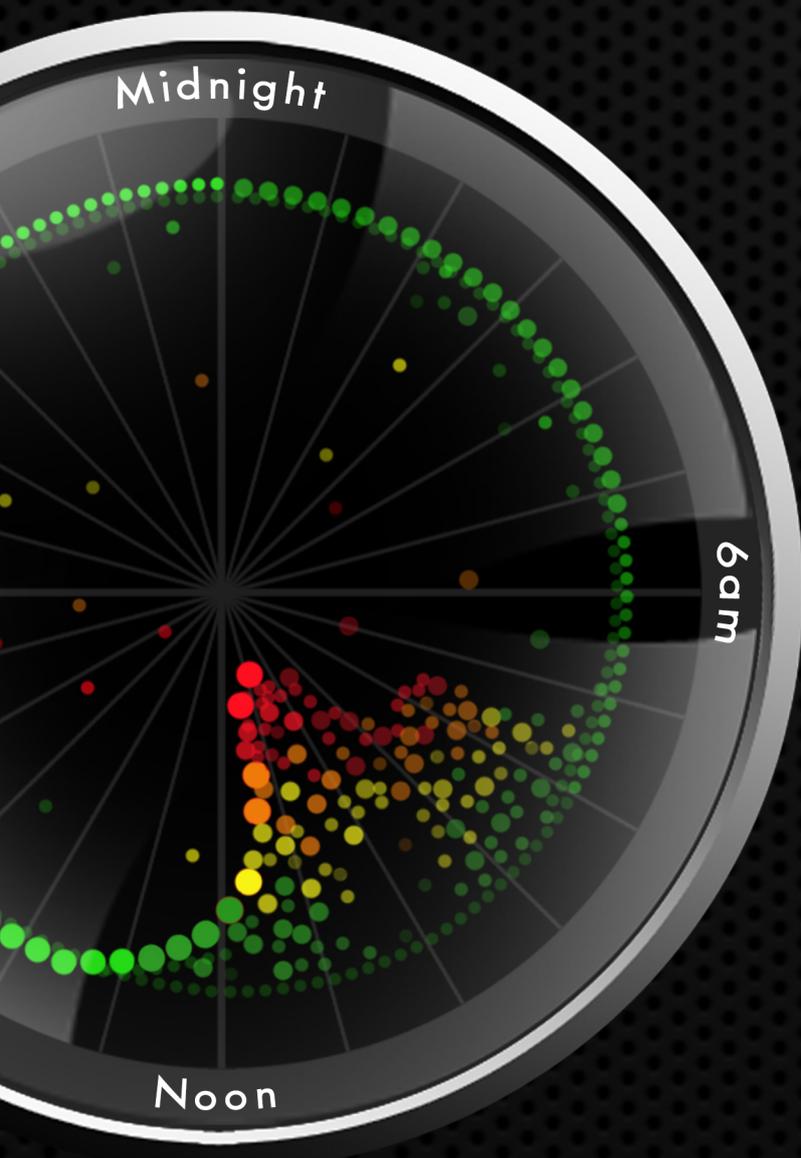


actual
experience

Actual Experience plc
AIM Admission Document



N+1 SINGER

Nominated Adviser and Broker

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the FSMA, who specialises in advising on the acquisition of shares and other securities.

This document, which comprises an AIM admission document drawn up in accordance with the AIM Rules for Companies, has been issued in connection with the application for admission of the entire issued ordinary share capital of the Company to trading on AIM. This document contains no offer of transferable securities to the public within the meaning of section 102B of the FSMA, the Act or otherwise. Accordingly, this document does not constitute a prospectus within the meaning of section 85 of the FSMA and has not been drawn up in accordance with the Prospectus Rules or approved by the FCA or any other competent authority.

Application has been made for the ordinary share capital of the Company to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares on 13 February 2014.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

The Directors (whose names and functions appear on page 5 of this document) and the Company (whose registered office appears on page 5 of this document) accept responsibility, both collectively and individually, for the information contained in this document and compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should read this document in its entirety. An investment in the Company includes a significant degree of risk and prospective investors should consider carefully the risk factors set out in Part II of this document.



Actual Experience plc

(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 06838738)

Admission to trading on AIM

Nominated Adviser and Broker

N+1 SINGER

Nplus1 Singer Advisory LLP

Share capital immediately following Admission

28,619,450

Ordinary shares of 0.2p each

N+1 Singer, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company in connection with the proposed Admission and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of N+1 Singer or for advising any other person in respect of the proposed Admission or any transaction, matter or arrangement referred to in this document. N+1 Singer's responsibilities as the Company's nominated adviser and broker under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on N+1 Singer by the FSMA or the regulatory regime established thereunder, N+1 Singer does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or Admission. N+1 Singer accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

A copy of this document is available, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction (such term having the meaning given to it on page 2 of this document), at the Company's website www.actual-experience.com. Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this document.

IMPORTANT NOTICE

Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors’ current intentions, beliefs or expectations concerning, among other things, the Company’s results of operations, financial condition, liquidity, prospects, growth, strategies and the Company’s markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements. Factors that might cause such a difference, include, but are not limited to the risk factors set out in Part II of this document.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Prospective investors should therefore specifically consider the risk factors contained in Part II of this document that could cause actual results to differ before making an investment decision. Save as required by law or by the AIM Rules for Companies, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

Notice to overseas persons

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. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Ordinary Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the “**US Securities Act**”) and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. This document does not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. The Ordinary Shares will not qualify for distribution under the relevant securities laws of Australia, Canada, the Republic of Ireland, the Republic of South Africa or Japan, nor has any prospectus in relation to the Ordinary Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exemptions, the Ordinary Shares may not be offered, sold, taken up, delivered or transferred in, into or from the United States, Australia, Canada, the Republic of Ireland, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations (each a “**Restricted Jurisdiction**”) or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the US.

Basis on which information is presented

The report on financial information included in Part III of this document has been prepared in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom and the related consent to its inclusion in this document appearing in Part IV of this document has been included as required by the AIM Rules for Companies and solely for that purpose.

Unless otherwise indicated, financial information in this document, including the Company's historical financial information for the two financial years ended 31 July 2011 and 31 July 2012 and the 14 month period ended 30 September 2013 and the notes to such financial information, has been prepared in accordance with IFRS.

Various figures and percentages in tables in this document, including financial information, have been rounded and accordingly may not total. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

In the document, references to "pounds sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom.

Third party information

Where third party information has been used in this document, the source of such information has been identified. The Company takes responsibility for compiling and extracting, but has not independently verified, market data provided by third parties or industry or general publications and takes no further responsibility for such data.

References to defined terms

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading "Definitions".

All times referred to in this document are, unless otherwise stated, references to London time.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	David John Page (known as Dave Page) (<i>Chairman and Chief Executive Officer</i>) Roy Stephen Bennetts (known as Steve Bennetts) (<i>Chief Financial Officer</i>) Dr. Mark Reilly (<i>Non-Executive Director</i>) Nigel Mitchell (<i>Non-Executive Director</i>) Stephen James Davidson (<i>Non-Executive Director</i>)
Registered Office	24 Cornhill 1st Floor London EC3V 3ND
Company website	www.actual-experience.com
Company Secretary	Steve Bennetts
Nominated Adviser and Broker	Nplus1 Singer Advisory LLP One Bartholomew Lane London EC2N 2AX
Legal advisers to the Company	Osborne Clarke 2 Temple Back East Temple Quay Bristol BS1 6EG
Legal advisers to N+1 Singer	Taylor Wessing LLP 5 New Street Square London EC4A 3TW
Public relations adviser	Newgate Threadneedle Limited 5th Floor 33 King William Street London EC4R 9AS
Auditors and Reporting Accountants	PricewaterhouseCoopers LLP 31 Great George Street Bristol BS1 5QD
Registrars	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“Act”	the Companies Act 2006 (as amended)
“Admission”	the admission of the Issued Ordinary Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules for Companies”	the AIM rules for companies published by the London Stock Exchange from time to time
“AIM Rules for Nominated Advisers”	the AIM rules for nominated advisers published by the London Stock Exchange from time to time
“Articles”	the articles of association of the Company
“Beck Greener”	W H Beck Greener & Co
“Board” or “Directors”	the directors of the Company, whose names are set out on page 5 of this document
“Company” or “Actual Experience”	Actual Experience plc, a company incorporated under the laws of England and Wales
“City Code”	the City Code on Takeovers and Mergers
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and holding shares in uncertificated form which is administered by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755) (as amended)
“Disclosure Rules and Transparency Rules”	the Disclosure Rules and Transparency Rules made by the FCA pursuant to section 73A of the FSMA
“EMI”	enterprise management incentives, under the terms of the EMI code as defined in section 527 of the Income Tax (Earnings and Pensions) Act 2003
“EMI Schemes”	the Existing EMI Scheme and the New EMI Scheme
“EPSRC”	the Engineering and Physical Sciences Research Council
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales
“EU”	the European Union
“Existing EMI Scheme”	the Actual Experience plc EMI Scheme, further details of which are set out in paragraph 7.1 of Part IV of this document
“Executive Directors”	each of Dave Page and Steve Bennetts
“FCA”	the Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Henderson”	Henderson Global Investors Limited
“HMRC”	Her Majesty’s Revenue and Customs

“IFRS”	International Financial Reporting Standards as adopted by the European Union
“ISIN”	International Securities Identification Number
“Introduction”	the process by which N+1 Singer will apply for the Issued Ordinary Shares to be admitted to trading on AIM
“Introduction Agreement”	the agreement dated 12 February 2014 and made between the (1) Company (2) N+1 Singer and (3) the Directors relating to the Introduction, further details of which are set out in paragraph 9(d) of Part IV of this document
“Introduction Price”	the estimated price per Ordinary Share on Admission, being 54.5p per Ordinary Share
“IP2IPO”	IP2IPO Limited, a company incorporated in England and Wales with registered number 04072979, a wholly owned subsidiary of IP Group
“IP Group”	IP Group plc, a company incorporated in England and Wales with registered number 04204490
“Issued Ordinary Shares”	the 28,619,450 Ordinary Shares in issue at the date of this document
“ITU-T”	the Telecommunication Standardisation Sector of the International Telecommunication Union
“London Stock Exchange”	London Stock Exchange plc
“New EMI Scheme”	the Actual Experience plc 2014 EMI Option Scheme, further details of which are set out in paragraph 7.2 of Part IV of this document
“Nominated Adviser” or “N+1 Singer”	Nplus1 Singer Advisory LLP, the Company’s nominated adviser and broker
“Non-executive Directors”	each of Nigel Mitchell, Mark Reilly and Stephen Davidson
“Ofcom”	the independent regulator and competition authority for the UK communications industries
“Official List”	the Official List of the UKLA
“Ordinary Shares”	ordinary shares of 0.2 pence each in the capital of the Company
“PCT”	Patent Cooperation Treaty
“Prospectus Rules”	the prospectus rules made by the FCA pursuant to section 73A of the FSMA
“Queen Mary” or “QMUL”	Queen Mary, University of London
“Shareholder”	a holder of Ordinary Shares
“TIDM”	Tradeable Instrument Display Mnemonic used to identify UK listed securities
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UK Corporate Governance Code”	the UK corporate governance code published by the Financial Reporting Council from time to time

“UKLA” or “United Kingdom Listing Authority”

the FCA, acting for the purposes of Part VI of the FSMA

“uncertificated” or “in uncertificated form”

recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST

“US”, “USA” or “United States”

the United States of America, each state thereof, its territories and possessions and the District of Columbia and all other areas subject to its jurisdiction

GLOSSARY

The following glossary of terms applies throughout this document, unless the context otherwise requires:

Agent	a small software program which analyses a customer's digital supply-chain performance
Analytic	the analysis of all components in the digital supply-chain from an Agent up to and including a specific element of a digital product or service for a period of one month
B2B	business-to-business
B2C	business-to-consumer
KPI	Key Performance Indicator
MOS	Mean Opinion Score
PQ	Perceptual Quality

ADMISSION STATISTICS

Introduction Price	54.5p
Number of Ordinary Shares in issue following Admission	28,619,450
Market capitalisation of the Company at the Introduction Price following Admission	£15,597,600
ISIN number	GB00BJ05QC14
SEDOL number	BJ05QC1
AIM “ticker”	ACT

PART I

INFORMATION ON THE COMPANY

THE COMPANY'S BUSINESS

Introduction

Actual Experience has developed an innovative business information tool to enable corporations to analyse their digital supply chain and thereby improve the experience of their employees, customers and partners with regard to important digital products and services.

Business IT departments, cloud service providers and broadband internet service providers commonly have problems fielding calls or emails from dissatisfied employees or customers despite their management tools indicating that their services are working satisfactorily. For example, a video conferencing system may be “freezing” or an important airline ticketing system may be processing data very slowly but service managers may be unable with current tools to diagnose, and therefore rectify, the causes of this sub-optimal performance.

Actual Experience's technology analyses digital products and services as users experience them. This enables businesses to set KPIs and adjust and adapt their digital supply-chains to meet those KPIs. Actual Experience calls this ‘Digital Supply-Chain Analytics’ and it seeks to allow customers to:

1. enable continuous service improvement to meet KPIs;
2. de-risk technology and process transformations; and
3. facilitate digital supply-chain cost management, while maintaining KPIs.

In economic terms, when the complex and expensive digital supply-chains that employees and customers rely on underperform, in some instances businesses can lose up to 9 per cent. of revenues. At a macro level, this problem is a considerable constraint on the \$8 trillion global digital economy.

History and background

In 1998, Professor Jonathan Pitts began a research project at what was then the Department of Electronic Engineering (now the School of Electronic Engineering and Computer Science) at QMUL. This project was the first in a sequence of EPSRC-funded projects investigating the complex behaviours of traffic in packet-based network infrastructure and developing a range of techniques for modelling the end-to-end performance arising from uncertain user demands being placed on shared infrastructure. This led to novel methodological advances, developing holistic quality of experience measures that provide what the Company believes is a new method for evaluating the impact of component behaviours on perceived human experience.

Actual Experience was co-founded by Professor Jonathan Pitts and Dave Page to further develop and commercialise those analytical techniques. The Company was incorporated in March 2009 as a spin-out from Queen Mary, and secured initial funding of £0.81 million in February 2010 from a consortium of early stage investors led by IP2IPO. This funding enabled the Company to develop an initial version of the ‘Digital Supply-Chain Analytics’ service from its office in Bath.

In November 2011, Actual Experience secured additional funding of £0.60 million with the majority of the subscription again coming from IP2IPO. With initial sales commencing in 2010, this funding provided the necessary working capital to enable the Company to recruit additional development employees and to establish a greater customer facing presence. Employee numbers increased steadily from eight in November 2011 to the current level of 16, all based at the Company's Bath office.

Further equity funding of £4.07 million was received in November 2013 from a group of investors led by funds managed by Henderson. Concurrent with this funding, convertible loan notes totalling £0.51 million, including accrued interest, which had been issued between April and July 2013, were converted into equity. The purpose of this funding was to provide further working capital to the Company and, in particular, to facilitate expansion of its development and sales functions to drive further growth.

On 5 February 2014 a capital reduction exercise was performed which converted the Company's share premium account of £5.9 million to distributable reserves, thereby eliminating the deficit on the reserves account, following which the Company was converted to a public limited company on 11 February 2014.

Key strengths

Actual Experience has the following key strengths:

- ***Differentiated product***
While there are many digital performance management tools in existence, the Company is not aware of a comparable solution that offers customers a similar ability to optimise the human experience of digital products and services.
- ***Market opportunity***
The product is sector agnostic and scalable and thus the Company has the potential to secure customers in every major industry sector. The Directors believe that any organisation that conducts a significant portion of its operations online is a potential customer, resulting in a large and growing addressable market. The Company currently has customers in finance, media, ISP, logistics, retail, public sector, integrators and outsourcers and publishing, amongst others.
- ***Blue chip customers***
The Company's solution has been deployed in several large, multinational organisations including Accenture (UK) Limited, Cisco Systems Inc., Deutsche Post AG, and Verizon Business, Inc.
- ***Experienced Board and strong management team***
The Board has significant expertise and experience of operating in the European and US technology industry and also of managing high growth companies.

Technology and intellectual property

Background to the technology

Throughout much of the twentieth century, the quality of speech transmission has been a focus for the engineering design of telephony networks. For example, "telephonic intelligibility" was the subject of an article published in 1910 in Philosophical Magazine. By the 1950s, researchers in the British Post Office had developed and published engineering design schemes that combined the performance rating of speech transmission links with the user evaluation of telephony service, i.e. aggregates of these links providing end-to-end service in operational networks.

In the 1980s, the Consultative Committee for International Telegraphy and Telephony (now the ITU-T) was recommending the use of the Mean Opinion Score (MOS) as a method to quantify the subjective assessments of speech transmission quality. The subjective assessments (e.g. excellent, good, fair, etc.) made by individuals were given scores (on a scale of 1 to 4, or 1 to 5) and averaged to give the MOS. By the late 1990s, the ITU-T had published a computational model that related several transmission parameters to the conversational quality of telephony, as expressed by MOS. This provided a reliable substitute for human scores, enabling automated systems to be used to measure, manage and improve call quality in telephone networks.

The research undertaken by Professor Jonathan Pitts, co-founder of Actual Experience and a professor at QMUL, has resulted in a patent pending method that relates key end-to-end technical measurements to the perception of the performance of any networked software application. Actual Experience calls this generalised MOS methodology 'PQ', or 'Perceptual Quality'.

Overview of the technology

Actual Experience provides business information delivered by a hosted ‘Analytics-as-a-Service’ tool that analyses the performance of corporate and consumer digital products and services. This tool allows a client to determine how well their digital networks and data centres can support the delivery of digital products and services and to identify where in the digital supply-chain any improvements can be made to meet KPIs.

In essence, Actual Experience’s ‘Digital Supply-Chain Analytics’ analyses how good the human experience could be for a particular product or service; continuously quantifies how good human experience is in practice; and continuously diagnoses the end-to-end digital supply-chain, which the Directors believe provides the opportunity to close the gap between how good the human experience is in reality and how good the customer would like it to be.

Actual Experience’s award-winning ‘Digital Supply-Chain Analytics’ system is used by clients ranging from large multinationals to mid-size organisations and from small service providers to global outsourcers, for two key purposes:

1. To analyse the performance of the entire digital estate by reference to KPIs. This allows the client to:
 - manage major transformation programmes and mitigate risk;
 - focus investment where it will have the greatest business benefit; and
 - optimise the digital estate in terms of human experience and cost.
2. To automate service management processes to meet KPIs. This allows the client to:
 - diagnose and fix the digital supply-chain more quickly;
 - prioritise resources onto issues that impact the business; and
 - enable continuous – or proactive – service improvement.

Where clients do not have the ability or capability to review the results of the ‘Digital Supply-Chain Analytics’, Actual Experience also offers a consultancy and support service. Furthermore, where a client wishes to analyse and interpret the ‘Digital Supply-Chain Analytics’ output itself but lacks the necessary expertise to do so, Actual Experience offers training courses designed to equip the client with the skills required to use the product more fully.

Key components of the ‘Digital Supply-Chain Analytics’



Digital Agents

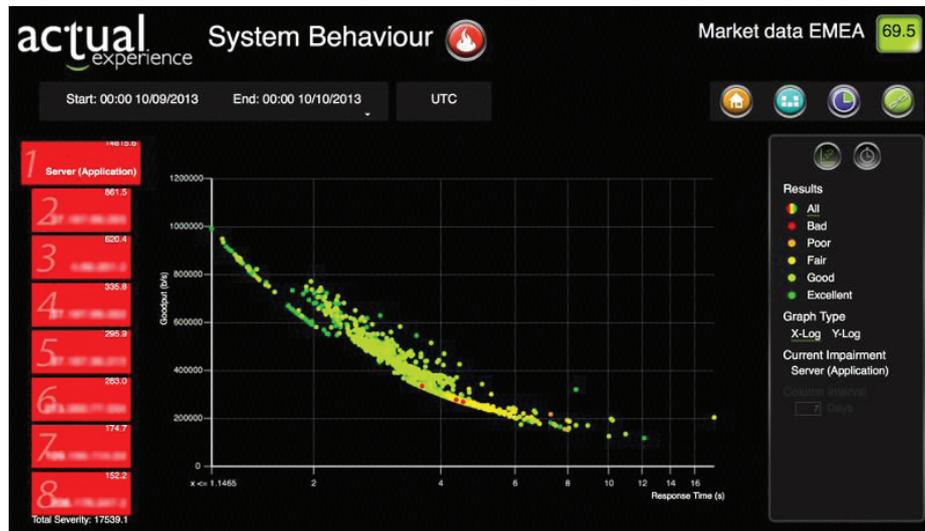
The ‘Digital Supply-Chain Analytics’ product is delivered in practice by installing an ‘Agent’ (for example, at a branch location) to measure the performance of key elements of digital products and services.

