	675
Adjustment in respect of prior year	(17)	(17)
Additional R&D claim CTA 2009	(134)	(173)
	(188)	51

9 Discontinued operations

	2011 £'000	2010 £'000
Discontinued operations profit		
Wired-Gov Ltd	—	107
Solcara Ltd	2,192	(49)
	2,192	58

	2011 £'000	2010 £'000
Discontinued operations cash		
Wired-Gov Ltd	—	(64)
Solcara Ltd	68	194
	68	130

On 30 June 2011 the Group sold the share capital of Solcara Limited for £2,500,000 less costs and a subsequent £110,623 working capital adjustment. This company was the legal market arm of Solcara Ltd purchased by the Group in November 2008. The Spotlight and ControlPoint products had been transferred to other parts of our Group in December 2009. The business was not a discontinued operation or classified as held for resale as at 30 November 2010 and the comparative income statement has been restated to show the discontinued operation separately from continuing operations.

	2011 £'000	2010 £'000
Results of discontinued operation		
Revenue	541	749
Expenses	(673)	(730)
Results from operating activities	(132)	19
Financial expense	2	—
Pre-tax (loss)/profit of the discontinued operation	(130)	19
Related tax expense	—	(68)
Loss after tax of discontinued operations	(130)	(49)
Consideration received, satisfied in cash	2,610	—
Net assets of the Group disposed of	(250)	—
Costs directly attributable to disposal	(38)	—
Profit/(loss) after tax for the period	2,192	(49)
Basic profit per share	1.0p	0.02p
Diluted profit per share	0.8p	0.01p
Cash flows from discontinued operation		
Net cash used in operating activities	68	194
Net cash used in discontinued operation	68	194

Notes to the Consolidated Statements *continued*

9 Discontinued operations *continued*

	2011	2010
	£'000	£'000
Effect of disposal on the financial position of the Group		
Property, plant and equipment	3	1
Trade and other receivables	153	388
Cash and cash equivalents	227	435
Trade and other payables	(191)	(325)
Accruals	(224)	(400)
Net (liabilities)/assets at date of disposal	(32)	99
Associated goodwill disposed of	282	—
Net assets of Group disposed of	250	99

On 12 May 2010 the Group sold the share capital of Wired-Gov Limited for £142,692 less costs. This company was one of the legacy businesses acquired when the Group was admitted to AIM. The business was not a discontinued operation or classified as held for resale as at 30 November 2009 and the comparative income statement has been restated to show the discontinued operation separately from continuing operations.

	2011	2010
	£'000	£'000
Results of discontinued operation		
Revenue	—	92
Expenses	—	(96)
Results from operating activities	—	(4)
Financial expense	—	—
Pre-tax (loss)/profit of the discontinued operation	—	(4)
Related tax expense	—	—
	—	(4)
Consideration received	—	142
Net assets of the Group disposed of	—	(25)
Costs directly attributable to disposal	—	(6)
Profit after tax for the period	—	107
Basic profit per share	—	0.05p
Diluted profit per share	—	0.03p
Cash flows from discontinued operation		
Net cash used in operating activities	—	(64)
Net cash used in discontinued operation	—	(64)

9 **Discontinued operations** continued

	2011 £'000	2010 £'000
Effect of disposal on the financial position of the Group		
Property, plant and equipment	—	3
Trade and other receivables	—	70
Cash and cash equivalents	—	(2)
Trade and other payables	—	(33)
Accruals	—	(13)
Net assets at the date of disposal	—	25

10 **Dividend paid**

In August 2011 a special dividend was paid of 0.1p (2010: £nil) per share to all shareholders on the register on 12 August 2011. The total cost of this dividend payment was £257,295.

The directors propose a final dividend of 0.2p (2010: £nil) for those shareholders on the register on 16 March 2012 and payable on 20 April 2012 if approved by the shareholders at the AGM to be held on 16 April 2012.

11 **Earnings per share**

The calculation of earnings per share is based upon the profit for the continuing and discontinued business after taxation of £2,101,034 (2010: loss of £1,562,427) divided by the weighted average number of ordinary shares in issue during the year which was 251,581,201 (2010: 231,609,874). The loss for continuing operations of the Group of £91,013 (2010: restated loss of £1,620,886). The weighted average number of ordinary shares used in the calculation of diluted earnings per share is 329,197,511 (2010: 311,054,231). This has been adjusted for the effect of potentially dilutive share options granted under the Company's share option schemes and convertible loan notes issued.

This has been computed as follows:

	Profit after tax £'000	2011 Weighted average no. of shares	Earnings per share (pence)	Restated (loss) after tax £'000	2010 Weighted average no. of shares	Loss per share (pence)
Continuing and discontinued operations						
Earnings/(loss) attributable to ordinary shareholders from continuing activities	2,101	251,581,201	0.84	(1,562)	231,609,874	(0.67)
Dilutive effect of options	—	35,955,351	—	—	35,194,357	—
Dilutive effect of loan note conversion	—	41,660,959	—	—	44,250,000	—
Diluted earnings/(loss) per share for the year	2,101	329,197,511	0.64	(1,562)	311,054,231	(0.67)

Notes to the Consolidated Statements *continued*

11 Earnings per share *continued*

	2011		2010			
	Profit	Weighted		Restated	Weighted	
	after	average		(Loss)	average	
	tax	no. of	Loss	after tax	no. of	
	£'000	shares	per share	£'000	shares	
			(pence)		Loss	
					per share	
					(pence)	
Continuing operations						
(Loss) attributable to ordinary shareholders from continuing activities	(91)	251,581,201	(0.04)	(1,620)	231,609,874	(0.70)
Dilutive effect of options	—	35,955,351	—	—	35,194,357	—
Dilutive effect of loan note conversion	—	41,660,959	—	—	44,250,000	—
Diluted loss per share for the year	(91)	329,197,511	(0.04)	(1,620)	311,054,231	(0.70)

On the 21 September 2011 29,666,667 shares were returned to the Company and were held in Treasury at the year end. Once in treasury they were removed from the earnings per share calculation.

