actual experience

Preliminary Results

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Actual Experience plc
(the "Group", the "Company" or "Actual Experience")

Preliminary Results

Actual Experience plc (AIM: ACT), the analytics as a service company, is pleased to announce its preliminary results for the year ended 30 September 2018.

Highlights

- Signed the first full-scale deployments of our analytics within the customers of two of our Channel Partners
  - Engagement levels increased with these Channel Partners following deployments
  - One of our Partners anticipates having their own internal revenue forecast for our product with resources committed wholly to us within their product and sales organisations
- Revenue of £1.08m (2017: £0.36m), following invoicing on one of our large-scale deployments with the second contributing to revenues in fiscal year 2019 and beyond
- Expansion of the open purchase order, demonstrating commercial confidence by our Partner in a developing order pipeline as they continue to build on early small-scale initial deployments of our analytics
- Developing a more robust sales process in partnership with certain Channel Partners

Dave Page, CEO of Actual Experience plc, said: "Significant progress has been made in the development of our product and ensuring that the operational processes are in place to enable large scale deployments within our Channel Partners' customer bases. This has been validated with the confirmation of two large scale deployments, the first of which has contributed meaningful revenues in the year under review, with the second due to contribute in the current year.

"We are confident that these initial deployments will serve as the start of a growing pipeline of deals and expect to see the number and rate of deployments increase gradually throughout FY'19, bringing another year of increased revenue and laying down Annual Recurring Revenue for the years to come."

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About Actual Experience

Actual Experience's analytics provide the digital Voice of the Customer. This is a real-time, data-driven view of what end users would say about the quality of a company's digital products and services, and why. Our customers can analyse everything that impacts the experience quality in their digital supply chains, for any service, type of user or the Internet of Things. It gives them complete transparency from the point of provision to the point of use and whether inside or outside their business's control. The insights can be used to make continuous improvements to their business performance.

Actual Experience is a listed-company on the London Stock Exchange (ACT). Our development Headquarters are in Bath, UK, and we also have offices in London. Actual Experience's unique digital analytics as a service is founded on ten years of cutting-edge research at Queen Mary University of London.

www.actual-experience.com

Chairman's Statement

I am pleased to report that 2018 was the year in which we delivered the first full scale customer deployment with one of our Channel Partners. Our singular focus throughout the year on supporting our Partners to achieve these deployments was effective, and we were able to roll out our analytics on time and at scale. A second large order was announced in June, however, the revenues from this second customer deployment are not included in our FY'18 financial results. Its associated revenues will contribute to the current fiscal year's revenue figure.

In addition to those announced, throughout the year we saw a number of smaller deployments into the customers of our Channel Partners. Much like the growth demonstrated by the second announced deployment, we expect some of these to grow in size and value reaching large scale over the next 12-24 months.

The large-scale implementation of our Analytics-as-a-Service ("AaaS") represents the first validation of the market opportunity for Actual Experience. The Board remains confident that large enterprise customers of our Channel Partners, deployed at full scale, can deliver revenues in the order of $500,000 per annum to the Company. The typical size and type of organisation with whom we have chosen to partner, means that a committed Channel Partner has the potential to deliver at least $10m annual revenue to Actual Experience. We still have some distance to go before achieving this target, but it is one for which we have prepared the business and which we believe we can achieve.

Strategy

The market opportunity for Actual is vast. In 2017, UNCTAD, the main U.N. body dealing with trade, investment and development issues, estimated the value of the global digital economy to be $25t, made up of digital transactions between businesses and their customers.

The use of our analytics enables, for the first time, the leaders of these businesses to see when their customers or employees are struggling with poor digital quality and identify the areas impacting their digital experience. Our unique proposition, supporting businesses to improve the user experience of their digital products and services through the use of our AaaS, gives our analytics far-reaching applicability, with the potential to benefit the entire global digital economy.

We will continue development, ensuring that our product is simple to deploy and use and that our Partners and their customers can readily make full use of our analytic capabilities.

Financials and cash

As a result of the first large scale customer deployment and its part year contribution, revenue for the year increased to £1.08m (2017: £0.36m) with an exit Annual Recurring Revenue figure of £1.6m. After the year end this figure has further increased to £1.8m as at December 2018. Given this level of recurring revenue and year end cash balances of £10.8m, the Board remains confident that Actual is well positioned to introduce our AaaS into the global digital economy at scale.