Agents are typically deployed on a small sample of end-user laptops or PCs (currently those operating with the Windows, some Linux, MacOS, and Raspberry Pi platforms, with plans in place to extend deployment to mobiles and tablets). As an example, in a retail banking environment, one or two Agents would typically be deployed per branch. Agents have a zero licence fee, which encourages customers to deploy them wherever they are needed.

Agents do not contain core intellectual property. The Company’s intellectual property (which the Directors consider is the source of the Company’s competitive advantage) is located in a secure data centre.

Analytics Engines

Agents securely transmit measurement results to the Company's 'Analytics Engines', which are currently hosted by Claranet. 'Analytics Engines' are proprietary, non-trivial, real-time analysis engines that run algorithms and correlation techniques to provide the digital supply-chain benefits to customers.



User Interface

Customers and partners are able to access the results of the 'Digital Supply-Chain Analytics' in three ways:

1. through contemporary web browsers;
2. via emails for alerting the client of pre-defined events or regular reports; and
3. via electronic interfaces between the Company's systems and customer or partner systems.

Status of Intellectual Property

An international application made pursuant to the Patent Co-operation Treaty was filed at the European Patent Office on 21 July 2010 following an initial pre-application search by the Company's patent attorney, Beck Greener. The patent was a joint filing by Professor Jonathan Pitts for QMUL and Dave Page. In March 2009, QMUL granted Actual Experience exclusive, worldwide rights to use and sublicense the technology on which its product is based. In October 2013, QMUL fully assigned all rights to the patent technology to Actual Experience. Further details of this assignment are set out in paragraph 9(a) of Part IV of this document.

Since 2009, building on the patented academic research, accumulated know-how in the Company's 'Analytics Engines' referred to above has resulted in what the Company believes to be an increasing competitive advantage, which represents a significant obstacle for potential competitors and relates to the practical difficulties regarding the implementation of the Company's algorithms.

Sales strategy

Pricing model

Actual Experience applies a simple charging methodology where clients purchase "Analytic Capacity" at a suitable level for their business at £20 per Analytic, per month, with a minimum charge of £700 per month. One Analytic is the analysis of all components in the digital supply-chain from an Agent up to and including a specific element of a digital product or service for a period of one month. For example, 50 Analytics could provide the analysis of a single product or service from 50 locations, or five products or services from ten locations. The Directors believe that larger, more complex clients, such as a major retail bank, could potentially require ten products or services to be monitored across 200 sites which, by way of example, could generate a revenue stream for the Company of £40,000 per month (on the basis of £20 per Analytic per month).

Route to market

Initial sales orders have been achieved through a combination of direct selling and joint sales and marketing activity with specialist consultancy firms. While Actual Experience will continue to invest in these activities, it is expected that an increasing portion of new orders will be achieved by fostering partnerships with global service providers so as to create scale in the business and facilitate greater penetration of the service. Such partners offer scalability due to their managed services business models and global customer base.

The first sales were made to three global service providers under this model in 2013. The Board believes that working with such partners will yield significant revenue growth in the future.

Reseller partnerships

Actual Experience has developed relationships with a number of reseller partners. Since product launch in 2012, the proportion of sales made through these partners has increased to 45 per cent. of total customers. Currently such reseller partners are small, UK-based technology and business consultancies.

Customers

Actual Experience has acquired customers across many parts of the global digital ecosystem, from medium-sized UK businesses to global blue-chip organisations, companies focused on finance, media, industrial and retail, as well as cloud providers, internet service providers, managed service providers and Ofcom. The Company believes that this provides increasing confirmation that the addressable market for 'Digital Supply-Chain Analytics' potentially covers all medium to large businesses that rely on digital products and services or trade online, either B2B or B2C. The Company currently has a customer base of approximately 40 clients.

Customer adoption and engagement

Customers usually commence commercial relations with Actual Experience in the form of a paid pilot project, typically for three months. Pilot projects are often small scale and narrow in scope, with the object of demonstrating the Actual Experience value proposition in the customer's own environment. Fees for three-month pilot projects typically range between £10,000 and £30,000 but can be smaller or larger as required depending on the size of the customer. The goal of the pilot is to convince the customer of the value proposition, such that the customer decides to renew or grow their business with Actual Experience. Due to the usual procurement process, there is typically a period without revenue accruing to the Company as the customer evaluates the service and decides whether to proceed to the next stage of the engagement.

Following a successful pilot project, both parties seek to agree to an expansion of the scope of engagement. This is seen as the long-term objective of the relationship and reflects the embedding of Actual Experience's service in the processes of the customer.

The majority of customers that complete a pilot project go on to renew or grow the Actual Experience service typically on a monthly or quarterly basis. The length of time it takes for customers to move into full-scale deployment can vary considerably and can often take 12 months or more. Where customers decide to fully adopt the service, some seek to contract on a long-term basis of at least 12 months.

As at the end of 2013, approximately half of Actual Experience's customers were deployed on pilot projects and approximately half were at various stages of adoption beyond pilot projects, and over 160 companies were at the prospect stage.

Competition

There is an established market for performance management tools worth many billions of dollars per year (Gartner estimates this figure to be at least \$13.1 billion). Established suppliers of performance management tools include Opnet Technologies, Compuware, AppDynamics, New Relic, IBM, BMC

Software, Quest Software, CA Technologies, Microsoft, Oracle, HP, Precise, ManageEngine and Nastel. The Company is not aware of any direct competitors, owing to the fact that the primary focus of the Company's analytics product is on the perceived human experience of the end-user.

Competitive advantage

The Directors believe that there are a number of specific points of differentiation between the Company's product and other performance management tools, including the following:

- most performance management tools evaluate performance from a system perspective. Actual Experience's product evaluates performance from the human perspective;
- existing performance management products typically focus on one part of the digital supply-chain, e.g. the network, data centre or application. Actual Experience's product analyses the entire digital supply-chain; and
- some existing performance management products also measure so-called 'end-user' experience, but it is a technical measurement of end-to-end system performance, not the human experience – or MOS – that Actual Experience provides, which the Company believes has significantly more economic relevance to customers, employees and businesses.

Awards

In 2012, Actual Experience won the Institute of Engineering and Technology Innovation Award. The potential of the Company's technology was recognised by winning the Frost & Sullivan Global Customer Value Leadership Award 2013 and, more recently in November 2013, the Company was awarded the British Computer Society UK Innovation and Entrepreneurship Award.

Directors, Senior Management and Employees

Directors

The Board currently comprises two executive directors and three non-executive directors. A short biography of each director is set out below.

Dave Page, aged 46, Chairman, Chief Executive Officer and Co-Founder

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

Steve Bennetts, aged 59, Chief Financial Officer

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

Dr. Mark Reilly, aged 34, Non-Executive Director

Mark Reilly runs the Physical Sciences portfolio of companies for IP Group, one of the UK's leading university intellectual property commercialisation specialists and an investor in Actual Experience. He has led investments in, and played a key role in the growth of, numerous high-tech companies, including

successful IP Group exits such as mobile software company Overlay Media (sold to inMobi in 2012) and wind turbine power electronics pioneer Amantys. Prior to joining IP Group, Mark was the founder and Managing Director of Remarkable Innovation, a Singapore-based technical due diligence company. He spent his early career in the ICT sector, working with a range of organisations from blue chip multinationals and NGOs to early stage start-ups. Mark holds a PhD in Engineering from Cambridge University.

Nigel Mitchell, aged 52, Non-Executive Director

In 1982 Nigel was a co-founder of Chase de Vere Investments plc, holding a number of strategic and operational roles over 20 years. He became CEO in 1999 and following the acquisition of Chase de Vere by the Bank of Ireland Group in 2000, remained as CEO establishing and delivering an ambitious growth strategy. Since 2003 Nigel has worked on various start-up ventures with a technology and environmental bias. He is a founder shareholder and non-executive Director of the clean energy company 2OC Limited. He has been a non-executive director of Actual Experience since July 2009.

Stephen Davidson 58, Non-Executive Director

Stephen is currently non-executive chairman of JSE and AIM-listed Datatec Limited and non-executive director of Inmarsat plc, Restore plc and Jaywing plc. He has recently been chief executive of Mecom Group plc, where he was previously non-executive chairman. In his earlier career, Stephen was CFO, then CEO, of Telewest Communications plc and vice chairman of investment banking at WestLB Panmure. He joined the Board in February 2014.

Senior management and employees

The Company currently has 16 employees, including the Executive Directors. Further details of the breakdown of the roles of these employees is set out in paragraph 4.8 of Part IV of this document. Short biographies of senior management are set out below.

Professor Jonathan Pitts, aged 49, Chief Science Officer, Board adviser and Co-Founder

Jonathan has been a member of academic staff in the School of Electronic Engineering and Computer Science at Queen Mary, University of London since 1994, and a full professor since 2001. During that time, his research has focused on developing effective analytical techniques for modelling the complex behaviours of shared infrastructure and their impact on end-to-end application performance. In 1998 he was awarded a Royal Academy of Engineering Industrial Secondment. Jonathan has established a number of industry relationships with organizations such as Cisco, Qinetiq, Alcatel-Lucent, BT and C&W. He has written two books on the subject of performance evaluation and quality of service, and has three granted patents and over 100 papers in the field.

Martin Woods, aged 42, Chief Technology Officer

Martin has over 20 years' experience of the architecture, design and development of complex, robust enterprise software systems. During his time at BT, Martin was the lead technical architect for a novel software system within the 21CN network architects group, and led a global software team in its development. Prior to BT, Martin served as the Chief Architect at Nexagent, working for the venture-funded company from its infancy until its acquisition by EDS in 2008. He designed the software system that enables end-to-end application performance to be managed across multiple networks. Martin graduated from Cambridge University with a first-class degree in Mathematics in 1992, and subsequently joined AEA Technology, a diversified high-tech company, developing novel algorithms and scalable software for the space and defence industries. He joined Actual Experience in January 2010.

Dr. Oliver Shepherd, aged 29, Head of Analytics

Oliver is a post-doctoral recruit from Professor Pitts' university research team. He has gained significant experience in digital performance analysis during his research, and holds a PhD focused on modelling and optimisation from a human experience perspective. Combining his research with significant software development experience, Oliver joined Actual Experience in October 2010 and leads the Company's 'Analytic Engine' development.

Andy Macleod, aged 53, Director of Global Sales

Andy joined Actual Experience in October 2011, following a successful career at Cisco Systems, latterly as Head of Policy and Strategy and having previously set up his own sales consultancy business, Cloud Dynamics Consulting. Andy has significant IT sector experience in sales, marketing, channel development, and commercial and business strategy and has been a frequent speaker on the migration to cloud computing in the UK and overseas. Andy also has extensive public sector experience having sat on and chaired several government committees (including the National Grid for Learning, Industry Forum for Education, the Government Home Access programme (for the 1.2m disadvantaged children in the UK)) and worked with the Cabinet Office and Treasury on the G-Cloud programme.

Ben Burns, aged 38, Director of Products

Ben brings significant experience of complex IT solutions and an understanding of what drives businesses having gained 15 years' experience on both the buy and sell sides of technology adoption. Before joining Actual Experience in November 2012, Ben headed up the data services and network division of Azzurri Communications, a major provider of managed services to the UK mid-market; led EMEA architecture and professional services for Masergy, a US-based provider of high-end global connectivity; and advised several technology companies on their product and go-to-market strategies.

Chris Roby, aged 50, Head of Consulting and Support

Chris has been a global IT industry consultant for almost 25 years in the areas of IT infrastructure design and architecture. During that time, he has worked for BT, Siemens, Cisco, and, most recently, HP Enterprise Services. Chris joined Actual Experience in February 2012 to lead the Company's PQ Consulting team, which helps customers migrate from technical management of IT to management based on human experience.

Summary financial information

The following summary of financial information relating to the Company's activities for the 38 months to 30 September 2013 has been extracted without material adjustment from the financial information on the Company set out in Part III of this document. **In order to make a proper assessment of the financial performance of the Company's business, prospective investors should read this document as a whole and not rely solely on the key or summarised information in this section.**

	<i>12 months ended 31 July 2011</i>	<i>12 months ended 31 July 2012</i>	<i>14 months ended 30 September 2013</i>
	£	£	£
Turnover	55,680	120,751	444,571
Gross profit	42,739	31,246	235,054
Operating loss	(336,296)	(550,834)	(772,940)
Loss on ordinary activities before taxation	(336,303)	(550,834)	(784,794)
Net assets/(liabilities)	289,621	400,798	(284,910)

In November 2013, equity funding of £4.07 million was received from a group of investors led by Henderson. Concurrent with this fund raising, convertible loan notes totalling £0.51 million were converted into equity. The purpose of this funding was to provide further working capital to the Company and, in particular, to facilitate expansion of its development and sales functions to drive further growth.

On 5 February 2014, a capital reduction exercise was performed which converted the amounts then standing to the credit of the Company's share premium account (being approximately £5.9 million) into distributable reserves, thereby eliminating the accrued deficit on the Company's profit and loss account.

Current trading and prospects

The Company's current 'Digital Supply-Chain Analytics' product was launched at the beginning of 2012 with four fee-paying customers. Utilising the Company's 'Analytics-as-a-Service' business model, the initial focus was to prove that these early adopters would derive demonstrable benefits and that they would renew and expand their business with the Company, placing Actual Experience at the heart of

their digital supply-chain analytics strategy. The success of this initial proof of concept work during 2012 encouraged management to expand the Company's sales campaigns, and the customer base subsequently grew to approximately 40 customers by December 2013.

Revenues have grown from approximately £120,000 in the year ended 31 July 2012 to over £440,000 in the 14 month period ended 30 September 2013. Most of the Company's revenue relates to UK sales relationships, but during 2013 initial orders were secured from German and American customers.

As 2013 progressed, Actual Experience secured business from large, blue-chip organisations and has also started to generate revenue with larger, more internationally focused partners. Working with large organisations generally results in longer sales cycles, and slower deployment and adoption than smaller customers, but with prospects for far greater revenues from the analytic services provided.

Reasons for the Introduction

The Directors believe that Admission will be beneficial to the Company for the following reasons:

- it will raise the profile of the Company;
- the Company will be better positioned to attract, recruit and retain key employees;
- it will provide the Company with greater flexibility for further growth;
- it will increase access to capital should further finance be required to expand the business of the Company;
- the Company will be able to issue new Ordinary Shares as consideration in connection with acquisition opportunities; and
- it will provide a market for the sale of shares by existing Shareholders and may assist in attracting new investors.

Details of the Introduction and Admission

The Company, the Directors and N+1 Singer have entered into the Introduction Agreement relating to the Introduction pursuant to which, subject to certain conditions, N+1 Singer has agreed to use its reasonable endeavours to procure that the Ordinary Shares are admitted to trading on AIM.

Under the Introduction Agreement, the Company and the Directors shall take all steps necessary to obtain Admission by not later than 8.00 a.m. on 13 February 2014.

Further details of the Introduction Agreement are set out in paragraph 9(d) of Part IV of this document.

Lock-in arrangements

Each of the Directors and certain Shareholders (together the "**Covenantors**"), holding, in aggregate, 66.7 per cent. of the Issued Ordinary Shares, have undertaken to N+1 Singer (subject to certain limited exceptions) not to dispose of the Ordinary Shares held by each of them (and their connected persons (within the meaning of section 252 of the Act)) (the "**Restricted Shares**") following Admission or any other securities issued in exchange for or convertible into, or substantially similar to, Ordinary Shares (or any interest in them or in respect of them) at any time during the period of 12 months following Admission (the "**Lock-in Period**") without the prior written consent of N+1 Singer.

Each of the Covenantors have also undertaken not to dispose of the Restricted Shares for the period of 12 months following the expiry of the Lock-in Period otherwise than through N+1 Singer.

In addition, certain additional Shareholders, holding, in aggregate, 25.6 per cent. of the Issued Ordinary Shares, have undertaken not to dispose of the Ordinary Shares held by each of them (and their connected persons (within the meaning of section 252 of the Act)) during the Lock-in Period otherwise than through N+1 Singer.

Further details of these arrangements are set out in paragraphs 9 (d) to (f) of Part IV of this document.

Corporate governance

The Directors recognise the value and importance of high standards of corporate governance and intend, given the Company's size and the constitution of the Board, to comply with the principal provisions of the UK Corporate Governance Code. The Company also proposes to follow the recommendations on corporate governance of the Quoted Companies Alliance for companies with shares traded on AIM.

The Company intends to hold regular Board meetings at which financial and other reports are considered and, where appropriate, voted on. In addition to such regular meetings, additional meetings will be arranged when necessary to review strategy, planning, operational procedures, financial performance, risk, capital expenditure and human resource management. During the period of the lock-in arrangements referred to above, each of Henderson and QMUL are permitted to appoint an observer to attend such meetings.

The Company intends to appoint a new independent Chairman in 2014. Until such appointment is made, the CEO will continue to be Chairman of the Company.

With effect from Admission, the Board has established an audit committee (the "**Audit Committee**") a remuneration committee (the "**Remuneration Committee**") and a nomination committee (the "**Nomination Committee**") with formally delegated responsibilities.

The Audit Committee will be chaired by Stephen Davidson. Its other member will be Nigel Mitchell. The Audit Committee will have primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported on. It will receive and review reports from the Company's management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit Committee will meet at least three times a year and will have unrestricted access to the Company's auditors.

The Remuneration Committee will be chaired by Mark Reilly. Its other member will be Stephen Davidson. The Remuneration Committee will review the performance of the Executive Directors and make recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time. The remuneration and terms and conditions of appointment of the non-executive directors of the Company will be set by the Board.

The Nomination Committee will be chaired by Nigel Mitchell. Its other member will be Mark Reilly. The Nomination Committee will be responsible for ensuring that the Board has a formal and transparent appointment procedure and will have primary responsibility for reviewing the balance and effectiveness of the Board and identifying the skills needed on the Board and those individuals who might best provide them.

The Directors intend to comply, and procure compliance with, Rule 21 of the AIM Rules for Companies relating to dealings by directors and other applicable employees in the Company's securities and, to this end, the Company has adopted an appropriate share dealing code.

Dividend policy

Following Admission, when it is commercially prudent to do so and subject to the availability of distributable reserves, the Directors may approve the payment of dividends. However, at present, the Directors consider that it is more prudent to retain cash to fund the expansion of the Company and as a result, feel it is inappropriate to give an indication of the likely level or timing of any future dividend payout.

Employee incentive arrangements

The Directors believe that the success of the Company will depend to a significant degree on the future performance of the management team. The Directors also recognise the importance of ensuring that all employees are well motivated and identify closely with the success of the Company.

EMI schemes

Accordingly, the Company has established the EMI Schemes.

Further details of the EMI Schemes are set out in paragraph 7 of Part IV of this document. Details of options currently held by the Directors under the Existing EMI Scheme are set out in paragraph 5.2 of Part IV of this document. Following Admission, only the New EMI Scheme will be used to provide share incentives to Directors and key employees and the Company intends to grant options on terms that reflect market practice for AIM quoted companies of an equivalent size operating in comparable industries.

Bonus scheme

The Company has also established a bonus scheme (the “**Bonus Scheme**”) to which the Executive Directors and all other employees are eligible. To be eligible to participate in the Bonus Scheme, an employee must be employed by the Company at the end of the period to which the Bonus Scheme relates. Bonuses (calculated as a specified percentage of an employee’s salary) will be paid under the Bonus Scheme where the Company’s revenue exceeds the pre-determined target for the period in question. An additional bonus will be paid should the Company’s revenue exceed a second, higher, pre-determined target.

Taxation

Information regarding taxation in relation to Admission is set out in paragraph 8 in Part IV of this document. If you are in any doubt as to your tax position, you should consult your own independent financial adviser immediately.

Admission, settlement and dealings

Application has been made to the London Stock Exchange for all of the Issued Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares at 8.00 a.m. on 13 February 2014.

The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within the CREST system if any individual Shareholder so wishes provided such person is a “system member” (as defined in the CREST Regulations) in relation to CREST.

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations. The Articles permit the holding of Ordinary Shares in uncertificated form in accordance with the CREST Regulations. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

The ISIN number of the Ordinary Shares is GB00BJ05QC14. The TIDM is ACT.

Further information

Your attention is drawn to Part II of this document which contains certain risk factors relating to an investment in the Company and to Parts III and IV of this document which contain additional information on the Company.

PART II

RISK FACTORS

Any investment in the Ordinary Shares is subject to a number of risks. Before making an investment decision with respect to the Ordinary Shares, prospective investors should carefully consider the risks associated with an investment in the Company, the Company's business and the industry in which the Company operates, in addition to all of the other information set out in this document and, in particular, those risks described below.