The total number of options and warrants granted at 30 November 2011 of 38,254,314 would generate £1,249,414 in cash if exercised. At 30 November 2011 they were all priced above the mid-market closing price of 2.375p per share.

At the 30 November 2011 2,182,970 staff options were eligible for exercising at an average price of 5.3p. Also eligible for exercising are the 21,300,000 warrants priced at 2.75p per share held by M Jackson, D Lowe and Elderstreet VCT plc consequent to their investment in October 2008.

The outstanding loan notes will convert to 31,250,000 shares in June 2014.

In 2010 potential ordinary shares from the share option schemes and convertible loan notes have an anti-dilutive effect due to the Group being in a loss position. As a result, dilutive loss per share is disclosed as the same value as basic loss per share. This is still the case on continuing operations in 2011.

12 Purchase of subsidiary undertaking and business

Consequent to the acquisition of Cobent Ltd in March 2010 and the disappointing performance of the Company in our ownership a claim was made in September 2011 under the terms of the Sale and Purchase agreement. The settlement of this claim in September 2011 resulted in the return of 29,666,667 shares from the two major vendors representing £1,780,000 at the issue price of 6 pence per share. As part of this claim we also received £63,500 as partial recovery of the bad debt inherited with acquisition in relation to Organisation Metrics of Canada. We are still seeking further recompense from Organisation Metrics themselves.

The returned shares are now held in treasury and attract no voting rights, nor do they impact dilution calculations. 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 directors were satisfied that no further goodwill impairment was necessary at 30 November 2011 (2010: Impairment £2,600,000).

Refer to note 13 for further details.

13 Intangible fixed assets

	Brand value £'000	Goodwill £'000	Development costs £'000	Total £'000
Cost				
At 1 December 2009	1,200	6,746	—	7,946
Additions on acquisition of subsidiary	169	5,541	—	5,710
Capitalised during the year	—	—	413	413
At 30 November 2010	1,369	12,287	413	14,069
At 1 December 2010	1,369	12,287	413	14,069
Capitalised during the year	—	—	314	314
Disposal of subsidiary	—	(282)	—	(282)
At 30 November 2011	1,369	12,005	727	14,101
Amortisation and impairment				
At 1 December 2009	—	2,950	—	2,950
Impairment in year	—	2,600	—	2,600
At 30 November 2010	—	5,550	—	5,550
At 1 December 2010	—	5,550	—	5,550
Amortisation in year	68	—	54	122
Impairment in year	—	—	299	299
At 30 November 2011	68	5,550	353	5,971
Net Book Value				
At 30 November 2011	1,301	6,455	374	8,130
At 30 November 2010	1,369	6,737	413	8,519

Impairment testing for cash-generating units containing goodwill and brands

For the purpose of impairment testing, goodwill is allocated to the Group's operating segments which represent the lowest level within the Group at which the goodwill is monitored for internal management accounts purposes. The review of useful life assessment for the brands during the year resulted in a change from indefinite to finite useful life. This is considered to be an indicator for impairment. The tests were performed at the cash-generating unit level on the basis of value in use.

The aggregate carrying amounts of goodwill and brand allocated to each unit are:

	Goodwill 2011 £'000	Brands 2011 £'000	Total 2011 £'000	2010 £'000
Software as a service	3,050	1,140	4,190	2,996
IT Support Services	800	—	800	800
Division in recovery — Cobent Ltd	2,605	161	2,766	2,941
	6,455	1,301	7,756	6,737

Notes to the Consolidated Statements *continued*

13 Intangible fixed assets *continued*

The value in use was determined by discounting the future cash flows generated from the continuing operation of the business segment and was based on the following assumptions:

- ▶ Cash flows were projected based on actual operating results and a ten year group trading forecast as approved by management. An approved forecast of ten years is considered to be justified because of the size and nature of the markets in which the Group's products are sold. The carrying value is fully covered by this ten year forecast period and therefore no terminal value or terminal growth rate has been applied.
- ▶ Cash flows were estimated based on a revenue growth rate in a range of between 2% and 20% per annum in each year from 2 to 10, and an increasing cost base in a range of between 3% and 15% per annum. These rates of revenue growth are based upon past achievements of the group companies and have been decided upon company by company. Some companies are relatively early stage whilst others are more mature.
- ▶ The discount rate used in the value in use calculation is 11% (2010: 11%).

In addition to revenue growth, the key assumptions used in the impairment testing were:

- ▶ Gross margins remain consistent over the ten year period with software businesses of a similar type.
- ▶ 60% of costs relate to employment costs which are therefore the key cost driver. Our experience has been that in the recent low inflation years we have been able to hold salary increases to 3% levels. Certain subsidiaries are expected to grow significantly over the next few years and will need to build their infrastructure accordingly. In these cases our costs have been assumed to rise at 20%.
- ▶ In overall terms the directors view the key sensitivities to be employment costs and gross margins. It would take an increase of over 15% in employment costs (current year increase 3%) in the case of each subsidiary to bring about any risk of impairment to the carrying value of goodwill. In the case of gross margins a fall of 5% could be absorbed before any goodwill impairment would be threatened.

In the case of Cobent Ltd the directors have projected cash flows for a five year period, based on a forecast approved by management, and adopted a terminal value approach with the following assumptions:

Discount rate at 11%

Longer term growth rate of 4%

The directors are satisfied that the current value in use is justified.

Development Costs

An impairment review took place of the capitalised development costs relating to the document management system (CDM) carried by Cobent Ltd, capitalised in 2010. As part of the reorganisation of Cobent Ltd in 2011 it has become clear that although this software has been sold on a stand alone basis it is better offered to clients as an additional feature of our learning management system AI Talent. As a result of this it is no longer possible to forecast revenues specifically associated with CDM and as a result the directors have decided to impair the remaining development cost of £299,475 fully in 2011.

The directors considered that there were no further indicators of impairment relating to the remaining development costs.