Channel Partners

Working closely with two of our Channel Partners during the year has allowed these two Partners to create a template for installing our analytics at scale into their large customers. Now that this template is in place, and its effectiveness evidenced, we are seeing an increase in momentum and engagement within these Partners. I thank them for the significant investment of resources they are making in deploying our AaaS and their continued confidence in our services.

Our people

Our people continue to be the core of our success. I am delighted that employee engagement scores continue to be high and above the industry benchmark. Further details of those results, support and benefits will be available in our 2018 Annual Report and Accounts. With the rest of the Board, I would like to extend my gratitude to all of our colleagues for their hard work and dedication throughout the year.

Shareholders

In September we hosted a Capital Markets Day. Attendees had the opportunity to hear from one of our customers first hand, as well as seeing a live demonstration of our service and an update on progress within the business. I would like to thank all of our shareholders for their time and continued support to the Company.

Outlook

In 2018, revenues increased materially, in validation of our business model, establishing long-term annuity revenues. Our focus is now to build on the success of 2018, working closely with our Channel Partners, to develop a pipeline and bring an increasing number of customers into production. We expect progress to increase as the year goes on. The Board continues to be confident that we can capitalise on the massive market opportunity that is before us, and we look forward to converting that potential.

Stephen Davidson

Chairman

Chief Executive's Statement

2018 has been a year of significant progress and growth for the Company. The hard work and preparation of previous years came to fruition as we were able to announce the first full-scale deployments of our analytics within the customers of two of our Channel Partners. The product and process improvements completed in previous years, with the goal of getting us to this point, have been validated with the value of these first deployments supporting our estimation that a large customer of one of our Channel Partners, when fully deployed, can deliver revenues in the order of $500,000 per annum to the Company.

We are at the inflection point we have been working towards, with the first of our Partners now deploying our analytics at a large scale into their customers. This year, we need to leverage the success of these initial full-scale deployments converting the momentum into an increasing pipeline and ultimately revenue, continually improving our level of Annual Recurring Revenue ("ARR") (Annual Recurring Revenue is management's best estimate of expected revenues of at least 12 months in duration, based on ongoing commercial arrangements). We will continue to focus on our four Channel Partners until the pipeline build and associated deal flow that they generate is systematic and engrained into their processes and planning, creating a more predictable and consistent revenue stream for us.

Our Partners can be confident that we have a product that can serve their customers at the scale and speed demanded by large enterprises, with these first full-scale deployments acting as the proof-points required for further deployments at scale. We have seen engagement levels increase among our Channel Partners following these deployments, and we are expecting for the first time one of our Partners to have their own internal revenue forecast for our product with resources committed wholly to us within their product and sales organisations. Once these systems and processes are fully implemented, we expect them to be a driver of revenue in FY'19, and into the years to come.

We remain focussed on being increasingly built into the deals, products and services of our Channel Partners. This built-in model means that we will be automatically part of the products and services consumed by our Partners' customers, rather than sold individually to each customer on every occasion, and is a feature of our wider strategy focused on building strong relationships with our Channel Partners. Once we are fully built-in, the challenge of per-customer sales is removed and we will move into more fluid deal flow and revenue generation.

Open Purchase Order ("PO")

We are encouraged by the expansion of the open PO, another signal that our Partners are confident in their ability to further deploy our analytics into their customer base. We expect acceleration to be slow at first and build throughout the year as deals move through the pipeline and into deployment.

Sales and Marketing

As the number and scale of deployments increase, we are developing a more robust sales process in partnership with our Channel Partners, ensuring that we make the most of the opportunity that these initial successes have given us. To support our Partners, our sales and marketing teams are focusing on ensuring that they have the tools they need to effectively bring our proposition to their customers.

Our messaging, which we have been developing over a number of years, will continue to be simplified.

We will increase our marketing efforts, implementing a programme of digital marketing to support our marketing within our Channel Partners.

To enable our Channel Partners to become more self-sufficient in the use and implementation of our product, we will be providing web-based training.