If any of the circumstances identified in the risk factors were to materialise, the Company's business, financial condition, results of operations and future prospects could be adversely affected and investors may lose all or part of their investment. Certain risks of which the Directors are aware at the date of this document and which they consider material to prospective investors are set out in the risk factors below; however, further risks and uncertainties relating to the Company which are not currently known to the Directors, or that the Directors do not currently deem material, may also have an adverse effect on the Company's business, financial condition, results of operations and future prospects. If this occurs, the price of the Ordinary Shares may decline and investors may lose all or part of their investment. An investment in the Company may not be suitable for all recipients of this document. Potential investors are therefore strongly recommended to consult an independent financial adviser authorised under the FSMA and who specialises in advising upon the acquisition of shares and other securities before making a decision to invest.

RISKS RELATING TO THE COMPANY'S BUSINESS

Limited period of operating history and history of losses

The Company was incorporated in 2009 and therefore has a comparatively short operating history, which makes an evaluation of the Company's business and prospects difficult. In particular the Company has to date earned modest revenue from sales and, as a result, the Company has incurred net losses to date.

The Company's development programme and growth plans, in relation to its commercial activities, including the proposed expansion of staffing levels, together with anticipated general administrative expenses, could result in the Company sustaining significant losses for the foreseeable future. In addition, there are risks associated with such expansion, not least because of the need to control the operating expenses in the period when significant income is starting to be generated.

Unexpected demand for services

In common with many early stage development companies faced with a global market opportunity, it is possible that there may be times when the Company is subjected to an unpredictable and heavy demand for its services before it has fully developed the requisite systems and processes to satisfy such demand. If the Company is not able to manage those demands to customers' satisfaction, it may experience reputational and/or financial damage.

Market development

The Directors believe that certain developments will take place in the markets in which the Company operates. Whilst the current increasing market adoption of cloud services and mobile internet services might increase the Company's addressable market, this will involve rapid industry technology change, which could adversely affect the Company's prospects. If the market does not develop as the Directors anticipate, the Company's growth plans, business and financial results may suffer.

Wide market adoption

The Company believes the addressable market for its services is both very large and global. However, it currently serves only a very small sample of this market. Fully addressing the market opportunity requires considerable research and development, which may involve currently unforeseen challenges, some of which may not be solveable.

Economic conditions

Any economic downturn either globally or locally in any area in which the Company operates may have an adverse effect on the demand for the Company's products. A more prolonged economic downturn may lead to an overall decline in the volume of the Company's sales, restricting the Company's ability to generate a profit.

In addition, although signs of economic recovery have been perceptible in certain countries, the sustainability of a global economic upturn is not yet assured. If economic conditions remain uncertain, this might have an adverse impact on the Company's operations and business results.

Growth management and acquisitions

The Directors believe that further expansion, either organic or via acquisition, will be required in the future to capitalise on the anticipated increase in demand for the Company's services and products. The Company's future success will depend, in part, on its ability to manage this anticipated expansion. Such expansion is expected to place demands on management, support functions, research and development, accounting, sales and marketing and other resources. If the Company is unable to manage its expansion effectively, its business and financial results could suffer.

The process of integrating an acquisition into its business may produce unforeseen operating difficulties and expenditures and may absorb significant attention of the Company's management that would otherwise be available for the on-going development of its business, which may materially harm the Company's business, financial condition or operating results. There can be no guarantee that the Company will be able to source and execute suitable acquisitions in the future.

Continued investment

The Company needs to continue to invest significant resources in research and development in order to enhance the Company's existing products and services and introduce new high quality products and services. If the Company is unable to ensure that its customers have a high quality experience with the Company's products and services, then they may become dissatisfied and move to competitors' products and services. In addition, if the Company is unable to predict user preferences or industry changes, or if the Company is unable to modify its products and services on a timely basis, the Company may lose customers.

The Company's future success will depend on its ability to adapt to rapidly changing technologies, to adapt its products and services to evolving industry standards and practices and to improve the performance and reliability of the Company's services. Failure to adapt to such changes would harm the Company's business.

In addition, the widespread adoption of other technological changes could require expenditure to modify or adapt the Company's software products. Moreover, the Company believes that its continued success depends on investing in new business strategies or initiatives that complement the Company's strategic direction and product road map. Such endeavours may involve significant risks and uncertainties, including distraction of management's attention away from other business operations and insufficient revenue generation to offset liabilities and expenses undertaken with such strategies and initiatives. No assurance can be given that such endeavours will not materially adversely affect the Company's business, operating results or financial condition.

Expansion into overseas/new markets

The Company's future growth will be dependent on its ability to generate business in additional geographical markets. Whilst the Directors believe that geographical expansion will prove rewarding, there is no guarantee that the Company will be able to generate the required level of sales or profitability if the costs of entry into, and operating in, these new geographical areas prove to be higher than expected. Other anticipated barriers to entry include language and the legal and regulatory regimes of the countries concerned. There is also no guarantee that expansion into additional geographical markets will not cause disruption and harm to the Company's existing business.

Competition

In the opinion of the Directors, the Company has not yet experienced meaningful competition. However, this is expected to change in future although it is not currently possible to determine from where the emerging competition will arise. The Company's future competitors may announce or develop new products, services or enhancements that better meet the needs of customers or changing industry standards. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Many of the Company's competitors and potential competitors have significantly greater financial, technical, marketing or service resources than the Company and have a larger base of products, longer operating histories and/or greater name recognition. The Company's relatively small size may therefore be considered negatively by prospective customers. In addition, the Company's competitors may be able to respond more quickly than the Company can to changes in customer requirements and devote greater resources to the enhancement, promotion and sale of their products and to the development of new products.

Commercial arrangements

The Company's principal arrangements for the commercialisation of its products are in the early stages of development. Whilst the Company has customer contracts with a number of identified global partners, the Company's growth plans are dependent on, and have been developed on the assumption of, the products being adopted by the global partners it has identified. However, there can be no guarantee that the principal commercial arrangements with global partners will proceed beyond the initial phases of such arrangements, even if such phases are successfully completed, or that following the initial phases of such arrangements the strategic partners identified will choose to adopt the Company's products.

Changes in consumer preferences

There are a number of trends in consumer preferences which may impact on both the Company and its industry as a whole. These include increased emphasis on security and the shift to cloud computing and mobile internet services. These trends may reduce demand for certain of the Company's products, and providing or developing modified or alternative products may increase the Company's costs; either or both of these factors may adversely affect the Company's results of operations.

Technological/Industry standards change

The markets for the Company's products are characterised by rapidly changing technology, evolving industry standards and increasingly sophisticated customer requirements. These changes include an increasing shift to mobile platforms, as well as emerging trends for a broader range of internet-enabled devices, including motor vehicles and clothing. Changing customer requirements, the introduction of applications or products embodying new technology and the emergence of new industry standards and operating practices may render the Company's existing products obsolete and unmarketable and may exert downward pressures on the pricing of existing products. It is critical to the success of the Company to be able to anticipate changes in technology or in industry standards and operating practices and to successfully develop and introduce new, enhanced and competitive products on a timely basis. The Company cannot give assurances that it will successfully develop new products or enhance and improve its existing products, that new products and/or enhanced and improved existing products will achieve market acceptance or that the introduction of new products or enhancing existing products by others, or changing customer requirements, will not render the Company's products obsolete. The Company's inability to develop products that are competitive in technology and price and that meet customer needs could have a material adverse effect on the Company's business, financial condition or results of operations.

Failure to renew subscription agreements

The Company's customers may not renew, or may reduce the scope of, their subscriptions for the Company's services and products. Renewal rates may decline or fluctuate as a result of a number of factors, including customers' level of satisfaction with the Company's products and services and their ability to continue their operations and spending levels. If the Company experiences a decline in the renewal rates for customers or they opt for fewer components of the Company's offerings or fewer subscriptions, the Company's revenue and operating results may be adversely impacted.

If the Company is unable to maintain a high level of customer service, customer satisfaction and demand for the Company's services could suffer

The Company believes that its future revenue growth depends on the Company's ability to provide customers with quality service that not only meets the Company's stated commitments, but meets and then exceeds customer service expectations. If the Company is unable to provide customers with quality customer support in a variety of areas, it could face customer dissatisfaction, decreased overall demand for its services, and loss of revenue. In addition, the Company's inability to meet customer service expectations may damage its reputation and could consequently limit its ability to retain existing customers and attract new customers, which could, in turn, adversely affect the Company's ability to generate revenue and negatively impact its operating results.

Any failure of the physical infrastructure or services of the Company could lead to significant costs and disruptions that could reduce revenues, harm the Company's business reputation and have a material adverse effect on financial results

The Company's business depends on providing customers with reliable infrastructure and services. The Company must protect its infrastructure and equipment located at the Company's premises. If the Company fails to meet its customers' performance requirements or to protect the infrastructure, it may lose customers and/or may become liable to them for damages. The Company has, in the past, experienced power and connectivity outages, typically ranging from a few seconds to a few minutes and, in rare cases, for longer periods of time. The services the Company provides may be subject to failure resulting from a variety of factors which may be under the Company's control, including human error, equipment failure, power loss, failure of monitoring systems and maintenance activities, physical or electronic security breaches, as well as factors not under the Company's control, such as sabotage, vandalism, system failures of network service providers, fire, earthquake, flood and other natural disasters, water damage, fibre optic cable cuts, power loss not caused by the Company, improper building maintenance by the landlords of the buildings in which the equipment is located and terrorism.

The Company may not be able to meet customers' performance requirements in the event of service interruptions due to the above or other factors or significant equipment damage in the Company's operational data centres. If the Company fails to meet such requirements, its customers may seek to terminate their relationship with the Company. In addition, the Company's inability to meet its service level requirements may damage its reputation and could reduce the confidence of the Company's customers in its services, impairing its ability to retain existing customers and attract new customers.

Although the infrastructure that the Company relies on has been designed to avoid single points of failure where possible, problems at the Company's datacentres, if and when established, whether or not within the Company's control, could result in service interruptions or significant equipment damage. Further, service interruptions and equipment failures may expose the Company to financial liability and damage its reputation, which could have a material adverse effect on the Company's business, financial condition and results of operations.

In particular, a single 'Analytics Engine' currently supports all customers. Although it has been designed for high availability, data is backed up and it has not failed to date, it could fail in the future. The Company has short term plans to build one or more additional 'Analytics Engines', possibly in a different data centre.

Third party hosting services

The Company's business depends on a hosted data centre provided by Star Technology Services Limited (now known as Claranet) ("Star") on the provider's standard terms. The agreement provides few service assurances and, were a significant outage to occur, there is limited contractual assurance around the resumption of services, limited contractual recourse or remedy for the Company to Star and no "live" standby or alternative provider on hand to provide the hosting services in Star's place. The Company gains comfort from Star's reputation and past consistency of service. However, when combined with the Company's limited disaster recovery procedures there is a risk that a significant outage or damage to the data centre could adversely impact the service the Company is able to provide to its customers. The Company may not be able to meet its customer's performance requirements in such situations, which could result in customers seeking to terminate their relationship with the Company. In addition, the

Company's inability to meet its service level requirements may damage its reputation and could reduce the confidence of the Company's customers in its service, impairing its ability to retain existing customers and attract new customers.

Use of open source software

The Company's key proprietary software and critical IT systems incorporate significant elements of "open source" software, the use of which by the Company is subject to the terms of applicable licenses. Open source software is typically licensed for use at no initial charge on terms which may allow modification and distribution of the software by the licensee in accordance with such terms. However, license terms may impose on the user compliance requirements and obligations to disclose modifications the Company has made to the software to third parties. The Company is aware of this risk and generally avoids making modifications to any open source software where the applicable licence requires it to publish any such modifications back to the open source community or to the world as a whole. In the majority of cases the open source software utilised by the Company is unmodified.

The Company's ability to realise fully the commercial benefits of any such software may be restricted because:

- open source licenses may be drafted in legally ambiguous language and may result in unanticipated consequences or obligations regarding the Company's software and its use and distribution;
- different open source licence terms may 'conflict' with one-another thus restricting combination and distribution of certain products in compliance with each licence;
- due to the potential requirements to make modifications available to the open source community in accordance with the relevant licence, the Company's competitors or licensees may have access to information which may help them to develop competitive products;
- open source software is available to the public for anyone to access and utilise, including the Company's competitors; and
- it may be difficult for the Company to identify accurately the developers of the open source code (who may be licensors of the software) and whether the licensed software infringes third party intellectual property rights.

In addition, there is a risk that open source software may contain harmful code which may adversely impact the Company's customer networks and expose the Company to claims.

Furthermore, to the extent that the Company uses open source software, it faces more general risks which apply to any organisation making use of such software. For example, the scope and requirements of some common open source software licenses may subject certain portions of the Company's proprietary software to certain requirements, including an obligation on the Company to disclose that software to third parties and to permit them to use the software free of charge.

Furthermore, there are other general risks associated with the use of open source software. Such risks in relation to the open source software code acquired, used and incorporated by the Company are that it may:

- contain a virus;
- contain a bug which the developers or associated community (if any) cannot fix or development support may cease from time to time for a variety of reasons;
- come with only limited informal or 'paid for' support arrangements which may simply cease or may not necessarily be available in the future; and
- typically be made available for use without warranty or assurance of any kind (which in turn makes it difficult to pass assurances on to third party users and customers utilising such software).

Finally, open source licences typically present onerous compliance risks, and failure to observe these or a failure to pass on relevant notification or disclosure requirements within the Company's own terms, may result in litigation or the loss of the right to use the software which may have an adverse effect on the

Company's financial condition and future prospects. The Company is not aware that it has breached any of these compliance requirements nor has any third party claimed that software owned by the Company should be made available on an open source basis.

Any of the risks or restrictions relating to open source software mentioned above could have an adverse impact on the Company's financial condition and future prospects.

The Company's insurance may not be adequate to cover all losses

Whilst the Company maintains insurance that it considers adequate with suitable liability limitation levels, there are limitations on the total coverage for buildings that are damaged due to catastrophic events such as flooding, terrorism or other reasons.

The Company's insurance policy contains customary exclusions, salvage value provisions, material change and other conditions that could limit the Company's ability to recover losses. In addition, some of the Company's policies are subject to limitations involving large deductibles or co-payments and policy limits that may not be sufficient to cover losses. If the Company experiences a loss that is uninsured or that exceeds policy limits, or if customers consider that there is a significant risk that such an event which will affect their equipment or services will occur, this may negatively affect the Company's reputation, business, financial condition and results of operations.

Dependence upon key intellectual property

The Company's success depends in part on its ability to protect its rights in its intellectual property. The Company relies upon various intellectual property protections, including patents, copyright, trademarks, trade secrets and contractual provisions, to preserve its intellectual property rights. Despite these precautions, it may be possible for third parties to obtain and use the Company's intellectual property without its authorisation.

There may not be adequate protection for the intellectual property in every country in which the Company sells its products and policing unauthorised use of proprietary information is difficult and expensive. Due to the Company's size and limited cash resources, it has historically taken only limited action to protect its key intellectual property and it may not be able to detect and prevent infringement of its intellectual property. Should a third party successfully demonstrate priority over any of these rights, it could inhibit the Company from selling products in certain territories.

The steps which the Company has taken and intends to take to protect its intellectual property may be inadequate to prevent the misappropriation of its proprietary technology. Any misappropriation of the Company's intellectual property could have a negative impact on the Company's business and its operating results. Furthermore, the Company may need to take legal action to enforce its intellectual property, to protect trade secrets or to determine the validity or scope of the proprietary rights of others. Litigation relating to the Company's intellectual property, whether instigated by the Company to protect its rights or arising out of alleged infringement of third party rights, may result in substantial costs and the diversion of resources and management attention and there can be no guarantees as to the outcome of any such litigation, or that it can be effectively used to enforce the Company's rights.

Claims by third parties

While the Directors believe that the Company's products and other intellectual property do not infringe upon the proprietary rights of third parties, there can be no assurance that the Company will not receive communications from third parties asserting that the Company's products and other intellectual property infringe, or may infringe, their proprietary rights. Any such claims, with or without merit, could be time consuming, result in costly litigation and the diversion of technical and management personnel, cause product delays or require the Company to develop non-infringing technology or enter into royalty or licensing agreements or re-brand products. Such royalty or licensing agreements, if required, may not be available on terms acceptable to the Company or at all. In the event of a successful claim of product infringement against the Company and any failure or inability of the Company to develop non-infringing products or licence the infringed or similar products, the Company's business, operating results or financial condition could be materially adversely affected.

Product liability

The Company's agreements with its customers typically contain provisions designed to limit its exposure to potential product liability claims. Despite this, it is possible that such limitation of liability provisions may not be effective as a result of existing or future laws or unfavourable judicial decisions. The Company has not experienced any product liability claims to date. However, the sale and support of the Company's products may entail the risk of those claims, which may be substantial in light of the use of the Company's products in critical applications. A successful product liability claim could result in significant monetary liability and could seriously harm the Company's business, operating results or financial condition.

Key personnel

The Company depends on the services of its key technical and development, sales and marketing and management personnel and in particular on the services of Dave Page, Steve Bennetts, Jonathan Pitts, Martin Woods, Chris Roby, Ben Burns, Andy Macleod, and Oliver Shepherd. The loss of the services of any of these persons could have a material adverse effect on the Company's business, results of operations and financial condition. The Company's success is also highly dependent on its continuing ability to identify, hire, train, motivate and retain highly qualified technical, sales, marketing and management personnel. Competition for such personnel can be intense, and the Company cannot give assurances that it will be able to attract or retain highly qualified technical, sales, marketing and management personnel in the future. The Company's inability to attract and retain the necessary technical, sales, marketing and management personnel may adversely affect its future growth and profitability. It may be necessary for the Company to increase the level of remuneration paid to existing or new employees to such a degree that its operating expenses could be materially increased.

Additional responsibilities and commitments of Directors

The Directors have, and may have in the future, additional professional responsibilities and as such, may experience conflicts of interest and demands on their time to the possible detriment of the Company.

Dividends

The Company does not currently anticipate paying dividends in the short or medium term. Furthermore, there can be no guarantee that the Company will be able to pay dividends on the Ordinary Shares in the foreseeable future.

Financial resources

In the opinion of the Directors, having made due and careful enquiry, taking into account existing cash resources and the facilities available to the Company, the working capital available to the Company will be sufficient for its present requirements, that is for at least the next 12 months from the date of Admission. The Company's future capital requirements will, however, depend on many factors, including its ability to maintain and expand its customer base, its sales, cash flow and control of costs and the execution of any material acquisitions. In the future, the Company may require additional funds and may attempt to raise additional funds through equity or debt financings or from other sources. Any additional equity financing may be dilutive to holders of Ordinary Shares and any debt financing, if available, may require restrictions to be placed on the Company's future financing and operating activities. The Company may be unable to obtain additional financing on acceptable terms or at all if market and economic conditions, the financial condition or operating performance of the Company or investor sentiment (whether towards the Company in particular or towards the market sector in which the Company operates) are unfavourable. The Company's inability to raise additional funding may hinder its ability to grow in the future or to maintain its existing levels of operation.

Taxation

Any change in the Company's tax status or in taxation legislation in any jurisdiction in which the Company operates could affect the Company's financial condition and results and its ability (if any) to provide returns to Shareholders. Statements in this document concerning the taxation of investors in Ordinary Shares are based on current UK tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

EIS

Clearance has been received from HMRC that the Company's business qualifies for EIS relief. Although existing qualifying investors, and qualifying investors who subscribe for new Ordinary Shares under an EIS arrangement, may obtain tax relief on their investments under EIS relief, neither the Company nor the Directors can provide any warranty or guarantee in this regard.

Neither the Company nor the Directors give any warranties or undertakings that EIS relief will not be withdrawn. Investors must take their own advice and rely on it. If the Company carries on activities beyond those disclosed to HMRC, then Shareholders may cease to qualify for the tax benefits.

Currency and foreign exchange

A portion of the Company's business may be carried out in the future in currencies other than Sterling. To the extent that there are fluctuations in exchange rates, this may have an impact on the figures consolidated in the Company's accounts, which could have a material impact on the Company's financial position or result of operations, as shown in the Company's accounts going forward.

The Company may engage in foreign currency hedging transactions to mitigate potential foreign currency exposure. The Directors cannot predict the effect of exchange rate fluctuations upon future operating results and there can be no assurance that exchange rate fluctuations will not have a material adverse effect on the business, operating results or financial condition of the Company.

Counterparty risk

The nature of the Company's business and current stage of its development are such that individual customers may comprise a significant proportion of its trade, revenues and receivables at any point in time. Indeed it is expected that an increasing part of the Company's sales will be achieved through a relatively small number of large strategic partners, thereby increasing the concentration of accounts receivable. There is a risk that parties with whom the Company trades or has other business relationships (including partners, customers, suppliers and other parties) may default on their contractual obligations or become insolvent. This may be as a result of general economic conditions or factors specific to that company. In the event that a party with whom the Company trades defaults on its obligations or becomes insolvent, this could have an adverse impact on the revenues and profitability of the Company.