14 Property, plant & equipment

	Fixtures, fittings and equipment £'000	Leasehold improvements £'000	Total £'000
Cost			
At 1 December 2009	661	27	688
Additions	90	19	109
Disposals	(6)	(27)	(33)
On acquisition of subsidiary	36	—	36
At 30 November 2010	781	19	800
At 1 December 2010	781	19	800
Additions	133	1	134
On sale of subsidiary	(68)	—	(68)
Disposals	(19)	(1)	(20)
At 30 November 2011	827	19	846
Depreciation			
At 1 December 2009	492	15	507
Charge for the year	76	6	82
Disposals	(5)	(16)	(21)
On acquisition of subsidiary	28	—	28
At 30 November 2010	591	5	596
At 1 December 2010	591	5	596
Charge for the year	80	6	86
On sale of subsidiary	(66)	—	(66)
Disposals	(19)	—	(19)
At 30 November 2011	586	11	597
Net book value			
At 30 November 2011	241	8	249
At 30 November 2010	190	14	204

15 Inventories

	2011 £'000	2010 £'000
Work in progress	—	3
Finished goods	253	245
	253	245

Notes to the Consolidated Statements *continued*

16 Trade and other receivables

	2011 £'000	2010 £'000
Current assets		
Trade receivables	1,647	1,928
Less: provision for impairment of trade receivables	(270)	(317)
	1,377	1,611
Amounts held in escrow	250	—
Prepayments and other receivables	272	350
Other taxes receivable	33	6
	1,932	1,967

As at 30 November 2011, trade receivables of £270,000 (2010: £317,452) were impaired and fully provided for. The ageing of trade receivables which are past due and not impaired is as follows:

	2011 £'000	2010 £'000
Days outstanding:		
31–60 days	349	378
61–90 days	541	436
	890	814

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

	2011 £'000	2010 £'000
At 1 December	317	46
Movement on the provision for receivables	(16)	282
Disposal of subsidiary	—	(11)
Receivables written off during the year	(31)	—
At 30 November	270	317

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.

	2011 £'000	2010 £'000
Ageing on impaired debt		
Days outstanding:		
90–180 days	10	11
181–270 days	29	31
Above 270 days	231	275
	270	317

16 Trade and other receivables continued

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 £4,162,377 (2010: £2,214,278). The Group does not hold any collateral as security.

17 Other interest bearing loans and borrowings

	2011 £'000	2010 £'000
Non-current		
Former director's loan	2	—
Convertible loan notes	1,181	1,607

On 30 June 2009 £1,750,000 convertible loan notes were issued. The notes mature on 30 June 2014 and carry a coupon of 6% per annum, payable semi-annually until such time as they were repaid or converted in accordance with their terms. The holders 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 4 pence per share.

On 9 July 2009 the Company issued a further £100,000 convertible loan notes with the same terms as those issued on 30 June 2009 except that their maturity date is 9 July 2014. In August 2010 this loan note holder exercised his right to convert this loan to equity at 4p per share. These 2,500,000 shares were admitted to AIM on 1 September 2010.

On 30 September 2011 £500,000 convertible loan notes were redeemed early at par. At the date of redemption the consideration allocated to the liability component resulted in a loss being recognised in profit or loss of £22,512 upon extinguishment and the consideration allocated to the equity component resulted in a reduction to equity of £22,369. The original equity component associated with this convertible loan note of £50,239 has been transferred to retained earnings.

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

	2011 £'000	2010 £'000
Proceeds of issue of convertible loan notes	1,250	1,750
Equity component	(126)	(176)
Deferred taxation	(17)	(40)
	1,107	1,534
Interest charged	144	147
Interest paid	(115)	(106)
Redemption - fair value of consideration allocation	45	32
Liability component at 30 November 2011	1,181	1,607

The equity component of £125,597 (2010: £175,834) has been credited to equity reserve (see note 9 of the parent Company). The interest charged for the year is calculated by applying an effective rate of interest of 9.8% to the liability component for the 12 month period. The liability component is measured at amortised cost. The difference between the carrying amount of the liability component at the date of issue and the amount reported in the balance sheet at 30 November 2011 represents the effective interest rate less interest paid to that date.

Notes to the Consolidated Statements *continued*

17 Other interest bearing loans and borrowings *continued*

The movement on the Convertible Loan note liability is summarised below:

	2011	2010
	£'000	£'000
Opening loan liability	1,607	1,655
Interest charged for the year	144	147
Interest paid in the year	(115)	(106)
Redemption in the year	(455)	(89)
Liability component at 30 November 2011	1,181	1,607

18 Trade and other payables

	2011	2010
	£'000	£'000
Trade and other payables	473	382
Other taxes and social security costs	116	123
VAT payable	214	256
	803	761

19 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 6 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 and interest rate fluctuations are minimal as all borrowings are at fixed rates of interest. The Group has also 32 day deposit facilities on which 1.7% interest was being earned throughout 2011 and will be optimizing the use of these accounts going forward.

Foreign currency risks exist in 2 subsidiaries both of whom invoice in currencies other than sterling. Due to the relative size of the currency risks concerned no hedging takes place in euros but during the year a forward contract was taken out to hedge our US dollar receipts. At the year end there were no open contracts, however the Group was holding a US dollar deposit of \$119,965 which was translated at the rate of 1.5516 for inclusion in the consolidated statement of financial position. This amounted to £77,317. There are no hedges against this balance.

The Group did not hold any other 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 2011 borrowings comprised:

- ▶ Convertible loan notes of £1,250,000 (2010: £1,750,000). These loan notes will convert to equity on 30 June 2014 at 4 pence per share unless they have already been redeemed.
- ▶ Former subsidiary Director's loan of £29,587 (2010: £54,160) – £27,511 is included in trade and other payables due within 12 months, whilst £2,076 is due in more than one year's time.

19 Financial instruments continued

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 2011 produced £25,768 (2010: nil) of income.

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

	Loans and receivables and other payables £'000	Total £'000
2011		
Assets per the balance sheet		
Trade and other receivables excluding prepayments	1,788	1,788
Cash and cash equivalents	4,162	4,162
	5,950	5,950
Liabilities per the balance sheet		
Trade and other payables excluding accruals	803	803
Interest bearing loans and borrowings	1,183	1,183
	1,986	1,986
Undiscounted contractual maturity of financial liabilities		
Amounts due within one year		803
Amounts due between one and five years		2
Amounts that convert to equity		1,181
Financial liabilities at carrying value		1,986

Notes to the Consolidated Statements *continued*

19 Financial instruments *continued*

	Loans and receivables and other payables £'000	Total £'000
2010		
Assets per the balance sheet		
Trade and other receivables excluding prepayments	2,041	2,041
Cash and cash equivalents	2,214	2,214
	4,255	4,255
Liabilities per the balance sheet		
Trade and other payables excluding accruals	761	761
Interest bearing loans and borrowings	1,607	1,607
	2,368	2,368
Undiscounted contractual maturity of financial liabilities		
Amounts due within one year		761
Amounts due between one and five years		—
Amounts that convert to equity		1,607
Financial liabilities at carrying value		2,368

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 currently very liquid with £4,162,377 available cash resources against a liability payable within the next 12 months of £803,835 so the management of this risk is proportionate. However should any subsidiary, or the parent 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.

20 Financial and operational risk management

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

- ▶ Competitive risk — that our product is 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 keep good people

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.

20 Financial and operational risk management continued

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

- › We encourage an investment of up to 10% (2010: 10%) of revenue on product research and development
- › We have employed in December 2011 a chief technology officer to bring further cohesion to our technical development
- › We are building our sales teams in a controlled manner
- › We make time and funds available for staff training
- › We incentivise through balanced sales commission schemes
- › We monitor individual sales person performance, taking action where necessary
- › We expect subsidiary directors to have an excellent understanding of their market

Cash flow and liquidity risk

As a group we support the cash requirements of six individual company units, all of which have their individual working capital requirements during a trading month. At the end of 2011 we had £2,000 of bank borrowing (2010: nil) but 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
- › We monitor detailed aging analysis of debtors from each subsidiary on a monthly basis
- › We encourage subsidiary cash generation by minimising the 'sweeping' of cash to the plc
- › We track the link between reported profit and generated cash as a key indicator of company performance

In December 2011 we appointed a full time chief financial officer to strengthen our overall financial control.

Credit risk

Our sales are split 49:51 (2010: restated 55:45) 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 high risk and we need to be very diligent about our approach to these sales:

- › We will not do business without a purchase order
- › We must take credit checks on new customers
- › We track aged debtors very diligently, reporting them monthly at Group board level
- › We do not pay sales commission on unpaid sales
- › As above we are strengthening our financial team

Notes to the Consolidated Statements *continued*

20 Financial and operational risk management *continued*

Key personnel risk

This is a people business. Our technical staff creates the product and our sales staff sell it. In 2011 57% (2010: 63%) of our operating costs 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 incentivise subsidiary managing directors on subsidiary profit performance
- › We have a broadly distributed approved option scheme for senior employees
- › 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 listing.

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.

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 executive.

In 2011 we paid our first dividend of 0.1p as a special dividend following the sale of Solcara Ltd. It is our intention to pay a final dividend of 0.2 pence per share in April 2012 and progressively build the dividend levels going forward.

21 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 end the prior year:

	Accelerated tax depreciation £'000	Convertible loan note equity component £'000	Share- based payment £'000	Tax losses £'000	Develop- ment costs expensed £'000	Arising from business combin- ations £'000	Total £'000
At 1 December 2009	(8)	(55)	90	411	—	—	438
On acquisition of subsidiary	—	—	—	—	—	(383)	(383)
Charge to income	(8)	15	15	(115)	(115)	—	(208)
Charge to equity	—	—	19	—	—	—	19
At 30 November 2010	(16)	(40)	124	296	(115)	(383)	(134)
At 1 December 2010	(16)	(40)	124	296	(115)	(383)	(134)
On disposal of subsidiary	(4)	—	—	(119)	—	—	(123)
Charge to income	(7)	20	(28)	52	107	17	161
Charge to equity	—	—	(83)	—	—	—	(83)
Change in tax rate	1	3	(13)	(30)	8	41	10
At 30 November 2011	(26)	(17)	—	199	—	(325)	(169)

At the reporting date the Group had unused tax losses of £797,000 (2010: £1,058,000) available for offset against future profits. A deferred tax asset has been recognised in respect of all available losses. 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.

The following is the analysis of deferred tax balances, after offset, for financial reporting purposes:

	2011 £'000	2010 £'000
Deferred tax assets	199	420
Deferred tax liabilities	(368)	(554)
	(169)	(134)

Notes to the Consolidated Statements *continued*

22 Share capital

Equity: Ordinary Shares of 0.5p each	2011	2010
	£'000	£'000
Authorised share capital		
275,000,000 Ordinary shares of 0.5p each (2010: 275,000,000 ordinary shares of 0.5p each)	1,375	1,375
Allotted, issued and fully paid		
257,270,696 Ordinary shares of 0.5p each (2010: 257,270,696 ordinary shares of 0.5p each)	1,286	1,286

There were no new share issues during the year (2010: 97,833,333).

On 21 September 2011 29,666,667 ordinary shares of 0.5 pence, and with a total nominal value of £148,333 were returned to the Company and were held in Treasury at the year end. The shares held in treasury have no voting rights, or rights to dividends and so the total issued share capital for voting and dividend purposes is 227,604,029 (2010: 257,270,696).