Forward-looking statements

Certain statements contained in this document may constitute forward-looking statements. Forward-looking statements include statements concerning the plans, objectives, goals, strategies and future operations and performance of the Company and the assumptions underlying these forward-looking statements. The Company uses the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "may", "will", "should", and any similar expressions to identify forward-looking statements. Any such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as of the date of this document. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein, save as required to comply with any legal or regulatory obligations, to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. All subsequent written or oral forward-looking statements attributable to the Company, or persons acting on behalf of the Company, are expressly qualified in their entirety by the cautionary statements contained throughout this document. As a result of these risks, uncertainties and assumptions, a prospective investor should not place undue reliance on these forward looking statements

Changes in applicable laws and regulations

Government regulations governing internet-related services, related communication services and information technology and electronic commerce in the United Kingdom continue to evolve and, depending on the evolution of such regulations, may adversely affect the Company's business.

Various laws and governmental regulations governing internet-related services, related communications services and information technologies and electronic commerce continue to evolve, even in areas where there has been some legislative action. This is true in the United Kingdom where the Company operates. In particular, the laws regarding privacy are continuing to evolve.

Changes in laws or regulations (or the interpretation of such laws or regulations) or national government or EU policy affecting the Company's activities and/or those of its customers and competitors, including regulation of prices and interconnection arrangements, regulation of access arrangements to types of infrastructure and regulation of privacy requirements through the protection of personal data could materially adversely affect its results by increasing competition, decreasing revenue, increasing costs or impairing its ability to offer services.

RISKS RELATING TO THE ORDINARY SHARES

Investment in AIM securities

An investment in shares traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose shares are listed on the Official List and traded on the London Stock Exchange's main market for listed securities. An investment in Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may, therefore, realise less than, or lose all of, their investment.

Potentially Volatile Share Price and Liquidity

The share price of quoted emerging companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price at which investors may realise for their Ordinary Shares may be influenced by a significant number of factors, some specific to the Company and its operations and some which affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of Ordinary Shares, legislative changes and general, economic, political or regulatory conditions.

Exercise of pre-emption rights

In the case of an allotment of Ordinary Shares for cash, the Company's existing Shareholders are entitled to pre-emptive rights pursuant to the Act, unless waived by a special resolution of the Shareholders at a general meeting. If the Company allots Ordinary Shares for cash in the future and pre-emptive rights are not waived, holders of the Ordinary Shares outside the United Kingdom may not be able to exercise their pre-emptive rights for Ordinary Shares unless the Company decides to comply with applicable local laws and regulations. In the case of holders in the United States, a registration statement under the Securities Act must be effective with respect to such rights, or an exemption from the registration requirements thereunder must be available. The Company intends to evaluate at the time of any rights or similar offering the costs and potential liabilities associated with any such registration statement or any exemption from registration, as well as the indirect benefits to the Company of enabling holders in the United States of the Company's Ordinary Shares to exercise any pre-emptive rights for Ordinary Shares and any other factors the Company considers appropriate at the time, and then to make a decision as to how to proceed and whether to file such a registration statement. There can be no assurance that any registration statement would be filed or that any exemption would be available to enable our holders in the United States to exercise their pre-emptive rights, nor can there be any assurance that steps can or will be taken to permit holders of Ordinary Shares in the United States to receive any proceeds thereof or other amounts relating thereto.

Share price effect of sales of Ordinary Shares

The market price of Ordinary Shares could decline significantly as a result of any sales of Ordinary Shares by certain Shareholders following the expiry of the relevant lock-in periods, details of which are set out in Parts I and IV of this document, or the expectation or belief that sales of such shares may occur.

PART III

FINANCIAL INFORMATION ON ACTUAL EXPERIENCE LIMITED

The historical financial information for Actual Experience Limited (which has subsequently been re-registered as a public limited company) is set out in Section A of this Part III. This financial information comprises information for Actual Experience for the two financial years ended 31 July 2011 and 31 July 2012 and the 14 month period ended 30 September 2013.

Section B of this Part III sets out a report from PricewaterhouseCoopers LLP, the Reporting Accountants, required by Paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as if they had been applied by part (a) of Schedule Two to the AIM Rules and given for the purpose of complying with that paragraph and for no other purpose.

SECTION A: HISTORICAL FINANCIAL INFORMATION

Actual Experience Limited

Statement of Comprehensive Income

		<i>Year ended 31 July 2011 £</i>	<i>Year ended 31 July 2012 £</i>	<i>14 months ended 30 September 2013 £</i>
	<i>Note</i>			
Revenue		55,680	120,751	444,571
Cost of sales		(12,941)	(89,505)	(209,517)
Gross profit		<u>42,739</u>	<u>31,246</u>	<u>235,054</u>
Administrative expenses	6	(379,035)	(582,080)	(1,007,994)
Loss from operations	6	<u>(336,296)</u>	<u>(550,834)</u>	<u>(772,940)</u>
Finance costs	8	(7)	—	—
Fair value loss on financial instruments		—	—	(11,854)
Loss before taxation		<u>(336,303)</u>	<u>(550,834)</u>	<u>(784,794)</u>
Taxation	9	29,207	52,569	67,584
Total comprehensive loss for the year/period attributable to shareholders		<u>(307,096)</u>	<u>(498,265)</u>	<u>(717,210)</u>
Basic and diluted loss per share	10	<u>(1,472.88p)</u>	<u>(2,005.25p)</u>	<u>(2,721.24p)</u>

All operations were continuing throughout each financial year/period.

Statement of Financial Position

		<i>At</i> <i>1 August</i> <i>2010</i> £	<i>At</i> <i>31 July</i> <i>2011</i> £	<i>At</i> <i>31 July</i> <i>2012</i> £	<i>At</i> <i>30 September</i> <i>2013</i> £
	<i>Note</i>				
Assets					
Property, plant and equipment	11	1,637	6,790	8,530	9,130
		<u>1,637</u>	<u>6,790</u>	<u>8,530</u>	<u>9,130</u>
Non-current assets					
Trade and other receivables	12	2,844	19,606	46,176	82,146
Cash and cash equivalents	13	589,108	302,773	393,220	326,534
		<u>591,952</u>	<u>322,379</u>	<u>439,396</u>	<u>408,680</u>
Current assets					
		<u>593,589</u>	<u>329,169</u>	<u>447,926</u>	<u>417,810</u>
Total assets					
Liabilities					
Trade and other payables	14	(9,163)	(39,548)	(47,128)	(189,022)
Loans	15	—	—	—	(511,854)
		<u>(9,163)</u>	<u>(39,548)</u>	<u>(47,128)</u>	<u>(700,876)</u>
Current liabilities					
		<u>582,789</u>	<u>282,831</u>	<u>392,268</u>	<u>(292,196)</u>
Net current assets/(liabilities)					
Deferred tax liability	9	—	—	—	(1,844)
		<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,844)</u>
Non-current liabilities					
		<u>(9,163)</u>	<u>(39,548)</u>	<u>(47,128)</u>	<u>(702,720)</u>
Total liabilities					
		<u>584,426</u>	<u>289,621</u>	<u>400,798</u>	<u>(284,910)</u>
Net assets/(liabilities)					
Equity					
Share capital	17	2	2	3	3
Share premium account	17	813,749	813,749	1,403,790	1,403,790
Profit and loss reserve		(229,325)	(524,130)	(1,002,995)	(1,688,703)
		<u>584,426</u>	<u>289,621</u>	<u>400,798</u>	<u>(284,910)</u>
Equity attributable to shareholders					

Statement of Changes in Equity

	<i>Share capital £</i>	<i>Share premium £</i>	<i>Profit and loss reserve £</i>	<i>Total equity £</i>
Balance at 1 August 2010	2	813,749	(229,325)	584,426
Total comprehensive loss for the year	—	—	(307,096)	(307,096)
<i>Transactions with shareholders</i>				
Value of employee services	—	—	12,291	12,291
Balance at 31 July 2011	2	813,749	(524,130)	289,621
Total comprehensive loss for the year	—	—	(498,265)	(498,265)
<i>Transactions with shareholders</i>				
Issue of equity share capital	1	590,041	—	590,042
Value of employee services	—	—	19,400	19,400
Balance at 31 July 2012	3	1,403,790	(1,002,995)	400,798
Total comprehensive loss for the period	—	—	(717,210)	(717,210)
<i>Transactions with shareholders</i>				
Value of employee services	—	—	31,502	31,502
Balance at 30 September 2013	3	1,403,790	(1,688,703)	(284,910)

For an explanation of components of shareholders' equity see note 3.2.

Statement of Cash Flows

	<i>Year ended 31 July 2011 £</i>	<i>Year ended 31 July 2012 £</i>	<i>14 months ended 30 September 2013 £</i>
Cash flow from operating activities			
Loss before taxation	(336,303)	(550,834)	(784,794)
Adjustments for:			
Depreciation of property, plant and equipment	2,405	4,488	7,247
Share-based payment charge	12,291	19,400	31,502
Increase in trade and other receivables	(16,762)	(26,570)	(35,970)
Increase in trade and other payables	30,385	7,580	141,894
Fair value loss on financial instruments	—	—	11,854
Cash used in operations	<u>(307,984)</u>	<u>(545,936)</u>	<u>(628,267)</u>
Tax credit received	29,207	52,569	69,428
Net cash used in operating activities	<u>(278,777)</u>	<u>(493,367)</u>	<u>(558,839)</u>
Investing activities			
Expenditure on property, plant and equipment	(7,558)	(6,228)	(7,847)
Net cash used in investing activities	<u>(7,558)</u>	<u>(6,228)</u>	<u>(7,847)</u>
Cash flow from financing activities			
Addition to borrowings	—	—	500,000
Proceeds from the issue of shares	—	590,042	—
Net cash generated from financing activities	<u>—</u>	<u>590,042</u>	<u>500,000</u>
Net (decrease)/increase in cash and cash equivalents	(286,335)	90,447	(66,686)
Cash and cash equivalents at beginning of year/period	<u>589,108</u>	<u>302,773</u>	<u>393,220</u>
Cash and cash equivalents at end of year/period	<u><u>302,773</u></u>	<u><u>393,220</u></u>	<u><u>326,534</u></u>

Notes to the Financial Information

1. General information

Actual Experience Limited is a company incorporated and domiciled in the UK. The address of the registered office is 24 Cornhill, 1st Floor, London, EC3V 3ND. The Company's principal activity is the supply of Analytics-as-a-Service – a business information tool that analyses the performance of digital supply chains in order to baseline, benchmark and improve customer and employee experience of digital products and services. The Company trades under the name Actual Experience Limited.

Basis of preparation

This historical financial information presents the financial track record of the Company for the two years ended 31 July 2011 and 2012 and the 14 months ended 30 September 2013 and is prepared for the purposes of admission to the Alternative Investment Market (“AIM”) operated by the London Stock Exchange. This special purpose financial information has been prepared in accordance with the requirements of Schedule Two to the AIM Rules, in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”), and with those parts of the Companies Act 2006 as applicable to companies reporting under IFRS.

The Company's transition date to IFRS is 1 August 2010. The principles and requirements for first time adoption of IFRS are set out in IFRS 1. IFRS 1 allows certain exemptions in the application of particular standards to prior periods in order to assist companies with the transition process. The Company has not applied any of the optional exemptions under IFRS 1.

This historical financial information is prepared in accordance with IFRS under the historical cost convention as modified by the use of fair value for share-based payments and financial instruments measured at fair value through profit and loss. The historical financial information is presented in pounds sterling (“£”) except when otherwise indicated.

The principal accounting policies adopted in the preparation of the financial information are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Change in accounting policies

(i) *New standards, amendments and interpretations effective for the first time in the period ended 30 September 2013*

The following new standards, amendments and interpretations have become effective for the current financial period. These changes have not had a significant impact on the Company:

- IAS 1 (amended): Presentation of Financial Statements, presentation of other comprehensive income
- IAS 12 (amended): Income Taxes, recovery of underlying assets

(ii) *Standards, amendments and interpretations not yet effective*

At the date of approval of the Financial information, the following standards, amendments and interpretations which have not been applied in the financial information were in issue but not yet effective (and in some cases have not yet been adopted by the EU):

- Amendments to IFRS 1: First time adoption of IFRS – Government loans
- Amendments to IFRS 1: First time adoption of IFRS – Severe hyperinflation and removal of fixed dates for first time adopters
- IFRS 9: Financial Instruments and subsequent amendments
- IFRS 10: Consolidated Financial Statements
- IFRS 12: Disclosure of Interests in Other Entities
- Amendments to IFRS 10, 11, 12: Transitional guidance

- Amendments to IFRS 10, 12 and IAS 27: Investment entities
- IFRS 13: Fair Value Measurement
- IAS 19 (revised): Employee Benefits
- IAS 27 (revised): Separate Financial Statements
- IAS 28 (revised): Investments in Associates and Joint Ventures
- Amendments to IAS 32 and IFRS 7: Financial Instruments, on asset and liability offsetting
- Amendments to IAS 36: Recoverable amount disclosures for non-financial assets
- Amendments to IAS 39: Novation of derivatives and continuation of hedge accounting
- IFRIC 20: Stripping costs in the production phase of a surface mine
- IFRIC 21: Levies
- Amendments resulting from Annual Improvements 2009–2011 Cycle

It is not expected that these standards would have had a significant impact on the financial information had they been adopted.

2. Summary of significant accounting policies

The principal accounting policies adopted are set out below.

2.1 *Going concern*

Actual Experience is a provider of digital supply-chain analytics services and associated consultancy services. As noted in Part I “Information on the Company”, the Company has invested significantly in developing its technologies and offering.

As at 30 September 2013, the Company had cash balances of £326,534. Subsequent to the period-end, the Company has raised further funding amounting to £4,072,356 from the issue of new equity shares. This cash is considered sufficient to support the day to day operations of the company for a period of at least 12 months from the date of approval of the financial information.

The directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. For those reasons, they continue to adopt the going concern basis in preparing the financial information.

2.2 *Foreign currencies*

(a) *Functional and presentational currency*

Items included in the financial information are measured using the currency of the primary economic environment in which Actual Experience operates (“the functional currency”) which is UK Sterling (£). The financial information is presented in pounds Sterling (£), which is Actual Experience’s presentational currency. All amounts are rounded to the nearest £.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in net profit or loss in the statement of comprehensive income.

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

2.3 *Revenue recognition*

Revenue is recognised at the fair value of the consideration received or receivable for the sale of services in the ordinary course of business and is shown net of Value Added Tax. Actual Experience primarily earns revenues from the sale of digital supply-chain analytics services and associated consultancy services.

Revenues from the digital supply-chain analytics service is recognised over the period of each sale agreement, on a straight-line basis. Revenues from consultancy services and other services such as training are recognised when delivered to the customer.

The difference between the amount of revenue recognised and the amount invoiced to a particular customer is included in the statement of financial position as deferred income. Amounts included in deferred income are expected to be recognised within one year and are included within current liabilities.

2.4 *Internally-generated intangible assets – research and development expenditure*

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development costs are only capitalised when the related products meet the recognition criteria of an internally generated intangible asset, the key criteria being as follows:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- (b) its intention to complete the intangible asset and use or sell it.
- (c) its ability to use or sell the intangible asset.
- (d) how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The Directors do not believe that expenditure on development met the criteria for capitalisation during the periods to 30 September 2013 due to the lack of available adequate financial resources to use the intangible asset to generate sufficient future profits at the date the costs were incurred. Expenses for research and development include associated wages and salaries, material costs, depreciation on non-current assets and directly attributable overheads.

2.5 *Property, plant and equipment*

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

Fixtures and fittings 5 years straight line

Computer equipment 3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Impairment of property, plant and equipment

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

2.6 Financial instruments

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

2.6.1 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. Appropriate provisions for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the assets are impaired.

2.6.2 Cash and cash equivalents

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

2.6.3 Equity instruments

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

2.6.4 Trade and other payables

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

2.6.5 Financial liabilities – current borrowings

Borrowings, including advances received from related parties are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. The convertible loan notes in 2013 are considered a hybrid financial instrument with an embedded derivative which is not closely related to the host. The entity made an accounting policy choice to designate the entire hybrid contract as a liability at fair value through profit and loss.

2.7 *Current and deferred tax*

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

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

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

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

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

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

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

2.8 *Operating leases*

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2.9 *Share-based payments*

Actual Experience issues equity settled share-based payments to certain employees.

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

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

3. Financial risk management

3.1 Financial risk factors

Actual Experience's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. Actual Experience's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by the Board of Directors. They identify and evaluate financial risks in close co-operation with key employees.

3.1.1 Market risk

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

In the period of the financial information, this risk is considered to have been minimal.

3.1.2 Credit risk

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

Actual Experience gives careful consideration to which organisation it uses for its banking services in order to minimise credit risk. Actual Experience has a significant concentration of cash held in accounts with one large bank in the UK, an institution with an A3 credit rating (long term, as assessed by Moody's). The amounts of cash held on deposit with that bank at each reporting date can be seen in the financial assets table above. All of the cash and cash equivalents held with that bank at each reporting date were denominated in UK Sterling. The Directors are satisfied that the level of risk inherent in holding the cash deposits with one bank historically has been low given the A3 credit rating assessed. The Directors monitor the levels of cash held by the company on a regular basis and, if necessary, will mitigate any perceived increase in the level of risk by spreading the cash deposits across more than one institution.

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

At 30 September 2013, Actual Experience's trade receivables balance was £69,684 (31 July 2012: £40,722, 31 July 2011: £13,540). The carrying amount of financial assets recorded in the financial information represents Actual Experience's maximum exposure to credit risk. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. In the Directors' opinion, there has been no impairment of financial assets at any point during the period of the financial information.

No collateral is held by Actual Experience as security in relation to its financial assets.

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

3.1.3 *Liquidity risk*

Liquidity risk is the risk that Actual Experience will encounter difficulty in meeting its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board manages liquidity risk by regularly reviewing Actual Experience's cash requirements by reference to short term cashflow forecasts and medium term working capital projections.

At 30 September 2013, Actual Experience had £326,534 (31 July 2012: £393,220, 31 July 2011: £302,773) of cash reserves.

3.2 ***Capital risk management***

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, share premium and retained earnings.

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

Actual Experience's capital is made up of share capital, share premium and accumulated retained losses totalling at 30 September 2013 a deficit of £284,910 (31 July 2012: £400,798, 31 July 2011: £289,621, 1 August 2010: £584,426).

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

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

3.3 ***Fair value estimation***

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values because of the short term nature of such assets and the effect of discounting liabilities is negligible.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the company's financial instruments that are measured at fair value at 30 September 2013 (no assets are held at fair value and there were no financial instruments measured at fair value in 2012 or 2011):

30 September 2013

	<i>Level 1</i> £	<i>Level 2</i> £	<i>Level 3</i> £	<i>Total</i> £
Liabilities				
Financial instruments at fair value through profit and loss	—	—	511,854	511,854
Total	—	—	511,854	511,854

*14 months
ended
30 September
2013
£*

Fair value at 1 August 2012

Initial fair value on recognition	500,000
Increase in fair value recognised in profit and loss account	11,854

Fair value at 30 September 2013

511,854

The loan notes were initially recognised at fair value determined by reference to the proceeds received (£500,000). At 30 September 2013, the directors have estimated that the fair value of the loan notes is £511,854. The valuation was performed having regard to information arising from discussions that were held by the directors with a number of potential investors prior to the balance sheet date (which culminated in an issue of ordinary shares in November 2013) and allowing for the relative significance of the potential shareholdings concerned by applying a discount. If the discount that has been applied of 20 per cent. was reduced to 15 per cent., the fair value would be increased by approximately £32,000.

4. Critical accounting estimates and judgements

Details of Actual Experience's significant accounting judgements and critical accounting estimates are set out in this financial information and include:

Going concern

The assessment of Actual Experience's ability to execute its strategy by funding future working capital requirements involves judgement. The Directors monitor future cash requirements to assess Actual Experience's ability to meet these funding requirements.

Research and development costs

The assessment of when research and development expenditure meets the recognition criteria required for capitalisation requires judgement as to the technical feasibility and commercial viability of products and ideas that are under development. These judgements are subjective and, to the extent that actual circumstances differ, there can be an increase or decrease in the amount of expenditure expensed to the income statement. In the period covered by this financial information no development expenditure has been capitalised as the company has not had sufficient financial resources to ensure that it has the ability to ensure that it can generate sufficient future economic benefits.

5. Segmental information

The Directors consider that there is one identifiable business segment that is engaged in providing individual products or services or a group of related products and services that comprise the core business. The information reported to Actual Experience's Chief Executive Officer, who is considered to be the

chief operating decision maker, for the purposes of resource allocation and assessment of performance is based wholly on the overall activities of Actual Experience. Actual Experience has therefore determined that it has only one reportable segment under IFRS8, which is “digital supply-chain analytics’ services and associated consultancy services”. Actual Experience’s revenue and results and assets for this one reportable segment can be determined by reference to Actual Experience’s statement of comprehensive income and statement of financial position.