Non-equity	2011	2010
	£'000	£'000
Authorised, issued and redeemed		
191,177 8.5% Redeemable preference shares of £1 each	191	191
50,000 Redeemable shares of £1 each	50	50
	241	241

23 Equity-settled share-based payments

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

Ordinary share options granted and subsisting at 30 November 2011 were as follows:

Date of grant	Option price	Number of shares	Exercisable between
17 October 2005	8.0p	90,000	Oct 2008–Oct 2015
24 April 2006	7.5p	881,303	Apr 2009–Apr 2016
17 November 2006	6.75p	100,000	Nov 2009–Nov 2016
28 February 2007	6.75p	111,667	Nov 2010–Nov 2017
1 February 2008	2.75p	1,000,000	Feb 2011–Feb 2018
23 October 2008	2.75p	21,300,000	No time limit
3 April 2009	2.75p	1,000,000	Apr 2012–Apr 2019
8 April 2009	3.0p	4,683,600	Apr 2012–Apr-2019
19 May 2009	3.5p	87,744	Nov 2009–Nov 2016
29 September 2009	4.375p	2,000,000	Sept 2012–Sept 2019
4 December 2009	5.5p	1,000,000	Dec 2012–Dec 2019
16 June 2011	4p	2,000,000	Jun 2014–Jun 2021
27 June 2011	4p	1,000,000	Jun 2014–Jun 2021
3 September 2011	4p	3,000,000	Sept 2014–Sept 2021

23 Equity-settled share-based payments continued

Details of the share options are as follows:

At 1/12/10	Granted in year No.	Cancelled during year No.	Forfeited in year No.	At 30/11/11 No.	Exercise price	Exercise date From To	
90,000	—	—	—	90,000	8.0p	Oct 2008	Oct 2015
881,303	—	—	—	881,303	7.5p	Apr 2009	Apr 2016
100,000	—	—	—	100,000	6.75p	Nov 2009	Nov 2016
87,744	—	—	—	87,744	3.5p	Nov 2009	Nov 2016
111,667	—	—	—	111,667	6.75p	Nov 2010	Nov 2017
1,000,000	—	—	—	1,000,000	2.75p	Feb 2010	Feb 2018
21,300,000	—	—	—	21,300,000	2.75p		Immediately
1,000,000	—	—	—	1,000,000	2.75p	Apr 2012	Apr 2019
5,999,999	—	1,316,399	—	4,683,600	3.0p	Apr 2012	Apr 2019
2,000,000	—	—	—	2,000,000	4.375p	Sep 2012	Sep 2019
1,000,000	—	—	—	1,000,000	5.5p	Dec 2012	Dec 2019
1,739,130	—	—	1,739,130	—	5.75p	Mar 2013	Mar 2020
1,739,130	—	—	1,739,130	—	4p	Mar 2013	Mar 2020
—	3,000,000	—	—	3,000,000	4p	Jun 2014	Jun 2021
—	3,000,000	—	—	3,000,000	4p	Sep 2014	Sep 2021
37,048,973	6,000,000	1,316,399	3,478,260	38,254,314			

The 1,316,399 options cancelled on 30 June 2011 had been granted to certain members of the team at Solcara Ltd. On the date of acquisition of Solcara Ltd by Thompson Reuters Publishing Ltd the Group cancelled the options and paid 2p per share to each option holder.

An additional £615 has been accelerated to profit or loss in relation to the remaining fair value not yet recognised in the statement of comprehensive income at the date of cancellation. This additional payment of £26,328 has been recognised as an expense as the payment exceeded the fair value if the remeasured options at the cancellation date, and has been deducted in arriving at the profit on discontinued operations shown on the consolidated statement of comprehensive income.

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

Notes to the Consolidated Statements *continued*

23 Equity-settled share-based payments *continued*

The options grants detailed below resulted in a share-based payment charge for the Group of £35,398 (2010: £53,004) having reversed prior year charges on the forfeiture of 1,729,130 shares amounting to £8,365 (2010: nil).

2011

Inputs and assumptions	16 June 2011	27 June 2011	5 September 2011
Share price at grant date	3.5p	2.73p	3p
Exercise price	4p	4p	4p
Expected volatility	69%	69%	70%
Expected life of options	7 years	7 years	7 years
Expected dividend yield	3%	3%	3%
Risk free rate	2.04%	2.01%	1.33%

2010

Inputs and assumptions	4 December 2009	25 March 2010	17 May 2010
Share price at grant date	5.5p	5.18p	4.65p
Exercise price	5.5p	5.75p	4.0p
Expected volatility	72%	72%	72%
Expected life of options	7 years	7 years	7 years
Expected dividend yield	0%	0%	0%
Risk free rate	2.64%	2.83%	2.5%

Expected volatility rates have been arrived at by reference to the Risk Management Service information relating to Access Intelligence Plc published by the London Business School on a quarterly basis. The rate used is the rate for the quarter in which the option is granted.

24 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 1 December 2010 £'000	Cash flow from discontinued operations £'000	Cash flow from continuing operations £'000	As at 30 November 2011 £'000
Cash in hand and at bank	2,214	68	1,880	4,162
Bank overdraft	—	—	(2)	(2)
	2,214	68	1,878	4,160

25 Commitments

Capital commitments

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

Operating lease commitments

At 30 November 2011, the Group was committed to making the following payments in respect of operating leases for land and buildings expiring:

	Land and buildings	
	2011 £'000	2010 £'000
Amounts payable within 1 year	86	98
Between 2 and 5 years	67	131
	153	229

The Group leases various offices and storage units under non-cancellable operating lease agreements. The lease terms are up to 5 years and they are renewable at the end of the lease period at a market rate.

26 Related party transactions

Two of the directors have received a portion of their remuneration through their individual service companies during the year. In each case the payments represent short term employee benefits. The amounts involved are as follows and relate to activities outside their responsibilities as directors:

	2011 £	2010 £
J J Hamer	—	26,440
R Jackson	8,500	24,952
H Sears	2,500	—
	11,000	51,392

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

Elderstreet, a company controlled by M Jackson and D Lowe invoiced £34,710 (2010: £21,691) for office rental and support costs.

Wedlake Bell, a company in which Mrs R Jackson, wife of R Jackson, is a consultant received £117,100 (2010: £7,183) for legal services during the year.

27 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 £48,195 (2010: £54,327) was contributed by the Group to individual pension schemes. At 30 November 2011 no pension contributions were outstanding (2010: Nil).

28 Events after the balance sheet date

On 15 December 2011 the Company announced that Joanna Arnold was being promoted from Development Director to Chief Operating Officer with immediate effect.

On 6 March 2012 it was announced that Kole Dhoot was taking over the role of Chief Financial Officer from Jeremy Hamer. Jeremy Hamer will be staying on the board as a non-executive director.