Actual Experience carries out all of its activities from a single location in the UK.

During the period ended 30 September 2013 Actual Experience had two customers who generated more than 10 per cent. of total revenue. These customers generated 16 per cent., and 10 per cent. of revenue respectively.

During the year ended 31 July 2012 Actual Experience had three customers who generated more than 10 per cent. of total revenue. These customers generated 27 per cent., 21 per cent. and 10 per cent. of revenue respectively.

During the year ended 31 July 2011 Actual Experience had three customers who generated more than 10 per cent. of total revenue. These customers generated 47 per cent., 27 per cent. and 23 per cent. of revenue respectively.

6. Loss from operations

Loss for the year/period has been arrived at after charging:

	<i>Year ended 31 July 2011 £</i>	<i>Year ended 31 July 2012 £</i>	<i>14 months ended 30 September 2013 £</i>
Staff costs (note 7)	281,204	480,645	854,337
Depreciation on owned property, plant and equipment	2,405	4,488	7,247
Operating lease costs			
– Land and buildings	13,773	19,572	47,200
	<u>281,204</u>	<u>480,645</u>	<u>854,337</u>

The aggregated administrative expenses by nature are as follows:

	<i>Year ended 31 July 2011 £</i>	<i>Year ended 31 July 2012 £</i>	<i>14 months ended 30 September 2013 £</i>
Staff costs, recruitment and other HR expenses	266,335	403,673	700,921
Share-based payment charge	12,291	19,400	31,502
Premises costs	13,773	19,572	47,200
Subcontracted research and development costs	24,815	53,470	91,729
Patent and IP costs	3,235	4,463	3,215
Insurance	1,450	2,436	3,745
Professional fees and marketing costs	17,369	15,275	30,452
IT and telecoms	11,062	5,464	8,230
Depreciation	2,405	4,488	7,247
Consultancy fees	14,730	19,052	30,080
Other expenses	11,570	34,787	53,673
	<u>379,035</u>	<u>582,080</u>	<u>1,007,994</u>

7. Staff costs

	<i>Year ended 31 July 2011</i>	<i>Year ended 31 July 2012</i>	<i>14 months ended 30 September 2013</i>
The average number of employees (including Executive Directors) employed was:			
Executive Directors	2	2	2
Sales and support	1	3	3
Software development	4	5	7
Administration	—	—	1
	<u>7</u>	<u>10</u>	<u>13</u>

	<i>Year ended 31 July 2011 £</i>	<i>Year ended 31 July 2012 £</i>	<i>14 months ended 30 September 2013 £</i>
The aggregate remuneration comprised (including Executive Directors):			
Wages and salaries	229,267	412,625	736,573
Social security costs	39,646	48,620	86,262
Share-based payment charges	12,291	19,400	31,502
	<u>281,204</u>	<u>480,645</u>	<u>854,337</u>

The aggregate remuneration comprised (including Executive Directors):

Wages and salaries	229,267	412,625	736,573
Social security costs	39,646	48,620	86,262
Share-based payment charges	12,291	19,400	31,502
	<u>281,204</u>	<u>480,645</u>	<u>854,337</u>

The remuneration of the Executive Directors, who are the key management personnel of Actual Experience, is shown in note 19 – Related Parties.

8. Finance costs

	<i>Year ended 31 July 2011 £</i>	<i>Year ended 31 July 2012 £</i>	<i>14 months ended 30 September 2013 £</i>
Bank interest payable	7	—	—
	<u>7</u>	<u>—</u>	<u>—</u>

9. Taxation

	<i>Year ended 31 July 2011 £</i>	<i>Year ended 31 July 2012 £</i>	<i>14 months ended 30 September 2013 £</i>
Current tax:			
Corporation tax on losses of the year/period	(29,207)	(52,569)	(69,428)
Deferred tax:			
Origination and reversal of timing differences	—	—	1,844
Total tax credit	<u>(29,207)</u>	<u>(52,569)</u>	<u>(67,584)</u>

	<i>Year ended 31 July 2011 £</i>	<i>Year ended 31 July 2012 £</i>	<i>14 months ended 30 September 2013 £</i>
Factors affecting the tax charge for the year/period:			
The tax assessed for the year/period is lower than the UK corporate tax rate of 23.57% (July 2012: 25.33%, July 2011: 27.33%)			
Loss before taxation	(336,303)	(550,834)	(784,794)
Tax at the UK corporate tax rate	(91,912)	(139,526)	(184,976)
Expenses not deductible for tax purposes	3,769	5,956	10,638
Unrecognised deferred tax asset on losses	88,143	133,570	176,182
Research & Development tax credits received	(29,207)	(52,569)	(69,428)
Tax credit for the year/period	<u>(29,207)</u>	<u>(52,569)</u>	<u>(67,584)</u>

Actual Experience has tax losses carried forward of £1,212,820 (31 July 2012: £472,556, 31 July 2011: £222,222).

Deferred tax

Deferred tax relates to the following:

	<i>At 1 August 2010 £</i>	<i>At 31 July 2011 £</i>	<i>At 31 July 2012 £</i>	<i>At 30 September 2013 £</i>
Accelerated depreciation for tax purposes	—	—	—	1,844
Deferred tax liability	—	—	—	1,844

Reconciliation of deferred tax liabilities

	<i>Year ended 31 July 2011 £</i>	<i>Year ended 31 July 2012 £</i>	<i>14 months ended 30 September 2013 £</i>
Balance at the beginning of the year/period	—	—	—
Charged to the income statement	—	—	1,844
Balance at the end of the year/period	<u>—</u>	<u>—</u>	<u>1,844</u>

As at 30 September 2013, Actual Experience had unrecognised deferred tax assets totalling £254,692 (31 July 2012: £99,237, 31 July 2011: £46,667), which relate to losses. Actual Experience has not recognised this as an asset in the Statement of Financial Position due to the uncertainty in the timing of when it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

10. Loss per share

Basic loss per share is calculated by dividing the loss attributable to shareholders by the weighted average number of shares in issue during the year.

Diluted loss per share is calculated by adjusting the weighted average number of shares in issue to assume the conversion of all potentially dilutive shares.

The Company has two classes of potentially dilutive ordinary shares: firstly, those share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year. Secondly, the convertible loans that were outstanding during the period ended 30 September 2013. However, due to losses incurred in all periods there is no dilutive effect from the potential exercise of these dilutive shares.

	<i>Loss for the Year/period £</i>	<i>Weighted average number of shares in issue</i>	<i>Loss per share (pence)</i>
Year ended 31 July 2011	(307,096)	20,850	(1,472.88p)
Year ended 31 July 2012	(498,265)	24,848	(2,005.25p)
Period ended 30 September 2013	<u>(717,210)</u>	<u>26,356</u>	<u>(2,721.24p)</u>

The weighted average number of shares in issue for the years ended 31 July 2011 and 31 July 2012 has been adjusted to assume that the subdivision of shares that took place on 9 November 2011 was effective for earlier periods in order to make the periods comparable.

See note 21 for further information on share issues after 30 September 2013 but before the financial information has been approved.

11. Property, plant and equipment

	<i>Fixtures & fittings £</i>	<i>Computer equipment £</i>	<i>Total £</i>
Cost:			
At 1 August 2010	—	1,964	1,964
Additions	—	7,558	7,558
At 31 July 2011	—	9,522	9,522
Additions	—	6,228	6,228
At 31 July 2012	—	15,750	15,750
Additions	419	7,428	7,847
At 30 September 2013	<u>419</u>	<u>23,178</u>	<u>23,597</u>
Accumulated depreciation:			
At 1 August 2010	—	327	327
Charge for the year	—	2,405	2,405
At 31 July 2011	—	2,732	2,732
Charge for the year	—	4,488	4,488
At 31 July 2012	—	7,220	7,220
Charge for the year	70	7,177	7,247
At 30 September 2013	<u>70</u>	<u>14,397</u>	<u>14,467</u>
Carrying amount:			
At 1 August 2010	—	1,637	1,637
At 31 July 2011	—	6,790	6,790
At 31 July 2012	—	8,530	8,530
At 30 September 2013	<u>349</u>	<u>8,781</u>	<u>9,130</u>

12. Trade and other receivables

	<i>At</i> <i>1 August</i> <i>2010</i> £	<i>At</i> <i>31 July</i> <i>2011</i> £	<i>At</i> <i>31 July</i> <i>2012</i> £	<i>At</i> <i>30 September</i> <i>2013</i> £
Trade receivables	1,175	13,540	40,722	69,684
Other receivables	839	3,873	4,671	4,801
Prepayments and accrued income	830	2,193	783	7,661
	<u>2,844</u>	<u>19,606</u>	<u>46,176</u>	<u>82,146</u>

Payment terms with Actual Experience's customers are typically 30 to 60 days.

There are no assets which are either past due or impaired. The Directors consider all assets to be collectible and consequently no provisions have been made in respect of trade and other receivables.

The Directors believe that the carrying value of trade and other receivables represents their fair value. In determining the recoverability of trade receivables Actual Experience considers any change in the credit quality of the receivable from the date credit was granted up to the reporting date. For details on Actual Experience's credit risk management policies, refer to note 3.

13. Cash and cash equivalents

	<i>At</i> <i>1 August</i> <i>2010</i> £	<i>At</i> <i>31 July</i> <i>2011</i> £	<i>At</i> <i>31 July</i> <i>2012</i> £	<i>At</i> <i>30 September</i> <i>2013</i> £
Cash and cash equivalents	<u>589,108</u>	<u>302,773</u>	<u>393,220</u>	<u>326,534</u>

All of Actual Experience's cash and cash equivalents at 30 September 2013 are at floating interest rates and are denominated in UK Sterling (£).

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

14. Trade and other payables

	<i>At</i> <i>1 August</i> <i>2010</i> £	<i>At</i> <i>31 July</i> <i>2011</i> £	<i>At</i> <i>31 July</i> <i>2012</i> £	<i>At</i> <i>30 September</i> <i>2013</i> £
Trade payables	977	23,843	8,638	8,371
Other tax and social security	7,302	9,902	22,959	28,053
Other payables	405	2,104	1,484	6,397
Accruals	479	3,699	9,112	83,515
Deferred income	—	—	4,935	62,686
	<u>9,163</u>	<u>39,548</u>	<u>47,128</u>	<u>189,022</u>

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

The Directors consider that the carrying value of trade and other payables approximate their fair value. All trade and other payables are denominated in UK Sterling (£).

Actual Experience has financial risk management policies in place to ensure that all payables are paid within the credit timeframe and no interest has been charged by any suppliers as a result of late payment of invoices during the period.

15. Loans

	<i>At</i> <i>1 August</i> <i>2010</i> £	<i>At</i> <i>31 July</i> <i>2011</i> £	<i>At</i> <i>31 July</i> <i>2012</i> £	<i>At</i> <i>30 September</i> <i>2013</i> £
Amounts falling due within one year				
Convertible loan notes	—	—	—	511,854

Actual Experience issued unsecured fixed rate convertible loan notes amounting to £500,000 between 16 April 2013 and 23 July 2013. Interest is charged on the loan notes at the rate of 7.0 per cent. per annum. The loan notes are redeemable at par, with accrued interest, on the earlier of the sale of the company or the date five years after the issue of the loan notes. The loan note holders have the right to convert the loan into equity if the company were to raise further capital or on the sale of the company. In addition, the company has the right to redeem the loan notes early subject to the approval of 75 per cent. of the loan note holders. Subsequent to the period ended 30 September 2013, these loan notes were converted into equity shares. Further details are set out in note 21.

16. Financial instruments

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

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

Financial assets

At the reporting date, Actual Experience held the following financial assets:

	<i>At</i> <i>1 August</i> <i>2010</i> £	<i>At</i> <i>31 July</i> <i>2011</i> £	<i>At</i> <i>31 July</i> <i>2012</i> £	<i>At</i> <i>30 September</i> <i>2013</i> £
Cash and cash equivalents	589,108	302,773	393,220	326,534
Trade receivables	1,175	13,540	40,722	69,684
	<u>590,283</u>	<u>316,313</u>	<u>433,942</u>	<u>396,218</u>

Financial liabilities

At the reporting date, Actual Experience held the following financial liabilities, held at amortised cost (non-derivatives) and fair value through profit and loss (hybrid financial instrument):

	<i>At</i> <i>1 August</i> <i>2010</i> £	<i>At</i> <i>31 July</i> <i>2011</i> £	<i>At</i> <i>31 July</i> <i>2012</i> £	<i>At</i> <i>30 September</i> <i>2013</i> £
Non-derivative financial liabilities				
<i>Due within one year</i>				
Trade payables	977	23,843	8,638	8,371
Other payables	8,186	15,705	38,490	180,651
	9,163	39,548	47,128	189,022
Financial instruments at fair value through profit and loss				
<i>Due between 2 and 5 years</i>				
Convertible loan notes	—	—	—	511,854
Total financial liabilities	<u>9,163</u>	<u>39,548</u>	<u>47,128</u>	<u>700,876</u>

17. Share capital

	<i>Ordinary Shares of £0.0001 each No.</i>	<i>Ordinary Shares of £0.001 each No.</i>
At 1 August 2010 and 31 July 2011	—	2,085
Subdivision of shares (i)	20,850	(2,085)
Issued during the year (ii)	5,506	—
At 31 July 2012 and 30 September 2013	<u>26,356</u>	<u>—</u>
	<i>Ordinary Shares of £0.0001 each £</i>	<i>Ordinary Shares of £0.001 each £</i>
At 1 August 2010 and 31 July 2011	—	2
Subdivision of shares(i)	2	(2)
Issued during the year (ii)	1	—
At 31 July 2012 and 30 September 2013	<u>3</u>	<u>—</u>

- (i) On 9 November 2011, a resolution was passed such that each of the issued Ordinary Shares of £0.001 each was subdivided into 10 Ordinary Shares of £0.0001 each.
- (ii) On 9 November 2011, Actual Experience issued 5,506 Ordinary Shares of £0.0001 each at a price of £108.98 per share (and aggregate subscription of £600,044, of which £600,043 has been recognised in the share premium account).
- (iii) Issue costs of £10,002 have been charged to the share premium account during the period ended 31 July 2012.

Share rights

Income

Any profits which Actual Experience determines to distribute in respect of any financial year shall be distributed amongst the Ordinary Shareholders in proportion to their shareholdings.

Capital

In the event of (i) an asset sale or (ii) upon a return of assets on a liquidation, reduction of capital or otherwise, the surplus assets of Actual Experience remaining after payment of its liabilities will be distributed amongst the shareholders.

Voting

Every Ordinary Shareholder has the right to receive notice of and attend and vote at any general meeting of Actual Experience.

18. Share-based payments

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

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

	<i>Year ended 31 July 2011</i>		<i>Year ended 31 July 2012</i>		<i>Period ended 30 September 2013</i>	
	<i>No</i>	<i>WAEP £</i>	<i>No</i>	<i>WAEP £</i>	<i>No</i>	<i>WAEP £</i>
Outstanding at the beginning of the year/period	630	68.18	950	68.18	1,790	76.57
Granted during the year/period	320	68.18	840	102.30	445	106.91
Outstanding at the end of the year/period	<u>950</u>	<u>68.18</u>	<u>1,790</u>	<u>76.57</u>	<u>2,235</u>	<u>88.71</u>
Exercisable at year/period end	<u>160</u>	<u>68.18</u>	<u>450</u>	<u>68.18</u>	<u>1,071</u>	<u>80.51</u>

The options outstanding at 30 September 2013 had a weighted average exercise price of £88.71 and a weighted average remaining contractual life of 8 years.

Details of options granted but not exercised at each period end are as follows:

	<i>Grant date</i>	<i>Vesting date</i>	<i>Number of options</i>	<i>Exercise Price (£)</i>
At 1 August 2010				
EMI options	2010	2011	160	68.18
EMI options	2010	2012	160	68.18
EMI options	2010	2013	160	68.18
EMI options	2010	2014	150	68.18
Total at 1 August 2010			<u>630</u>	
At 31 July 2011				
EMI options	2010	2011	160	68.18
EMI options	2010	2012	160	68.18
EMI options	2010	2013	160	68.18
EMI options	2010	2014	150	68.18
EMI options	2011	2012	90	68.18
EMI options	2011	2013	80	68.18
EMI options	2011	2014	80	68.18
EMI options	2011	2015	70	68.18
Total at 31 July 2011			<u>950</u>	

	<i>Grant date</i>	<i>Vesting date</i>	<i>Number of options</i>	<i>Exercise Price (£)</i>
At 31 July 2012				
EMI options	2010	2011	160	68.18
EMI options	2010	2012	160	68.18
EMI options	2010	2013	160	68.18
EMI options	2010	2014	150	68.18
EMI options	2011	2012	90	68.18
EMI options	2011	2013	80	68.18
EMI options	2011	2014	80	68.18
EMI options	2011	2015	70	68.18
EMI options	2012	2012	40	68.18
EMI options	2012	2013	20	68.18
EMI options	2012	2014	30	68.18
EMI options	2012	2015	10	68.18
EMI options	2012	2013	318	106.91
EMI options	2012	2014	185	106.91
EMI options	2012	2015	185	106.91
EMI options	2012	2016	52	106.91
Total at 31 July 2012			<u>1,790</u>	
At 30 September 2013				
EMI options	2010	2011	160	68.18
EMI options	2010	2012	160	68.18
EMI options	2010	2013	160	68.18
EMI options	2010	2014	150	68.18
EMI options	2011	2012	90	68.18
EMI options	2011	2013	80	68.18
EMI options	2011	2014	80	68.18
EMI options	2011	2015	70	68.18
EMI options	2012	2012	40	68.18
EMI options	2012	2013	20	68.18
EMI options	2012	2014	30	68.18
EMI options	2012	2015	10	68.18
EMI options	2012	2013	318	106.91
EMI options	2012	2014	185	106.91
EMI options	2012	2015	185	106.91
EMI options	2012	2016	52	106.91
EMI options	2013	2013	24	106.91
EMI options	2013	2014	105	106.91
EMI options	2013	2015	111	106.91
EMI options	2013	2016	111	106.91
EMI options	2013	2017	88	106.91
EMI options	2013	2018	6	106.91
Total at 30 September 2013			<u>2,235</u>	

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

	<i>Year ended 31 July 2011</i>	<i>Year ended 31 July 2012</i>	<i>14 months ended 30 September 2013</i>
Expected life of options – years	6	6	6
Weighted average exercise price – £	68.18	102.30	106.91
Weighted average share price at grant date – £	68.18	102.30	106.91
Expected volatility – %	40%	40%	40%
Risk-free rate – %	2.02%	2.02%	2.02%

Actual Experience uses historical data to estimate option exercise and employee retention within the valuation model. Expected volatilities are based upon an estimate by the Directors taking account of the volatility of listed companies in similar sectors. The risk-free rate for the period within the contractual life of the option is based on the UK gilt yield curve at the time of the grant.

Actual Experience recognised a charge of £31,502 (31 July 2012: £19,400, 31 July 2011: £12,291) related to equity settled share based payment transactions during the period. Of this total, all related to employees. The options in existence have no performance criteria, except for a continued employment criteria

19. Related party transactions

Ultimate controlling party

The Company has no single ultimate controlling party.

Remuneration of key personnel

The remuneration of the Executive Directors, who are the key management personnel of Actual Experience, is shown below:

	<i>Year ended 31 July 2011 £</i>	<i>Year ended 31 July 2012 £</i>	<i>14 months ended 30 September 2013 £</i>
Executive Directors – aggregate			
Short term employee benefits	<u>100,000</u>	<u>100,000</u>	<u>122,292</u>
Total Directors' remuneration	<u>100,000</u>	<u>100,000</u>	<u>122,292</u>

Remuneration and benefits paid to the highest paid Director totalled £116,667 (31 July 2012: £100,000, 31 July 2011: £100,000).

Non-executive directors receive no emoluments from the Company.

Amounts outstanding to key personnel

As at 30 September 2013, £181 (31 July 2012: £374, 31 July 2011: £181) was due to Directors in relation to reimbursement of fees and expenses arising in the ordinary course of business.

Transactions with Actual Experience's shareholders

Actual Experience has entered into an agreement with Queen Mary and Westfield College, University of London in respect of secondment of staff and consultancy fees. Under an agreement with the University Professor Jonathan Pitts was seconded by the College until 1 September 2013 when Professor Pitts became a paid employee of the Company, although he was appointed Director in March 2009.