Company Balance Sheet

Company Number: 04799195

Year ended 30 November 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Tangible assets	2	11	—
Investments	3	8,801	9,083
Software development		74	—
		8,886	9,083
Current assets			
Debtors	4	1,548	1,610
Cash at bank and in hand		1,381	66
		2,929	1,676
Creditors: amounts falling due within one year	5	(2,796)	(2,165)
Net current assets		133	(489)
Creditors: amounts falling due over one year	6	(1,181)	(1,607)
Net assets		7,838	6,987
Capital and reserves			
Share capital	7	1,286	1,286
Treasury shares	7	(148)	—
Share premium account	9	—	13,490
Capital redemption reserve	9	191	191
Share option valuation reserve	9	220	313
Equity reserve	9	126	176
Profit and loss account	9	6,163	(8,469)
Equity shareholders funds	10	7,838	6,987

The financial statements were approved by the board of directors on 6 March 2012 and signed on its behalf by:

M Jackson

Chief Executive

Notes to the Company Financial Statements

Year ended 30 November 2011

1 Accounting policies

Basis of preparation

These separate financial statements of the parent Company, Access Intelligence Plc, which have been prepared in accordance under the historical cost convention and in accordance with applicable accounting standards under UK GAAP, are presented as required by the Companies Act 2006.

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

Results of the Company

As permitted by Section 408(3) of the Companies Act 2006, the profit and loss account of the parent Company is not presented as part of these accounts. The parent Company's profit after taxation from continuing and discontinued operations for the financial year amounted to £934,608 (2010: loss £2,969,176).

ControlPoint

On 1 December 2010 the assets and liabilities of ControlPoint were transferred from Access Intelligence Media & Communications Ltd to the Access Intelligence Plc (the Company). ControlPoint which holds the intellectual property to a suite of software products that provide a critical management tool for crisis management. The business was acquired as part of the acquisition of Solcara Ltd in November 2008 and was separated from Solcara initially in December 2009. The business is a start-up which lost £74,021 before tax in 2011. The assets, liabilities and trading losses of the business are included within the Company's results.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, fittings and equipment — 20–33% on cost

Share-based payments

The fair value of equity-settled share-based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the Company's estimate of shares or options that will eventually vest. In the case of options granted, fair value is measured by either the binomial or Black-Scholes option pricing models. Further details are set out in note 23 of the consolidated statements.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Impairment

The Company evaluates its financial assets for financial impairment where events or circumstances indicate that the carrying amount of such assets may not be fully recoverable. When such evaluations indicate that the carrying value of an asset exceeds its recoverable value, the impairment loss is recognised in the profit and loss account. The same approach is applied to group goodwill impairment testing as is described on page 20 of the consolidated statements.

Notes to the Company Financial Statements *continued*

Year ended 30 November 2011

1 Accounting policies *continued*

Taxation

Current tax is the tax currently payable based on taxable profits for the year. Due to losses no current taxation will be payable by the Company and the losses will be made available for Group relief.

Deferred taxation is recognised 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 current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that they are regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Convertible loan notes

The component parts of compound instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, in the case of a convertible bond 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 from the fair value of the compound instrument as a whole. This is recognised and included in equity and is not subsequently re-measured.

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 charged directly against equity.

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 service contracts and/or hosted services which are invoiced in advance, it is the Group's policy to spread the income of each contract equally over the contract's life. The full value of each sale being credited to deferred revenue when invoiced to be released to the statement of comprehensive income in equal instalments over the contract period.

Revenues from the delivery of infrastructure are recognised on installation with associated training and consultancy fees recognised when specified contractual milestones are met or on project completion. In the event that these services are invoiced in advance they will be credited to deferred revenue and released to the comprehensive income statement once delivered.

Income from the sale of licences is recognisable in full at the date of sale.

2 Tangible fixed assets Company

	Fixtures, fittings and equipment £'000
Cost	
At 1 December 2010	34
Additions	12
At 30 November 2011	46
Depreciation	
At 1 December 2010	34
Charge for the year	1
At 30 November 2011	35
Net book value	
At 30 November 2011	11
At 30 November 2010	—

3 Investments

	Investment in subsidiary undertakings £'000
Cost	
At 1 December 2010	15,986
Disposal of subsidiary	(282)
At 30 November 2011	15,704
Impairment	
At 1 December 2010	6,903
Charge for year	—
At 30 November 2011	6,903
Net book value	
At 30 November 2011	8,801
At 30 November 2010	9,083

On the 30 June 2011 the entire share capital of Solcara Ltd was sold resulting in a reduction to the carrying value of investments of £282,280 (see note 9 of the consolidated financial statements).

Notes to the Company Financial Statements *continued*

Year ended 30 November 2011

3 Investments *continued*

At 30 November 2011 the Company was the beneficial owner of the entire issued share capital and controlled all the votes of its subsidiaries, all of which are incorporated in England and Wales. The principal trading subsidiaries are set out below:

Subsidiary	Activities
Due North Limited	Software development
Management Services 2000 Limited	Software development
Access Intelligence Media and Communications Limited (formerly Ether Ray Ltd)	Software development
Cobent Limited	Software development
Willow Starcom Limited	IT Support services

4 Debtors

	2011	2010
	£'000	£'000
Trade debtors	201	—
Amounts due from Group undertakings	521	1,162
VAT	24	13
Corporation tax	—	135
Deferred taxation	525	262
Prepayments and other debtors	277	38
	1,548	1,610

5 Creditors: due within one year

	2011	2010
	£'000	£'000
Amounts due to Group undertakings	2,537	2,109
Trade creditors	146	2
Other taxes and social security	29	4
Accruals and other creditors	82	50
Deferred Income	2	—
	2,796	2,165

6 Creditors: due after more than one year

	2011	2010
	£'000	£'000
Convertible loan notes	1,181	1,607

See note 16 of the consolidated financial statements for further details.

7 Share capital

See note 22 of the consolidated financial statements for further details.

8 Equity-settled share-based payments

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

9 Reserves

	Share capital £'000	Treasury share £'000	Share option valuation reserve £'000	Equity reserve £'000	Share premium £'000	Capital redemption '000	Profit and loss £'000	Total £'000
At 1 December 2009	797	—	247	186	8,955	191	(5,500)	4,876
Loss for the year	—	—	—	—	—	—	(2,969)	(2,969)
Issue of Share capital — cash	310	—	—	—	2,745	—	—	3,055
Issue of share capital	179	—	—	—	1,920	—	—	2,099
Costs on issue of share capital	—	—	—	—	(130)	—	—	(130)
Share-based payments	—	—	28	—	—	—	—	28
Tax credit relating to share-based payments	—	—	38	—	—	—	—	38
Equity component of convertible loan note	—	—	—	(10)	—	—	—	(10)
At 30 November 2010	1,286	—	313	176	13,490	191	(8,469)	6,987
At 1 December 2010	1,286	—	313	176	13,490	191	(8,469)	6,987
Profit for the year	—	—	—	—	—	—	934	934
Capital reconstruction — (page 23)	—	—	—	—	(13,490)	—	13,490	—
Redemption of Loan note — equity portion	—	—	—	(50)	—	—	28	(22)
Share-based payment lapsed/exercised in year	—	—	(32)	—	—	—	32	—
Share-based payment current year	—	—	22	—	—	—	—	22
Tax reversal relating to share-based payments	—	—	(83)	—	—	—	—	(83)
Treasury shares	—	(148)	—	—	—	—	148	—
At 30 November 2011	1,286	(148)	220	126	—	191	6,163	7,838

Notes to the Company Financial Statements *continued*

Year ended 30 November 2011

10 Reconciliation of movement in equity shareholders' funds

	2011	2010
	£'000	£'000
Opening shareholders' funds	6,987	4,876
Profit/(loss) for the financial year	1,191	(2,969)
Dividend paid	(257)	—
Equity shares issued in the year	—	489
Share premium on equity shares issued	—	4,665
Costs incurred	—	(130)
Share option valuation reserve	22	66
Equity reserve arising on issue of loan notes	(22)	(10)
Tax credit relating to share-based payments	(83)	—
Closing shareholders' funds	7,838	6,987

11 Commitments

Capital commitments

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

Operating lease commitments

At 30 November 2011, the Group was committed to making the following payments during the next year in respect of operating leases for land and buildings expiring:

	Land and buildings	
	2011	2010
	£'000	£'000
Amounts payable within 1 year	14	26
Payable between 2-5 years	25	—

The operating lease held by Access Intelligence plc relates to a 5 year lease on the offices of MS2M Ltd in York with a break clause in September 2014 at £14,000 per annum.

12 Related party transactions

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

13 Events after the balance sheet date

See note 28 of the consolidated financial statements for further details.



The Access Intelligence Group



Compliance training and learning management solutions



Compliance and business performance solutions



eProcurement and supplier relationship management solutions



Incident monitoring and management solutions



Stakeholder relations and reputation management solutions



IT infrastructure and hosting solutions

Access Intelligence Plc
32 Bedford Row
London WC1R 4HE

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This notice is important and requires your immediate attention. If you are in doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial advisor duly authorised under the Financial Services and Markets Act 2000.

If you sell or transfer or have sold or transferred all of your ordinary shares in the capital of the Company ("**Shares**") please forward this document, with the accompanying appendices, as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through or to whom the sale or transfer was effected for delivery to the buyer or transferee. If you sell or transfer or have sold or transferred only part of your holding in Shares you should retain this document and consult the bank, stockbroker or other agent through whom the sale or transfer was effected as to the action you should take.

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Shareholders must comply with all applicable laws and regulations in force in any jurisdiction in which they purchase, offer or sell the Shares or possess or distribute this document. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Access Intelligence Plc

(the "**Company**")

NOTICE OF Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be at 32 Bedford Row, London, WC1R 4HE at 2.00pm on Monday 16 April 2012 for the following purposes:

Ordinary Business

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. To receive and adopt the accounts for the financial year ended 30 November 2011 together with the directors' report and the auditors' report.
2. To re-elect Michael Jackson as a director of the Company.
3. To re-elect David Lowe as a director of the Company.
4. To elect Henrik Bang as a director of the Company.
5. To elect Kole Doot as a director of the Company.
6. To reappoint Mazars LLP as the auditors of the Company.
7. To authorise the directors to agree the remuneration of the auditors of the Company.
8. To declare a final dividend of 0.2 pence per ordinary share in respect of the year ended 30 November 2011 payable on 20 April 2012 to shareholders on the register at the close of business on 16 March 2012.
9. To resolve that the directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 to exercise all powers of the Company to allot shares in the Company, or to grant rights to subscribe for, or to convert any security into, shares in the Company ("**Rights**") up to an aggregate nominal amount of £500,000, including without limitation pursuant to any Rights existing on or before the date of this Resolution, provided that this authority shall expire at the next Annual General Meeting unless renewed, varied or revoked by the Company prior to or on that date save that the Company may before such expiry make an offer or agreement which would or might require shares in the Company and/or Rights to be allotted after such expiry and the directors may allot shares in the Company and/or Rights in pursuance of such offer or agreement as if this authority had not expired and so that this authority is in substitution for and shall replace all existing authorities pursuant to Section 551 of the Companies Act 2006 which, to the extent not exercised prior to the passing of this Resolution, are hereby revoked.