The amounts paid to shareholders in each period (including VAT) were as follows:

	<i>Year ended 31 July 2011 £</i>	<i>Year ended 31 July 2012 £</i>	<i>14 months ended 30 September 2013 £</i>
Queen Mary and Westfield College, University of London			
Staff secondment fees for research services	29,778	51,082	26,860
Patent costs	4,005	5,355	3,969
	<u>33,783</u>	<u>56,437</u>	<u>30,829</u>
IP2IPO Limited			
Legal fees	—	3,000	—
Travel and subsistence costs	—	70	—
	<u>—</u>	<u>3,070</u>	<u>—</u>
Gare Ventures Limited			
Consultancy fees and expenses	9,290	13,800	10,800
	<u>9,290</u>	<u>13,800</u>	<u>10,800</u>
Techtran Group Limited			
Business support fees	3,282	5,100	6,000
Travel and subsistence	—	37	—
Other office expenses	4	94	254
	<u>3,286</u>	<u>5,231</u>	<u>6,254</u>

The balances outstanding to shareholders at the end of the period are as follows:

	<i>At 31 July 2011 £</i>	<i>At 31 July 2012 £</i>	<i>At 30 September 2013 £</i>
Queen Mary and Westfield College, University of London			
Invoices outstanding: Staff secondment fees for research	14,889	—	—
	<u>14,889</u>	<u>—</u>	<u>—</u>
IP2IPO Limited			
Invoices outstanding: Expenses	—	70	—
	<u>—</u>	<u>70</u>	<u>—</u>

20. Operating lease arrangements

Non-cancellable operating lease rentals are payable as follows:

	<i>At 31 July 2011 £</i>	<i>At 31 July 2012 £</i>	<i>At 30 September 2013 £</i>
Less than one year	1,200	1,800	8,000
	<u>1,200</u>	<u>1,800</u>	<u>8,000</u>

At 30 September 2013, the company had a tenancy agreement in respect of its business premises. This agreement commenced on 1 December 2012 for a period of 12 months with a monthly rent of £4,000. The lease expired on 30 November 2013 and new terms are currently being negotiated with the landlord in respect of the future occupation of the property.

21. Subsequent events

On 19 November 2013 the Company issued 9,961 new ordinary shares at a price of £408.83 per share for cash consideration of £4,072,356. The purpose of this share issue was to raise additional development capital for the company. Concurrent with this funding round the holders of the convertible loan notes elected to convert the loan notes to equity. As a result of this conversion the Company issued 1,571 new ordinary shares at a price per share of £327.04.

On 23 January 2014 a bonus issue of 568,282,112 ordinary shares of £0.0001 each were issued and subsequently, a consolidation of the ordinary shares took effect where 20 ordinary shares of £0.0001 each were consolidated to 1 ordinary share of £0.002 each.

On 5 February 2014 a reduction of capital took place whereby the share premium account of £5,933,096 was converted to distributable reserves.

On 11 February 2014 Actual Experience Limited re-registered to a plc.

On 14 January 2014, Actual Experience plc submitted AIM Schedule 1 (“10 day”) announcement to the London Stock Exchange. An update to that announcement was submitted on 7 February 2014

There have been no other substantial events since the period ended 30 September 2013 that require disclosure.

22. First-time adoption of IFRS

Actual Experience has previously produced and filed financial statements under Financial Reporting Standard for Smaller Entities (effective April 2008) (FRSSE). For the purpose of the Admission Document it has produced this financial information in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the European Union.

Reconciliations between IFRS and FRSSE

Certain presentation differences between FRSSE and IFRS have no impact on reported profit or total equity. Some line items are described differently (renamed) under IFRS compared with previous FRSSE, although the assets and liabilities included in those line items are unaffected so no line-by-line reconciliation of such items has been presented.

The following reconciliations provide a quantification of the effect of the transition to IFRS, with notes to the reconciliations. The cash flow statements for all periods under IFRS are also the same as under FRSSE apart from presentational differences.

Reconciliation for the year ended 31 July 2011

	<i>FRSSE</i>	<i>IFRS2 Share-based payment charge</i>	<i>IFRS</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Loss for the period	(294,805)	(12,291)	(307,096)
Profit and loss reserve	(229,325)	12,291	(217,034)
Share premium and share capital	813,751	—	813,751
Total equity	<u>289,621</u>	<u>—</u>	<u>289,621</u>

Reconciliation for the year ended 31 July 2012

	<i>FRSSE</i>	<i>IFRS2 Share-based payment charge</i>	<i>IFRS</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Loss for the period	(478,865)	(19,400)	(498,265)
Profit and loss reserve	(524,130)	19,400	(504,730)
Share premium and share capital	1,403,793	—	1,403,793
Total equity	<u>400,798</u>	<u>—</u>	<u>400,798</u>

Reconciliation for the period ended 30 September 2013

	<i>FRSSE</i>	<i>IFRS2</i> <i>Share-based</i> <i>payment charge</i>	<i>IFRS</i>
	£	£	£
Loss for the period	(685,708)	(31,502)	(717,210)
Profit and loss reserve	(1,002,995)	31,502	(971,493)
Share premium and share capital	1,403,793	—	1,403,793
Total equity	<u>(284,910)</u>	<u>—</u>	<u>(284,910)</u>

Notes to the reconciliations

The only material adjustments on transition to IFRS from FRSSE were as follows:

- (a) Actual Experience has applied IFRS 2 to calculate the fair value of share options using an appropriate pricing model. This expense is recognised over the vesting period. Share options granted and still vesting at 30 September 2013 are recognised within equity at 30 September 2013.



SECTION B: ACCOUNTANTS' REPORT ON ACTUAL EXPERIENCE PLC

The Directors
Actual Experience plc
24 Cornhill
1st Floor
London
EC3V 3ND

Nplus1 Singer Advisory LLP (the “**Nominated Adviser**”)
1 Bartholomew Lane
London
EC2N 2AX

12 February 2014

Dear Sirs

Actual Experience plc

We report on the financial information set out in Section A of Part III of the admission document dated 12 February 2014 of Actual Experience plc (the “**Company**”) (the “**Admission Document**”) as at and for the years ended 31 July 2011 and 31 July 2012 and the 14 month period ended 30 September 2013 (the “**IFRS Financial Information**”). The IFRS Financial Information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in note 2 of the IFRS Financial Information. This report is required by Schedule Two of the AIM rules for Companies published by the London Stock Exchange plc (the “**AIM Rules**”) and is given for the purpose of complying with that Schedule and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the IFRS Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion as to whether the IFRS Financial Information gives a true and fair view, for the purposes of the Admission Document and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two to the AIM Rules, consenting to its inclusion in the Admission Document.

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Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document dated 12 February 2014 a true and fair view of the state of affairs of the Company as at the dates stated and of its losses, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

PART IV

ADDITIONAL INFORMATION

1. The Company

- 1.1 The Company was incorporated and registered as a private limited company in England and Wales under the Act on 6 March 2009 with the name Actual Experience Limited and with registered number 06838738. On 11 February 2014, the Company was re-registered as a public company.
- 1.2 The Company is a public limited company and accordingly the liability of its members is limited. The Company and its activities and operations are principally regulated by the Act and the regulations made thereunder.
- 1.3 The registered office of the Company is at 24 Cornhill, 1st Floor, London, EC3V 3ND. The head office of the Company is at The Tramshed, Beehive Yard, Walcot Street, Bath, BA1 5BB. The telephone number of the Company is 01225 731 340.
- 1.4 The Company does not have any subsidiaries.

2. Share capital and loan capital

- 2.1 The following alterations to the Company's share capital have taken place since its incorporation:
 - (a) on 17 March 2009, each ordinary share of 1p was sub-divided into 10 ordinary shares of 0.1p each;
 - (b) on 1 February 2010, 1,085 ordinary shares of 0.1p each were issued for cash at an issue price of £750.00 per share;
 - (c) on 9 November 2011:
 - (i) each ordinary share of 0.1p each was sub-divided into 10 ordinary shares of 0.01p each;
 - (ii) on 9 November 2011, 5,506 ordinary shares of 0.01p each were issued for cash at an issue price of £108.98 per share;
 - (d) on 19 November 2013:
 - (i) 1,571 ordinary shares of 0.01p each were issued upon conversion of all of the £500,000 loan notes of £1 each (including accrued interest) in the Company which were originally issued between 16 April 2013 and 23 July 2013;
 - (ii) 9,961 ordinary shares of 0.01p each were issued for cash at an aggregate issue price of £4,072,356;
 - (e) on 23 January 2014:
 - (i) the sum of £56,828.2112 was capitalised (being part of the amount standing to the credit of the share premium account of the Company) by paying up in full 568,282,112 ordinary shares of 0.01p each ("**Bonus Issue Shares**") on the basis of 14,999 ordinary shares of 0.01p each for every ordinary share of 0.01p to shareholders in the capital of the Company registered at 5pm (London time) on 21 January 2014; and
 - (ii) following the allotment and issue of the Bonus Issue Shares, every 20 ordinary shares of 0.01p each was consolidated into one ordinary share of 0.2p each;
 - (f) on 5 February 2014, the Company's share premium account was cancelled;
 - (g) on 11 February 2014, 183,450 Ordinary Shares were issued for cash at par to N+1 Singer in connection with Admission; and

(h) on 13 February 2014, 20,000 Ordinary Shares were issued for cash at the Introduction Price to Stephen Davidson in connection with and conditional on Admission.

2.2 As at 30 September 2013, being the latest date to which annual accounts for the Company have been prepared, the issued share capital of the Company, all of which was fully paid up, was as follows:

<i>Issued Number</i>	<i>Amount</i>
26,356 ordinary shares of 0.01p each	£2.6356

2.3 The issued share capital of the Company, all of which is fully paid up, as at the date of publication of this document and as it will be immediately following Admission, is as follows:

<i>Issued Number</i>	<i>Amount</i>
28,619,450 Ordinary Shares	£57,238.90

2.4 Details of the total number of options (all granted for nil consideration) under the Share Option Scheme outstanding as at January 2014 (being the latest practicable date prior to the publication of this document) are as follows:

<i>Date of grant</i>	<i>Number of Ordinary Shares under option</i>	<i>Exercise price (p)</i>	<i>Exercise period</i>
9 March 2010	472,500	9.091p	25 February 2011 – 8 March 2020
22 June 2011	82,500	9.091p	11 October 2011 – 21 June 2021
22 June 2011	157,500	9.091p	15 October 2011 – 21 June 2021
17 October 2011	30,000	9.091p	25 July 2011 – 16 October 2021
17 October 2011	45,000	9.091p	12 September 2011 – 16 October 2021
16 May 2012	315,000	14.255p	12 August 2012 – 15 May 2022
17 May 2012	82,500	14.255p	16 August 2012 – 16 May 2022
21 May 2012	157,500	14.255p	27 February 2013 – 20 May 2022
4 March 2013	20,250	14.255p	30 January 2014 – 3 March 2023
4 March 2013	198,000	14.255p	1 November 2013 – 3 March 2023
4 March 2013	69,750	14.255p	11 June 2013 – 3 March 2023
4 March 2013	45,750	14.255p	15 October 2013 – 3 March 2023
1 October 2013	227,250	14.255p	1 October 2014 – 30 September 2023
18 November 2013	75,750	14.255p	18 November 2014 – 17 November 2023
23 December 2013	22,500	54.5p	1 October 2014 – 22 December 2023
Total	<u><u>2,001,750</u></u>		

2.5 Pursuant to an ordinary resolution of the Company passed on 23 January 2014 and conditional upon Admission, the Directors are generally and unconditionally authorised pursuant to section 551 of the Act to allot shares and grant rights to subscribe for or to convert any security into shares (such shares and rights to subscribe for or to convert any security into shares being “**relevant securities**”) up to an aggregate nominal amount of £19,050 representing approximately one third of the issued share capital of the Company immediately following Admission, such authority to expire upon the conclusion of the next Annual General Meeting of the Company, except that the Directors can during such period make offers or arrangements which could or might require the allotment of relevant securities after the expiry of such period.

2.6 Pursuant to a special resolution of the Company passed on 23 January 2014 and conditional upon Admission, the Directors are empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the Directors under section 551 of the Act conferred by paragraph 2.5 above, as if the provisions of section 561 of the Act did not apply to such allotment provided that this power is limited to the allotment of equity securities up to an aggregate nominal value equal to £5,720 representing approximately 10 per cent. of the issued share capital of the Company immediately following Admission, such authority to expire upon the conclusion of the next Annual General

Meeting of the Company, except that the Directors can during such period make offers or arrangements which could or might require the allotment of equity securities after the expiry of such period.

- 2.7 The provisions of section 561 of the Act (to the extent not disapplied pursuant to section 570 of the Act) confer on Shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 560(1) of the Act) which are, or are to be, paid up in cash. These provisions have been disapplied to the extent referred to in paragraph 2.6 above.
- 2.8 Save as set out in this paragraph 2:
- (a) no unissued share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option;
 - (b) there are no shares in the capital of the Company currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived;
 - (c) there are no outstanding convertible securities issued by the Company; and
 - (d) no share capital or loan capital of the Company is in issue and no such issue is proposed.
- 2.9 None of the Ordinary Shares has been sold or made available to the public in conjunction with the application for Admission.
- 2.10 Save as disclosed in this document, no commission, discounts, brokerages or other specific terms have been granted by the Company in connection with the issue or sale of any of its share or loan capital.
- 2.11 The Ordinary Shares are in registered form and capable of being held in uncertificated form. Application has been made to Euroclear for the Ordinary Shares to be enabled for dealings through CREST as a participating security. No temporary documents of title will be issued. The International Securities Identification Number (ISIN) for the Ordinary Shares is GB00BJ05QC14.

3. Summary of the Articles of Association of the Company

The Articles, which were adopted, conditional upon the allotment and issue of the Bonus Issue Shares and the cancellation of the Company's share premium account referred to in paragraph 2.1(g) above, by a special resolution of the Company passed on 23 January 2014, contain, *inter alia*, provisions to the following effect:

(a) ***Objects***

Section 31 of the Act provides that the objects of a company are unrestricted unless any restrictions are set out in its articles.

The Articles do not contain any restrictions on the objects of the Company.

(b) ***Rights attaching to Ordinary Shares***

(i) ***Voting rights***

Subject to the provisions of the Act and the Articles and to any rights or restrictions as to voting attached to any class of shares, at any general meeting on a show of hands, every member who (being an individual) is present in person has one vote. On a vote on a show of hands, a proxy appointed by one member has one vote and a proxy appointed by more than one member has one vote, if instructed to vote in the same way by all those members, and is entitled to one vote for and one vote against, if instructed to vote in different ways by those members. On a poll, every member present in person or by proxy or (being a corporation) by a duly authorised representative has one vote for each share of which he is the holder. A member of the Company shall not be entitled, in respect of any share held by him, to vote

(either personally or by proxy) at any general meeting of the Company unless all amounts payable by him in respect of that share in the Company have been paid or credited as having been paid.

(ii) *Dividends*

Subject to the provisions of the Act and of the Articles and to any special rights attaching to any shares, the Company may, by ordinary resolution, declare that out of profits available for distribution dividends be paid to members of the Company according to their respective rights and interests in the profits of the Company. However, no such dividend shall exceed the amount recommended by the Board. Interim dividends may be paid provided that they appear to the Board to be justified by the profits available for distribution and the position of the Company.

Except as otherwise provided by the Articles or by the rights attached to shares, all dividends shall be apportioned and paid *pro rata* according to the amounts paid up or credited as paid up (otherwise than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid.

Unless otherwise provided by the rights attached to any share, no dividends payable by the Company shall bear interest as against the Company.

The Company in general meeting may, on the recommendation of the Board, by ordinary resolution direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular, of fully paid shares or debentures of any other company.

The Board may, with the prior authority of an ordinary resolution of the Company and provided the Company has sufficient undistributed profits or reserves to give effect to it, offer the holders of ordinary shares the right to elect to receive ordinary shares credited as fully paid in whole or in part instead of cash in respect of the whole or some part of any dividend specified in the resolution.

Any dividend unclaimed for a period of 12 years after having become due for payment shall (if the Board so resolves) be forfeited and shall revert to the Company.

(iii) *Return of capital*

On a winding-up of the Company, the surplus assets remaining after payment of all creditors shall be divided among the members in proportion to the capital which, at the commencement of the winding up, is paid up on their respective shares or the liquidator may, with the sanction of a special resolution of the Company (and any other sanction required by law), divide amongst the members in specie the whole or any part of the assets of the Company in such manner as shall be determined by the liquidator.

(c) *Transfer of shares*

Save in the case of shares which have become participating securities for the purposes of the CREST Regulations, title to which may be transferred by means of a relevant system such as CREST without a written instrument, all transfers of shares must be effected by an instrument of transfer in writing in any usual form or in any other form approved by the Board. The instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The Board may, in its absolute discretion, refuse to register any transfer of certificated shares unless it is:

- (i) in respect of a share which is fully paid up;
- (ii) in respect of a share on which the Company has no lien;
- (iii) in respect of only one class of shares;
- (iv) in favour of a single transferee or not more than four joint transferees;
- (v) duly stamped (if so required); and

- (vi) delivered for registration to the registered office of the Company (or such other place as the Board may from time to time determine) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board may not exercise such discretion in such a way as to prevent dealings in such shares from taking place on an open and proper basis.

The Board shall register a transfer of title to any uncertificated share, except the Board may refuse (subject to any relevant requirements of the London Stock Exchange) to register the transfer of an uncertificated share which is in favour of more than four persons jointly or in any other circumstances permitted by the CREST Regulations.

If the Board refuses to register a transfer of a share it must, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee together with its reasons for refusal.

(d) ***Disclosure of interests in shares***

The provisions of rule 5 of the Disclosure Rules and Transparency Rules govern the circumstances in which a person may be required to disclose his interests in the share capital of the Company. *Inter alia*, this requires a person who is interested in 3 per cent. or more of the voting rights in respect of the Company's issued ordinary share capital to notify his interest to the Company (and above that level, any change in such interest equal to 1 per cent. or more). In addition, the City Code contains further provisions pursuant to which a person may be required to disclose his interests in the share capital of the Company.

Pursuant to the Articles, if a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to section 793 of the Act and has failed in relation to any shares (the "**default shares**") to give the Company the information thereby required within the prescribed period from the date of the notice or, in purported compliance with such notice, has made a statement which is false or inadequate in a material particular, then the Board may, at least 14 days after service of the notice, serve on the holder of such default shares a notice ("**disenfranchisement notice**") pursuant to which the following sanctions shall apply:

- (i) the member shall not, with effect from the service of the disenfranchisement notice, be entitled in respect of the default shares to be present or to vote (either in person or by proxy) at any general meeting or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
- (ii) where the default shares represent at least 0.25 per cent. in nominal value of their class:
- (A) any dividend or other money payable in respect of the shares shall be withheld by the Company which shall not have any obligation to pay interest on it and the member shall not be entitled to elect in the case of a scrip dividend to receive shares instead of that dividend; and
- (B) subject, in the case of uncertificated shares to the CREST Regulations, no transfer, other than an approved transfer, of any shares held by the member shall be registered unless:
- the member is not himself in default as regards supplying the information required; and
 - the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

The above sanctions shall also apply to any shares in the Company issued in respect of the default shares (whether on capitalisation, a rights issue or otherwise) unless a separate notice is issued in respect of such further shares.

(e) ***Purchase of own shares***

Subject to the provisions of the Act and to any rights for the time being attached to any shares, the Company may with the sanction of a special resolution enter into any contract for the purchase of its own shares.

(f) ***Variation of rights***

Subject to the provisions of the Act and of the Articles, if at any time the share capital of the Company is divided into shares of different classes, any of the rights attached to any share or class of share in the Company may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class duly convened and held as provided in the Articles (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or while the Company is or is about to be in liquidation.

The quorum for such separate general meeting of the holders of the shares of the class shall be not less than two persons present holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question.

(g) ***General meetings***

Subject to the provisions of the Act, annual general meetings shall be held at such time and place as the Board may determine. The Board may convene any other general meeting whenever it thinks fit. A general meeting shall also be convened by the Board on the requisition of members in accordance with the Act.

A general meeting of the Company (other than an adjourned meeting) shall be called by notice of:

- in the case of an annual general meeting, at least 21 clear days; and
- in any other case, at least 14 clear days.

The accidental omission to give notice of general meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, or to give notice of a resolution intended to be moved at a general meeting to, or the non-receipt of any of them by, any person(s) entitled to receive the same shall not invalidate the proceeding at that meeting and shall be disregarded for the purpose of determining whether the notice of the meeting, instrument of proxy or resolution were duly given.

No business shall be transacted at any general meeting unless the requisite quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Subject to the provisions of the Articles, two persons entitled to attend and vote on the business to be transacted, each being a member present in person or a proxy for a member, shall be a quorum.

With the consent of any general meeting at which a quorum is present the chairman may, and shall if so directed by the meeting, adjourn the meeting from time to time (or indefinitely) and from place to place as he shall determine. The chairman may, without consent of the meeting, interrupt or adjourn any general meeting if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or to ensure that the business of the meeting is otherwise properly disposed of.