Special Business

To consider and, if thought fit, pass the following resolutions as special resolutions:

10. That, subject to the passing of Resolution 9 and in place of all existing powers, the directors be and are hereby authorised pursuant to section 570 of the Companies Act 2006 to allot equity securities (within the meaning of Section 560 of the Companies Act 2006) for cash pursuant to the authority conferred by Resolution 9 as if Section 561(1) of the Companies Act 2006 did not apply to such allotment provided that this power shall be limited to:
 - (i) the allotment of equity securities in connection with an offer of equity securities by way of a rights issue and open offer only to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

(ii) allotments of equity securities (otherwise than pursuant to sub-paragraph 8(i) above) up to an aggregate nominal amount of £300,000, including without limitation pursuant to any warrants, options and/or rights to subscribe for equity securities existing on or before the date of this Resolution, and shall expire on the date of the next Annual General Meeting unless renewed, varied or revoked by the Company prior to or on that date save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

11. That, the Company be generally and unconditionally authorised pursuant to Article 2.10 of the Articles of Association of the Company and pursuant to Section 701 of the Companies Act 2006 to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of ordinary shares of 0.5 pence each in the capital of the Company (the "**Shares**") provided that:
- (i) the maximum number of Shares hereby authorised to be purchased is 11,400,000 (being approximately 5% of the current issued ordinary share capital of the Company);
 - (ii) the minimum price (excluding expenses) which may be paid for such Shares is 0.5 pence per ordinary share being the nominal value thereof;
 - (iii) the maximum price (excluding expenses) which may be paid for such Shares shall not be more than 5% above the average of the middle market quotations for the Shares as derived from the AIM Appendix of the Daily Official List of London Stock Exchange plc for the five business days immediately preceding the day on which the contract for purchase is made; and

such authority shall expire 15 months from the date of passing this Resolution or at the conclusion of the next AGM of the Company in 2013 whichever is earlier provided that the Company may before such expiry make a contract to purchase its own shares which would or might be executed wholly or partly after such expiry and the Company may make a purchase of its own shares in pursuance of such contract as if the authority conferred hereby had not expired.

By order of the board

Jeremy Hamer
Company Secretary
6 March 2012

32 Bedford Row
London
WC1R 4HE

Notes:

1. Any member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend, speak and vote instead of him and such proxy need not be a member of the Company. More than one proxy may be appointed to exercise the rights attaching to different shares held by the member, but a member may not appoint more than one proxy to exercise rights attached to any one share.
2. A form of proxy is enclosed. To be effective, the instrument appointing a proxy (and power of attorney or other attorney (if any) under which it is signed or a notarially certified or office copy thereof) must be deposited at Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA not less than 48 hours before the time of holding the meeting.
3. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them. If you wish to appoint a proxy other than the Chairman of the meeting, cross out the words "the Chairman of the meeting" on the Form of Proxy and write the full name and address of your proxy on the dotted line. The change should be initialled.
4. In the absence of instructions, the person appointed proxy may vote or abstain from voting as he/she thinks fit on the specified resolutions and, unless otherwise instructed, may also vote or abstain from voting on any other matter (including amendments to resolutions) which may properly come before the meeting.
5. Completion and return of the form of proxy will not preclude shareholders from attending the Annual General Meeting and voting in person if they wish to do so.
6. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
7. Subject to complying with the provisions of the Companies Act 2006 (as amended) and the Articles of Association of the Company, any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.
8. The register of interests of the directors and their families of the share capital of the Company and copies of contracts of service of directors with the Company or with any of its subsidiary undertakings will be available for inspection at the registered office of the Company during normal business hours (Saturdays and public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting.

In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the Company's register of members not later than 48 hours before the time fixed for the meeting or any adjournment of the meeting shall be entitled to attend and vote at the meeting.

Access Intelligence Plc

[Registered in England No. 04799195]

FORM OF PROXY

Annual General Meeting

For use at the Annual General Meeting of the Company to be held at 32 Bedford Row, London, WC1R 4HE on Monday 16 April 2012 at 2.00pm.

I/We (names in full)

PLEASE USE BLOCK CAPITALS

of

being (a) member(s) of the Company hereby appoint the Chairman of the Meeting or (see note 1)

..... (insert name of proxy)

as my/our proxy to attend and, on a poll, vote on my/our behalf at the Annual General Meeting of the Company to be held on 16 April 2012 at 2.00pm and at any adjournment thereof in respect of the resolutions referred to in the Notice of Annual General Meeting.

If you want your proxy to vote in a certain way on the resolutions specified, please place an "X" in the relevant boxes. If you select "Discretionary" or fail to select any of the given options your proxy can vote as he/she chooses or can decide not to vote at all. The proxy can also do this on any other resolution that is put to the meeting.

The "Vote Withheld" option below is provided to enable you to abstain on the resolutions. However it should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" and "Against" the resolutions.

No.	Resolutions (Please refer to Notice of Meeting for full text)	FOR	VOTE AGAINST	WITHHELD	DISCRETIONARY
1.	To adopt the annual accounts, the directors' report and the auditors' report				
2.	To re-elect Michael Jackson as a director of the Company				
3.	To re-elect David Lowe as a director of the Company				
4.	To elect Henrik Bang as a director of the Company				
5.	To elect Kole Dhoot as a director of the Company				
6.	To reappoint Mazars LLP as the auditors of the Company				
7.	To authorise the directors to agree the remuneration of Mazars LLP				
8.	To declare a final dividend of 0.2 pence per ordinary share				
9.	To give the directors general authority to allot shares				
10.	To disapply statutory pre-emption rights				
11.	To authorise the Company to buy-back its shares				

Signature Date

Notes

1. If you wish to appoint a proxy other than the Chairman of the Meeting, please delete the words "the Chairman of the Meeting or" and substitute the name of some other person.
2. A proxy need not be a member of the Company.
3. Appointment of a proxy will not preclude you from attending and voting in person should you subsequently decide to do so.
4. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names stand in the Register of members in respect of the joint holding.
5. In the case of a corporation, this proxy must be given under its Common Seal or be signed on its behalf by an officer or other duly authorised attorney or representative.
6. To be effective this proxy must be delivered to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA not later than 48 hours before the time appointed for the Meeting or any adjournment thereof, together with any power of attorney or other authority (or a notarially certified copy thereof) under which it is signed.
7. Any alteration made in this form should be initialled.



Instructions for sending the completed Proxy Form:

1. Please cut the Proxy Form through the dotted line shown on the reverse of this page,
2. Put the Proxy Form into a standard size envelope and, after addressing,
3. Post the envelope to the following address using an appropriate stamp

Neville Registrars Limited
Neville House
18 Laurel Lane
Halesowen
West Midlands
B63 3DA