Notice of adjournment or of the business to be transacted at the adjourned meeting is not required unless the meeting is adjourned for 14 days or more, in which case at least 7 clear days' notice is required. No business shall be dealt with at any adjourned meeting, the general nature of which was not stated in the notice of the original meeting.

(h) ***Board authorisation of conflicts***

Subject to and in accordance with the Act and the provisions of the Articles, the Board may authorise any matter or situation in which a Director has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company. Any such authorisation shall be effective only if:

- (i) any requirement as to the quorum at any meeting of the Directors at which the matter is considered is met without counting either the conflicted Director or any other interested Director;
- (ii) the matter or situation was agreed to and any relevant resolution was passed without counting the votes of the conflicted Director and without counting the votes of any other interested Director; and
- (iii) the conflicted Director has disclosed in writing all material particulars of the matter, office, employment or position which relates to the matter or situation which is the subject of the conflict or possible conflict.

(i) ***Directors' interests***

Provided permitted by any relevant legislation and provided that he has disclosed to the Board the nature and extent of his interest in accordance with the Articles, a Director, notwithstanding his office:

- (i) may be party to or otherwise interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested;
- (ii) may hold any other office or position of profit under the Company (except that of auditor of the Company or of any subsidiary of the Company) and may act by himself or through his firm in a professional capacity for the Company;
- (iii) may be a member of or a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by or promoting the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
- (iv) shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from any such office, employment, contract, arrangement, transaction or proposal or from any interest in any such body corporate and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any Director having any such interest or receiving any such dividend, profit, remuneration, payment or benefit.

(j) ***Directors' ability to vote and count for quorum***

A Director shall not vote on or be counted in the quorum in relation to, any resolution of the Board or any committee of the Board concerning any transaction or arrangement with the Company in which he has an interest which may reasonably be regarded as likely to give rise to a conflict of interest, save that a Director shall be entitled to vote and be counted in the quorum in respect of any resolution at such meeting if the resolution relates to one of the following matters:

- (i) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (ii) the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;

- (iii) where the Company or any of its subsidiary undertakings is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;
- (iv) relating to another company in which he and any persons connected with him do not to his knowledge hold an interest in shares representing 1 per cent. or more of either any class of the equity share capital, or the voting rights, in such company;
- (v) relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
- (vi) concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors;
- (vii) the funding of expenditure by one or more Directors in defending proceedings against him or them or doing anything to enable such Directors to avoid incurring such expenditure provided that such funding is consistent with, or no more beneficial to him or them than the provisions of the Articles and is permitted pursuant to the provisions of the relevant legislation;
- (viii) the giving of an indemnity or indemnities in favour of one or more Directors which is/are consistent with, or no more beneficial to him or them than any such indemnities provided pursuant to the Articles (and provided such indemnities are permitted pursuant to the relevant legislation).

A Director may not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment as the holder of any office or position of profit with the Company or any company in which the Company is interested (including fixing or varying the terms of such appointment or its termination).

Where proposals are under consideration concerning the appointments (including fixing or varying the terms of the appointment) of two or more Directors to offices or position of profit with the Company or any company in which the Company is interested, such proposals may be divided and a separate resolution considered in relation to each Director. In such case, each such Director (if not otherwise debarred from voting) is entitled to vote (and be counted in the quorum) in respect of each resolution except that resolution concerning his own appointment.

(k) ***Directors***

The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine (not exceeding £250,000 per annum in aggregate or such other sum as the Company in general meeting shall from time to time determine). Such sum (unless otherwise directed by the resolution of the Company by which it is voted) shall be divided among the Directors in such proportions and in such manner as the Board may determine or, in default of such determination, equally (save where any Director has held office for less than the whole of the relevant period in respect of which the fees are paid).

Each Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of his duties as Director. If by arrangement with the Board any Director performs any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether by way of a lump sum or by way of salary, commission, participation in profits or otherwise) as the Board may from time to time determine.

(l) ***Pensions and benefits***

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for any person who is or who has at any time been a Director or any director of a subsidiary company of the Company or allied to or associated with the Company or such subsidiary or predecessor in business of the Company or any such subsidiary (and

for any member of his family including a spouse or former spouse or civil partner or former civil partner or any person who is or was dependent on him). For this purpose the Board may, *inter alia*, establish, maintain, subscribe and contribute to any scheme, institution, club, trust or fund and pay premiums.

(m) ***Indemnification of Directors***

Subject to, and to the fullest extent permitted by, law, every Director and every director of any associated company, former Director, alternate Director secretary or other officer of the Company (other than an auditor) shall be fully indemnified out of the assets of the Company against all or any part of any costs, charges, losses, damages and liabilities incurred by him in relation to anything done, omitted or alleged to have been done by him in the actual or purported execution or discharge of his duties or exercise of his powers in relation to the Company or in connection with the Company's activities as trustee of any occupational pension scheme, subject to the exclusions set out in the Articles.

(n) ***Borrowing powers***

Subject to the provisions of the Act and to the provisions set out in the Articles, the Board may exercise all the powers of the Company to borrow money to guarantee, to indemnify and to mortgage or charge its undertaking, property assets (present or future) and uncalled capital, or any part or parts thereof, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

The aggregate principal amount at any one time outstanding in respect of monies borrowed or secured by the Company and its subsidiaries (exclusive of intra-group borrowings and after deducting cash deposited) shall not at any time without the previous sanction of an ordinary resolution of the Company, exceed the greater of £10,000,000 or an amount equal to 2.5 times the aggregate of:

- (i) the amount paid up (or credited as or deemed to be paid up) on the issued share capital of the Company; and
- (ii) the amount outstanding to the credit of the capital and revenue reserves of the Company and its subsidiaries, whether or not distributable (including any share premium account, capital redemption reserve fund or revaluation reserve and credit or debit balance on any other reserve) after adding thereto or deducting therefrom any balance standing to the credit or debit of the income statement of the Company and its subsidiaries,

all as shown in the relevant balance sheet of the Company and its subsidiaries but after any adjustments, exclusions and deductions as set out in the Articles.

4. Directors and employees

- 4.1 The Directors and each of their respective functions are set out in Part I of this document.
- 4.2 The business address of the Directors is The Tramshed, Beehive Yard, Walcot Street, Bath, BA1 5BB.
- 4.3 Details of the length of service of each of the Directors to date in their current office are set out below:

<i>Name</i>	<i>Age</i>	<i>Commencement date in office</i>
Dave Page	46	6 March 2009
Steve Bennetts	59	11 February 2014
Nigel Mitchell	52	23 July 2009
Mark Reilly	34	11 February 2014
Stephen Davidson	58	11 February 2014

- 4.4 Details of any directorship that is or was in the last five years held by each of the Directors, and any partnership of which each of the Directors is or was in the last five years a member in addition to their directorships of the Company and its subsidiary undertakings, are set out below:

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
Dave Page	—	—
Steve Bennetts	Input Video Ltd	Centient Limited
Nigel Mitchell	2OC Ltd	Youth Adventure Trust
	2OC Holdings Ltd	Youth Development Charity
		Beckton Energy Ltd
		Gemini Energy Ltd
		Tunited Ltd
Mark Reilly	Remarkable Innovation Private Ltd (registered in Singapore)	—
Stephen Davidson	Restore plc	Mecom Group plc
	Datatec Ltd	ETV Media Group Ltd
	Inmarsat plc	Orion Cable GmbH
	Jaywing plc	Tele Columbus GmbH
	EBT Mobile China Ltd	

- 4.5 Stephen Davidson was a director of Broadreach Networks Limited (“BNL”) from March 2004 to January 2005 and a director of ETV Media Group Limited (“ETV”) from August 2005 to April 2013. BNL was placed into involuntary liquidation in May 2005 and ETV was placed into administration in October 2012.

- 4.6 At the date of this document and save as disclosed at paragraph 4.5 above, none of the Directors named in this document:

- (a) has any unspent convictions in relation to indictable offences;
- (b) has been declared bankrupt or has entered into an individual voluntary arrangement;
- (c) was a director of any company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors’ voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors with which such company was concerned;
- (d) was a partner in a partnership at the time of or within the 12 months preceding a compulsory liquidation, administration or partnership voluntary arrangement of such partnership;
- (e) has had his assets the subject of any receivership or was a partner in a partnership at the time of or within the 12 months preceding any assets thereof being the subject of a receivership; or
- (f) has been the subject of any public criticisms by any statutory or regulatory authority (including any recognised professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

- 4.7 Details of the number of the Company’s employees for each of the two financial years ended 31 July 2011, 31 July 2012 and the 14 month period ended 30 September 2013 are 7, 10 and 13 respectively.

- 4.8 As at 11 February 2014 (being the latest practicable date prior to the publication of this document), the employees of the Company were employed as follows:

Office and management	3
Development	8
Customer support	3
Sales and marketing	2
Total	<u>16</u>

5. Directors' and other interests

- 5.1 The interests of the Directors, their immediate families and any persons connected with them (within the meaning of section 252 of the Act) (all of which, unless otherwise stated, are beneficial) in the issued share capital of the Company as at the date of this document and as they are expected to be prior to and immediately following Admission are/will be as follows:

<i>Director</i>	<i>As at the date of this document and at Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares</i>
Dave Page	2,025,000	7.08
Steve Bennetts	175,500	0.61
Nigel Mitchell	397,500	1.39
Mark Reilly	85,500	0.30
Stephen Davidson	20,000	0.07

- 5.2 Details of the total number of options granted to the Directors under the Existing EMI Scheme outstanding as at 11 February 2014 (being the latest practicable date prior to the publication of this document) are as follows:

<i>Name</i>	<i>Date of grant</i>	<i>Exercise price per Ordinary Share (p)</i>	<i>Number of Ordinary Shares under Option</i>	<i>Exercise period</i>
Steve Bennetts	1 October 2013	14.255	227,250	1 October 2014 – 30 September 2023
	23 December 2013	54.5	22,500	1 October 2014 – 22 December 2023

- 5.3 Save as disclosed above, none of the Directors nor any member of his immediate family nor any person connected with him (within the meaning of section 252 of the Act) holds or is beneficially or non-beneficially interested, directly or indirectly, in any shares or options to subscribe for, or securities convertible into, shares of the Company or any of its subsidiary undertakings.
- 5.4 In addition to the interests of the Directors set out in paragraphs 5.1 to 5.3 above, as at the date of this document, insofar as is known to the Company, the following persons are, and will at Admission be, interested in 3 per cent. or more of the issued share capital of the Company:

<i>Name</i>	<i>As at the date of this document and at Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares</i>
IP2IPO Limited	8,553,750	29.89
Michael Edge	3,195,000	11.16
Vidacos Nominees Ltd*	3,027,000	10.58
Queen Mary, University of London	2,610,000	9.12
Jonathan Pitts	2,025,000	7.08
Rob Giles	1,216,500	4.25
Goldman Sachs Securities (Nominees) Ltd*	1,533,750	5.36

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

- 5.5 Save as disclosed above, there are no persons, so far as the Company is aware, who are or will be immediately following Admission interested in 3 per cent. or more of the Company's issued share capital, nor, so far as the Company is aware, are there any persons who at the date of this document or immediately following Admission, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- 5.6 Save as disclosed in this document, there are no arrangements known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.

- 5.7 The Company's share capital consists of one class of ordinary shares with equal voting rights (subject to the Articles). No major Shareholder of the Company has any different voting rights from the other Shareholders.
- 5.8 Save as disclosed in this document, no Director is or has been interested in any transactions which are or were unusual in their nature or conditions or significant to the business of the Company during the current or immediately preceding financial year or which were effected during any earlier financial year and remain in any respect outstanding or unperformed.
- 5.9 There are no outstanding loans or guarantees provided by the Company or to or for the benefit of any of the Directors.
- 5.10 Save as disclosed in Note 19 of the Notes to the Financial Information in Section A of Part III of this document, there have been no related party transactions of the kind set out in the Standards adopted according to the Regulation (EC) No 1606/2002 that the Company has entered into since 1 August 2010.
- 5.11 Save as otherwise disclosed in this document, there are no actual or potential conflicts of interest between any Director's duties to the Company and any private interests and/or other duties he may have.
- 5.12 No Director nor any member of his immediate family nor any person connected with him (within the meaning of section 252 of the Act) has a Related Financial Product (as defined in the AIM Rules for Companies) referenced to Ordinary Shares.

6. Directors' remuneration and service agreements

- 6.1 Dave Page is employed as Chief Executive Officer pursuant to the terms of a service agreement with the Company dated 11 February 2014. The agreement is terminable by either party on not less than six months' written notice. Mr Page is paid a basic annual salary of £130,000 and is eligible to receive a bonus (which, for the Company's current financial year, shall be of an amount up to 53.8 per cent. of basic salary in the event that the Company achieves certain performance objectives). His basic salary is subject to annual review by the Board. Mr Page is subject to certain non competition and non-solicitation covenants for a period of 12 months' following the termination of his employment. The agreement is governed by English law.
- 6.2 Steve Bennetts is employed as Chief Financial Officer pursuant to the terms of a service agreement with the Company dated 11 February 2014. The agreement is terminable by either party on not less than six months' written notice. Mr Bennetts is paid a basic annual salary of £100,000 and is eligible to receive a bonus (which, for the Company's current financial year, shall be of an amount up to 46.1 per cent. of basic salary in the event that the Company achieves certain performance objectives). His basic salary is subject to annual review by the Board. Mr Bennetts is subject to certain non competition and non-solicitation covenants for a period of 12 months' following the termination of his employment. The agreement is governed by English law.
- 6.3 Pursuant to the terms of a letter of engagement with the Company dated 11 February 2014, Mark Reilly has agreed to serve as a Non-Executive Director for an annual fee of £25,000 (exclusive of VAT). The letter of engagement also provides for an additional annual fee of £2,000 (exclusive of VAT) for each Board committee of which he is a member. This appointment is for a fixed term of one year but will terminate automatically if Mr Reilly is removed from office by a resolution of the Shareholders or is not re-elected to office.
- 6.4 Pursuant to the terms of a letter of engagement with the Company dated 11 February 2014, Nigel Mitchell has agreed to serve as a Non-Executive Director for an annual fee of £25,000 (exclusive of VAT). He will also receive an annual fee of £2,000 (exclusive of VAT) for each Board committee of which he is a member. This appointment is for a fixed term of one year but will terminate automatically if Mr Mitchell is removed from office by a resolution of the Shareholders or is not re-elected to office.

- 6.5 Pursuant to the terms of a letter of engagement with the Company dated 11 February 2014, Stephen Davidson has agreed to serve as a Non-Executive Director for an annual fee of £25,000 (exclusive of VAT). He will also receive an annual fee of £2,000 (exclusive of VAT) for each Board committee of which he is a member. This appointment is for a fixed term of one year but will terminate automatically if Mr Davidson is removed from office by a resolution of the Shareholders or is not re-elected to office.
- 6.6 Save as disclosed in this document there are no service agreements or agreements for the provision of services existing or proposed between the Directors and the Company.
- 6.7 In the 14 months period ended 30 September 2013 (being the last completed financial period of the Company) the aggregate remuneration paid, including pension contributions and benefits in kind granted to the directors of the Company during that time, was £122,292.
- 6.8 On the basis of the arrangements in force at the date of this document it is estimated that the aggregate remuneration payable including bonuses (assuming current targets are met) and pension contributions and benefits in kind granted to the Directors for the year ending 30 September 2014 (being the current financial period of the Company) will be approximately £351,500.

7. The EMI Schemes

7.1 *Actual Experience plc EMI Scheme*

Eligibility

All employees of the Company and its qualifying subsidiaries who satisfy the working time requirements of the EMI legislation are eligible to participate at the discretion of the Board.

Grant of options

The Board has the authority to determine the dates on which options are granted, the period of applicable vesting and the requirement to satisfy any performance conditions prior to exercise. No consideration shall be payable for the grant of an option. Options will be personal to a participant and, except on the death of a participant, may not be transferred, assigned or charged.

Exercise price

The price at which participants may acquire shares on exercise shall be the market value at the date of grant determined by the Board.

Individual limits

No option may be granted to a participant which would result in the aggregate market value of shares comprised in options granted to him exceeding the EMI limit as applicable from time to time (currently £250,000).

Share capital limit

No option which is to be satisfied on its exercise by the issue of new shares may be granted on any date if the number of shares to which it relates, when aggregated with the number of shares issued or remaining issuable by virtue of options or other rights granted or made in the preceding 10 years under the Existing EMI Scheme and any other employee share scheme adopted by the Company, would exceed 1,980,750 Ordinary Shares.

EMI limit

For the purposes of these limits, options or other rights to acquire shares which lapse or have been released do not count.

The total market value of shares in respect of which subsisting options may be exercised shall not exceed £3,000,000 (or such other limit as may apply from time to time under the EMI legislation).

Exercise, lapse and exchange of options

Subject to performance targets specified at the date of grant, options will normally vest and become exercisable in accordance with the vesting provisions set by the Board.

Options lapse automatically on the earliest of the tenth anniversary of the date of grant, cessation of the participant's employment with the Company due to their misconduct or as a result of breach of contract, following an Exit Event (unless the option holder has exchanged their option for an option over the acquiring company), the option holder's bankruptcy and the date on which the Company passes a resolution for winding up. An Exit Event for these purposes includes an initial public offering of the Company's shares on an internationally recognised stock exchange (which, for these purposes, does not include Admission), or the sale of the entire issued share capital of the Company or substantially all of its business and assets.

The Existing EMI Scheme contains provisions for the exchange of options where there is a change of control.

Options may be exercised subject to the participant entering into the necessary arrangements that the Company requires.

Variations in share capital

The number of shares comprised in an option and/or the exercise price may be adjusted if any capitalisation issue, offer by way of rights or any sub-division, reduction, consolidation or other variation of the Company's share capital occurs.

Amendments and administration

The Existing EMI Scheme may be amended at any time by the Directors, provided that, no amendment may be made to the Existing EMI Scheme which would adversely affect the subsisting rights of an option holder.

The Existing EMI Scheme shall be administered by the Board.

7.2 *Actual Experience plc 2014 EMI Option Scheme*

Eligibility

All employees of the Company and its qualifying subsidiaries who satisfy the working time requirements of the EMI legislation are eligible to participate at the discretion of the Remuneration Committee.

Grant of options

Options may be granted in each year in a period of 42 days starting on the publication of the Company's half-yearly report or annual accounts or, if the Company obtains an appropriate derogation from the London Stock Exchange, in a period of 42 days starting on the announcement of the Company's interim or final results. In circumstances deemed exceptional by the Remuneration Committee, options may be granted outside this normal period. No consideration shall be payable for the grant of an option. Options will be personal to a participant and, except on the death of a participant, may not be transferred.

Performance conditions

When granting options, the Remuneration Committee may specify objective conditions by way of performance targets, to be satisfied before options may be exercised.

Exercise price

The price at which participants may acquire shares on exercise shall be determined by the Remuneration Committee but may not be less than the higher of the nominal value of a share and the closing average middle market price quoted on AIM on the day prior to grant.

Individual limits

No option may be granted to a participant which would result in the aggregate market value of shares comprised in options granted to him exceeding the EMI limit as applicable from time to time (currently £250,000).

Share capital limit

Subject to the arrangements described below, at no time will the total number of exercised and unexercised share options (“the **Option Pool**”) be permitted to exceed 12.5% of the issued ordinary share capital of the Company (the “**Total Option Limit**”). For the period following Admission to 31 December 2014, in the event that any outstanding share options are exercised, the Directors may approve an increase in the Option Pool equal to the lower of (i) the number of such exercised options and (ii) the number equal to 2% of the issued share capital of the Company as at that date. The Directors may agree to similar replenishments of the Total Option Limit in subsequent financial periods.

For the purposes of these limits, options or other rights to acquire shares which lapse or have been released or were granted prior to the Company’s listing do not count. However, shares subscribed by the trustees of an employee benefit trust to satisfy rights granted under any employees’ share plans adopted by the Company and shares transferred from treasury do count towards these limits.

Exercise, lapse and exchange of options

Options will normally vest and become exercisable in whole or in part on the attainment of performance conditions set out at the time of grant. Options may be satisfied by the issue of new shares or the transfer of existing shares.

Options normally lapse on cessation of employment. However, following cessation of employment for specified “good leaver” reasons, including ill-health, redundancy and retirement, exercise is permitted during the period of 90 days from the date of cessation.

Exercise is also permitted at the discretion of the Remuneration Committee if a participant ceases employment for any other reason.

In the event of a change of control or winding-up of the Company, the Remuneration Committee has a discretion to permit the exercise of unvested options.

On a demerger, dividend-in-specie or other such transaction which the committee determines will materially affect the value of options the committee may again permit the early exercise of such options.

The New EMI Scheme contains provisions for the exchange of options as an alternative to exercise where there is a change of control.

Options may be exercised subject to the participant discharging the relevant tax liability and providing an appropriate indemnity to this effect.

Vesting and exercise

No option may be exercised more than three years after the date on which it vests, provided that the Directors are authorised to extend the exercise period in respect of particular option grants where they believe it would be equitable to do so (such as in circumstances where the Company has been in a close period for an extended period in the run-up to the end of such three year period).

Variations in share capital

The number of shares comprised in an option and/or the exercise price may be adjusted if any capitalisation issue, offer by way of rights or any sub-division, reduction, consolidation or other variation of the Company’s share capital occurs.

Rights attaching to shares

If shares are to be allotted and issued to a participant pursuant to the exercise of any option, the Company shall apply for such shares to be admitted to AIM. Such shares will rank *pari passu* with all other issued shares of the Company except for any rights determined by reference to a date preceding the date on which the option is exercised.

Amendments

The New EMI Scheme may be amended at any time by the Directors, provided that, without the prior approval of the Company in general meeting, no amendments may be made to the material advantage of participants in respect of provisions relating to eligibility, share capital limits, maximum entitlements and the basis for determining and adjusting a participant's entitlement. The requirement to obtain the prior approval of the Company in general meeting will not apply in relation to any amendment which is of a minor administrative nature, is made to obtain or maintain HMRC approval or to comply with the provisions of any existing or proposed legislation, or to obtain or favourable taxation, exchange control or regulatory treatment.

No amendment may be made to the New EMI Scheme which would adversely affect the subsisting rights of a participant unless the consent of a majority of the participants to the making of such amendment is obtained.

The Directors reserve the right up to Admission to make such amendments and additions to the New EMI Scheme as they consider appropriate, provided they do not conflict in any material respect with this summary of the New EMI Scheme.

Administration and general

To ensure compliance with the requirements for making deduction under the PAYE system, any income tax and employee Class 1 national insurance contributions (or the equivalent in any foreign jurisdiction) payable on gains made on the exercise of any option must either be paid to the relevant employing company by the participant or, in default of such payment being made, the Company may make the necessary deduction out of the net proceeds of sale of the shares acquired on exercise of the options. Any sums collected in this manner will be paid to HMRC.

The New EMI Scheme also makes provision for the employer Class 1 national insurance contributions to be paid by the participant and collected in this manner (normally pursuant to an election made in the prescribed form) if and to the extent that, when the option is granted, the Remuneration Committee imposes such an obligation on the participant.

The Board may terminate the New EMI Scheme at any time. Subject to such termination, no options may be granted pursuant to the New EMI Scheme following the expiry of 10 years from its date of adoption by the Board.

Benefits received under the New EMI Scheme will not be pensionable.

At the discretion of the Directors, the New EMI Scheme may be extended to overseas employees of the Company and its subsidiaries subject to such modifications as the Directors shall consider appropriate to take into account local tax, exchange control, securities laws or other regulatory requirements.

8. Taxation

The following statements are intended only as a general guide current as at 11 February 2014 (being the latest practicable date prior to publication of this document) to United Kingdom tax legislation and to the current practice of the HMRC and do not constitute tax advice. They may not apply to certain categories of shareholder, such as dealers in securities. Levels and bases of taxation are subject to change. Any person who is in any doubt as to his tax position or who is resident for tax purposes outside the United Kingdom is strongly recommended to consult his professional advisers immediately.

8.1 *Stamp Duty and Stamp Duty Reserve Tax*

A transfer on the sale of Ordinary Shares held in certificated form will ordinarily be subject to stamp duty on the instrument of transfer, generally at the rate of 0.5 per cent. of the amount or value of the consideration.

Paperless transfers of shares within CREST will be liable to SDRT rather than stamp duty (generally at a rate of 0.5 per cent.) and SDRT on the relevant transactions settled in CREST or reported through CREST for regulatory purposes will generally be settled by CREST.

It was announced in the 2013 UK Budget that stamp duty and SDRT will be abolished on transactions in shares traded on “recognised growth markets”, such as AIM and the ISDX Growth Market. Legislation will be introduced in Finance Bill 2014, with the proposed intention that this measure will have effect from 28 April 2014. For transactions in shares on or after this date professional advice should be sought to ensure the legislation has been implemented as intended, and applies to those transactions.

Special stamp duty and SDRT rules apply to market intermediaries, dealers and certain other persons and professional advice should be sought if these rules apply.

8.2 *Dividends*

The United Kingdom taxation implications relevant to the receipt of dividends on the new Ordinary Shares are as follows:

There is no United Kingdom withholding tax on dividends. Individual holders of new Ordinary Shares will be taxable on the total of the dividend and the related notional tax credit (“**gross dividend**”), which will be regarded as the top slice of the individual’s income.

The notional tax credit on dividends is one-ninth of the dividend paid (or 10 per cent. of the aggregate of the dividend and the tax credit). For individuals, the income tax rates on dividend income are such that basic rate taxpayers will have no further tax liability on a dividend receipt. Individuals who pay tax at the higher rate of 40 per cent. will pay tax on dividends at 32.5 per cent. so that a higher rate taxpayer receiving a dividend of £90 will be treated as having gross income of £100 (the net dividend of £90 plus a tax credit of £10) and after allowing for the tax credit of £10 will have a further £22.50 liability. An individual who receives a dividend falling above the threshold for higher rate tax will be subject to tax on the gross dividend exceeding the threshold at the rate of 42.5 per cent.

Generally, holders of new Ordinary Shares will not be entitled to reclaim the tax credit attaching to any dividends paid.

A holder of new Ordinary Shares which is a company resident for tax purposes in the United Kingdom will have to pay corporation tax in respect of any dividends it receives from another company resident for tax purposes in the United Kingdom, unless the dividends fall within an exempt class and certain other conditions are met. Whether an exempt class applies and whether the other conditions are met will depend on the circumstances of the particular UK resident company shareholder, although it is expected that the dividends paid would normally be exempt.

Shareholders resident for tax purposes outside the UK may be subject to foreign taxation on dividends received on their new Ordinary Shares or in respect of other transactions relating to the shares under the tax law of their country of residence. Such shareholders will not be subject to any further UK tax on their dividends where they have no other sources of income from the UK and do not have a UK representative or, in the case of trustees, there are no UK resident beneficiaries of the trust. Entitlement to claim repayment of any part of a tax credit, however, will depend, in general, on the existence and terms of any double tax convention between the United Kingdom and the country in which the holder is resident (however, given the rate of the tax credit on dividends, any such repayment may not be significant). Non-UK resident shareholders should consult their own tax advisers as soon as possible concerning their tax liability on dividends received; what relief, credit or entitlement to a refund of any tax credit may be available in the jurisdiction in which they are resident for tax purposes; or other taxation consequences arising from their ownership of the new Ordinary Shares.

8.3 *Disposal of shares*

A Shareholder who is an individual resident or ordinarily resident for tax purposes in the UK who sells or otherwise disposes of his Ordinary Shares may, depending on the circumstances, incur a liability to UK tax on any capital gain realised. Capital gains tax is charged at a rate of 28 per cent. where income and gains exceed the threshold for higher rate tax, and 18 per cent. if income and gains are below this level.

Subject to circumstances and any available exemptions or reliefs, corporate shareholders within the charge to UK corporation tax may be liable to corporation tax on any chargeable gains realised on the disposal of Ordinary Shares, but will generally be entitled to indexation allowance in respect of these Ordinary Shares up until the date of disposal.

A Shareholder who is not resident or ordinarily resident for tax purposes in the UK will not normally be liable for UK tax on capital gains realised on the disposal of his Ordinary Shares unless at the time of the disposal such Shareholder carries on a trade (which for this purpose includes a profession or vocation) in the UK through a permanent establishment and such Ordinary Shares are to have been used, held or acquired for the purposes of such UK permanent establishment. A shareholder who is an individual and who has, on or after 17 March 1998, ceased to be resident and ordinarily resident for tax purposes in the UK for a period of less than five years of assessment and who disposes of Ordinary Shares during that period may be or become liable to UK taxation of chargeable gains (subject to any available exemption or relief).

8.4 *Tax reliefs*

Entrepreneurs' Relief may be available to reduce the capital gain liable to tax on a disposal of Ordinary Shares by a shareholder who is an officer or employee of the Company and who meets certain other conditions, including holding at least 5 per cent. of the ordinary share capital and voting power of the Company. A holding in the shares of the Company may qualify for other reliefs such as capital gains tax gift relief and inheritance tax business property relief. However, individuals should seek confirmation as to whether any relief is available in their own particular circumstances at the relevant time.

Persons who are not resident in the United Kingdom should consult their own tax advisers on the possible application of such provisions and on what relief or credit may be claimed for any such tax credit in the jurisdiction in which they are resident.

These comments are intended only as a general guide to the current tax position in the United Kingdom as at the date of this document. The comments assume that Ordinary Shares are held as an investment and not as an asset of a financial trade and that any dividends paid are not foreign income dividends. If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser.

9. **Material contracts**

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company (i) within the period of two years immediately preceding the date of this document and which are, or may be, material or (ii) which contain any provision under which the Company has an obligation or entitlement as at the date of this document:

- (a) An assignment of intellectual property rights dated 22 October 2013 made between (1) Queen Mary, University of London, (2) Dave Page and (3) the Company pursuant to which QMUL and Dave Page (the “**Assignors**”) assigned to the Company certain know-how (“**Know-How**”) and certain intellectual property rights in the inventions comprising the Know-How, which was jointly developed and owned by the Assignors. The Know-How and intellectual property comprised the core technology upon which the Company has based its business and also comprises certain outstanding patent applications. The core IP assigned under the agreement is now owned by the Company which continues to develop and own further intellectual property and know-how. There is a non-exclusive, irrevocable and royalty-free licence back to QMUL to use the original assigned IP and Know-How for the non-commercial purposes of research and development.
- (b) An agreement (“**Investment Agreement**”) dated 19 November 2013 made between (1) the Fund Investors (being (i) Henderson Alternative Investment Adviser Limited in its capacity as discretionary investment manager of The Alphagen Volantis Fund Limited and The Citigroup Pension Plan and (ii) Henderson Global Investors Limited in its capacity as discretionary investment manager of the Henderson UK Small Cap Best Ideas Fund), (2) the Individual Investors (as defined in the Investment Agreement), (3) the Company and (4) the Principals (being Dave Page and

Jonathan Pitts) pursuant to which the Fund Investors and the Individual Investors subscribed for an aggregate of 7,337,250 ordinary shares of 0.2p each in the capital of the Company for an aggregate subscription price of £3,999,583.89.

The Investment Agreement contains warranties from the Principals in favour of the Investors regarding the legal position of the Company. The period for bringing claims under such warranties expires on Admission.

Until Admission, the Fund Investors have the right to appoint a representative to attend as an observer at meetings and board committee meetings of the Company. The Company has undertaken to the Fund Investors that it will not carry out certain matters without the written consent of such observer or, if no observer has been appointed, the Fund Investors. The Company committed to using its best endeavours to achieve a listing on AIM on or before 19 February 2014.

The Investment Agreement shall automatically terminate on Admission and, upon Admission, each party shall release and discharge each other party from all obligations and claims (whether actual, contingent, or past, present or future).

- (c) An engagement letter dated 21 November 2013 between the Company and N+1 Singer pursuant to which the Company has appointed N+1 Singer to act as nominated adviser in connection with Admission and thereafter as nominated adviser and broker to the Company for the purposes of the AIM Rules for Companies. The Company has agreed to pay N+1 Singer a fee of £40,000 plus VAT per annum (increasing to £50,000 plus VAT per annum with effect from 1 January 2015) for its services as nominated adviser and broker under the engagement. The engagement contains certain undertakings following Admission and indemnities given by the Company to N+1 Singer. The appointment of N+1 Singer as the Company's nominated adviser and broker is terminable upon not less than three months prior written notice by either the Company or N+1 Singer, such notice not to be given before the first anniversary of Admission.
- (d) An introduction agreement dated 12 February 2014 and made between (1) the Company (2) the Directors and (3) N+1 Singer pursuant to which N+1 Singer has agreed, subject to certain conditions, to act as the Company's nominated adviser in connection with Admission.

The Introduction Agreement contains warranties from the Company and the Directors in favour of N+1 Singer in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Company and its business.

Under the Introduction Agreement and subject to it becoming unconditional and not being terminated in accordance with its terms, the Company has agreed to pay N+1 Singer a corporate finance fee of £225,000 of which £100,000 will be paid in the form of ordinary shares as referred to in paragraph 2.1(h) above together with any applicable VAT.

Additionally, the Company has agreed to pay all of N+1 Singer's costs and expenses (including any applicable VAT) in connection with Admission.

Pursuant to the terms of the Introduction Agreement, each of the Directors has undertaken to the Company and N+1 Singer (subject to certain limited exceptions including transfers to family members or to trustees for their benefit and disposals by way of acceptance of a recommended takeover offer for the entire issued share capital of the Company), not to dispose of the Ordinary Shares held by each of them following Admission or any other securities in exchange for or convertible into, or substantially similar to, Ordinary Shares (or any interest in them or in respect of them) at any time prior to the first anniversary of Admission without the prior written consent of N+1 Singer.

Furthermore, each of the Directors has also undertaken to the Company and N+1 Singer not to dispose of their Ordinary Shares for a period of 12 months following the expiry of the Lock-in Period otherwise than through N+1 Singer.

- (e) Lock-in agreements dated on or around the date of this document pursuant to which certain of the Shareholders who in aggregate hold 16,383,750 Ordinary Shares (representing approximately 57.2 per cent. of the Issued Ordinary Shares) have undertaken to N+1 Singer (subject to certain limited exceptions including transfers to family members or group companies or to trustees for their benefit and disposals by way of acceptance of a recommended takeover offer for the entire issued share capital of the Company), not to dispose of the Ordinary Shares held by each of them following Admission or any other securities in exchange for or convertible into, or substantially similar to, Ordinary shares (or any interest in them or in respect of them) at any time prior to the first anniversary of Admission without the prior written consent of N+1 Singer.

Furthermore, each such Shareholder has also undertaken to the Company and N+1 Singer not to dispose of their Ordinary Shares for a period of 12 months following the expiry of the Lock-in Period otherwise than through N+1 Singer.

- (f) Orderly market agreements dated on or around the date of this document pursuant to which certain of the Shareholders who in aggregate hold 7,337,250 Ordinary Shares (representing approximately 25.6 per cent. of the Issued Ordinary Shares) have undertaken to the Company and N+1 Singer (subject to certain limited exceptions including transfers to family members or to trustees for their benefit and disposals by way of acceptance of a recommended takeover offer for the entire issued share capital of the Company) not to dispose of their Ordinary Shares for a period of 12 months following Admission otherwise than through N+1 Singer.
- (g) A relationship agreement dated 12 February 2014 between the Company, N+1 Singer and IP2IPO Limited which regulates aspects of the continuing relationship between the Company and IP2IPO Limited to ensure that the Company is capable at all times of carrying on its business independently of IP2IPO Limited and its associates and that future transactions between the Company and IP2IPO Limited and its associates are on an arm's-length basis.

10. Working capital

In the opinion of the Directors having made due and careful enquiry, the working capital available to the Company will be sufficient for its present requirements, that is for at least the next 12 months from the date of Admission.

11. Litigation

The Company is not, nor has been involved in any governmental, legal or arbitration proceedings which may have or have had during the 12 months preceding the date of this document, a significant effect on the financial position or profitability of the Company nor, so far as the Company is aware, are any such proceedings pending or threatened.

12. Significant change

Save as described in the paragraph headed Summary financial information in Part I of this document, there has been no significant change in the financial or trading position of the Company since 30 September 2013, being the date to which the financial information of the Company in Section A of Part III of this document was prepared.

13. Consents

- 13.1 N+1 Singer of One Bartholomew Lane, London, EC2N 2AX is authorised and regulated in the United Kingdom by the FCA. N+1 Singer has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which it appears.
- 13.2 PricewaterhouseCoopers LLP has given and has not withdrawn its written consent to the inclusion in this document of its accountants' report in Section B of Part III of this document, in the form and context in which it is included and has authorised the contents of that report for the purposes of Schedule 2 of the AIM Rules.

14. City Code and squeeze-out rules

- 14.1 The Company will be subject to the provisions of the City Code, including the rules regarding mandatory takeover offers set out in the City Code. Under Rule 9 of the City Code, when (i) a person acquires shares which, when taken together with shares already held by him or persons acting in concert with him (as defined in the City Code), carry 30 per cent. or more of the voting rights of a company subject to the City Code or (ii) any person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights of a company subject to the City Code, and such person, or any person acting in concert with him, acquires additional shares which increases his percentage of the voting rights in the company, then, in either case, that person, together with the persons acting in concert with him, is normally required to make a general offer in cash, at the highest price paid by him or any person acting in concert with him for shares in the company within the preceding 12 months, for all of the remaining equity share capital of the company.
- 14.2 On Admission, IP2IPO, a wholly owned subsidiary of IP Group, together with Dr. Mark Reilly, Head of Physical Sciences at IP Group (and therefore a person who is deemed to be acting in concert with IP Group for the purposes of Rule 9 of the City Code), will hold an aggregate of approximately 30.2 per cent. of the Issued Ordinary Shares. Any subsequent acquisition of Ordinary Shares by either IP2IPO or Dr. Mark Reilly (or anyone who is deemed to be acting in concert with them) may therefore result in a requirement for them to make a general offer for the remaining equity share capital of the Company in accordance with Rule 9 of the City Code.
- 14.3 The Ordinary Shares will also be subject to the compulsory acquisition procedures set out in sections 979 to 991 of the Act. Under section 979 of the Act, where an offeror makes a takeover offer and has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90 per cent. of the shares to which the offer relates and, in a case where the shares to which the offer relates are voting shares, not less than 90 per cent. of the voting rights carried by those shares, that offeror is entitled to compulsorily acquire the shares of any holder who has not acquired the offer on the terms of the offer.
- 14.4 Since the date of incorporation of the Company, there has been no takeover offer (within the meaning of Part 28 of the Act) for any Ordinary Shares.

15. General

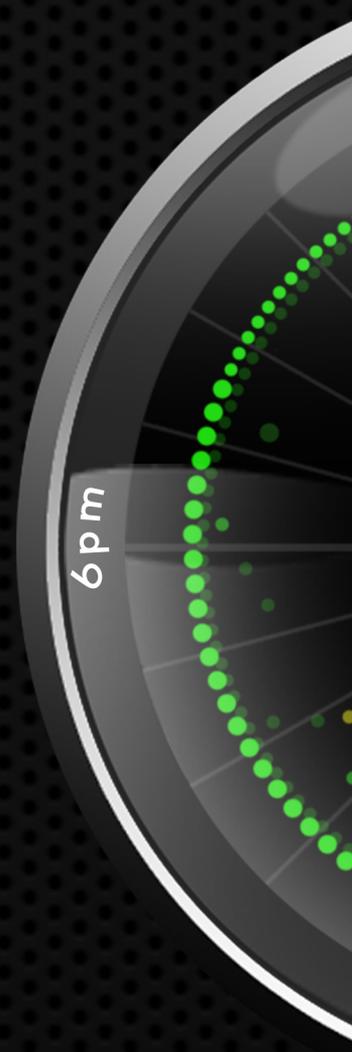
- 15.1 The net expenses of Admission are estimated at £440,000, excluding VAT, and are payable by the Company.
- 15.2 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, within the 12 months preceding the date of this document or entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:
- (a) fees totalling £10,000 or more;
 - (b) securities where these have a value of £10,000 or more calculated by reference to the Placing Price; or
 - (c) any other benefit with a value of £10,000 or more at the date of Admission.
- 15.3 Information in this document which has been sourced from third parties has been accurately reproduced and so far as the Company is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 15.4 Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the Company's activities.

- 15.5 Save as disclosed in this document, the Directors are unaware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.
- 15.6 Save as disclosed in this document, the Directors are unaware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.
- 15.7 Save as disclosed in this document, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the Company.
- 15.8 Save as disclosed in this document, the Directors believe that the Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.
- 15.9 The current accounting reference period of the Company will end on 30 September 2014.
- 15.10 The financial information contained in Part III of this document does not constitute statutory accounts within the meaning of section 434 of the Act. A copy of the unaudited statutory accounts of the Company for each of the periods ended 31 July 2011 and 31 July 2012 has been delivered to the Registrar of Companies in England and Wales.
- 15.11 By a resolution of the Directors passed on 31 January 2014, PricewaterhouseCoopers LLP, whose address is 31 Great George Street, Bristol BS1 5QD, United Kingdom, were appointed as the first auditors of the Company. PricewaterhouseCoopers LLP are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

16. Availability of this document

A copy of this document is available at the Company's website at www.actual-experience.com.

Dated 12 February 2014



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