Supporting our Partners in the selling, implementation and use of our product will facilitate the building of pipeline and ease of deployment.

Product Development

The large deployments validate that the product is fit for purpose. Now we have a relentless focus to reduce the skills required by our Channel Partners throughout the product lifecycle. By so doing we can, first of all, reduce the time and effort of our Partners in deploying these large projects and, secondly, as the skill levels required reduce, we can work our way into mid-tier and ultimately into small business customers. The simplification of the product lifecycle is key to our expanding into the addressable market for our technology and, equally, it is the aim of our Partners that digital quality management becomes available to as many of their customers as possible.

Current Trading and Outlook

Now that the first two full-scale deployments of our analytics within the customers of our Channel Partners are in place, and we are seeing increasing momentum within those Partners, the inflection point that we had been anticipating has been reached. The goal for this year is to maximise on the opportunity within our Partners by leveraging the success of the previous year and building the ARR business. We are confident that these initial deployments will serve as the start of a growing pipeline of deals and expect to see the number and rate of deployments increase gradually throughout FY'19, bringing another year of increased revenue and continually improving our level of ARR for the years to come.

Dave Page

Chief Executive Officer

Finance Review

Revenue

Revenue recognised in the year ended 30 September 2018 was £1,076,463 (2017: £364,832) and relates to the supply of analytical services and associated consultancy activities to customers. 95% of revenue was derived from sales to Channel customers (2017: 68%) with the balance arising from direct sales. This increased percentage reflects the Group's strategic focus on generating revenue growth from its Channel Partners.

Gross loss

The gross loss for the year was £88,645, a significant reduction from the prior year (2017: loss of £935,852). In addition to the increase in revenue, the Group further improved the efficiency of its infrastructure while continuing to provide full support for its Channel Partners.

Expenses

Administrative expenses comprising R&D, operational support, sales and marketing, finance and administration costs, and foreign exchange gains and losses, totalled £7,293,472, an increase of £316,658 compared to the prior year. This increase reflects the continued investment made by the Group in technology development and operational support infrastructure. Personnel costs continue to be the largest expense and represent approximately 75% of the Group's cost base.

Administrative Expenses	**2018** £	2017 £
Research and development	**2,555,825**	2,268,142
Operational support	**1,120,428**	925,777
Sales and marketing	**2,559,403**	2,635,094
Finance and administration	**1,101,868**	1,030,139
Foreign exchange gains/(losses)	**(44,052)**	117,662
Total	**7,293,472**	6,976,814

Tax

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

Loss for the year

Losses after tax totalled £7,211,796 (2017: loss of £7,397,149). These losses are primarily generated by employee costs and related expenses.

Loss per share

The loss per share for the year was 16.08p (2017: loss of 17.72p). The reduction in loss per share is primarily the result of an increase in the weighted average number of ordinary shares in issue during the year.

Dividend

No dividend has been proposed for the year ended 30 September 2018 (2017: £nil).

Cash flow

We are investing in the growth of our operations to address what we believe to be a significant commercial opportunity and our cash flow from operations was therefore negative during the year ended 30 September 2018, and in line with expectations. The Group's costs are mostly operating related, with very little investment required for capital infrastructure. Cash used by operating activities was £6,433,222 for the year, compared to cash used of £7,086,016 for the year ended 30 September 2017. This operating cash requirement was substantially funded by cash reserves and the Group ended the year with cash and term deposits totalling £10,776,516 (2017: £18,209,850).

Free cash flow for the year was £(7,629,560) (2017: £(8,175,879)). Free cash flow is defined as net cash flows used in operating activities, plus development of intangible assets, plus purchase of property, plant and equipment.

Software development capitalisation

The Directors believe that the software development capitalisation criteria in IAS38 have been met and accordingly cumulative development costs, net of amortisation charges, of £1,579,227 have been capitalised as at 30 September 2018 (2017: £1,266,261).

Accounting policies

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards. The Group's significant accounting policies have been applied consistently throughout the year and are further described in the Annual Report and Accounts.

Principal risks and uncertainties

The principal risks and uncertainties facing the Group will be available for review in our 2018 Annual Report and Accounts.

Key performance indicators (KPIs)

As the Group is in the process of development and commercialisation of its services, the Directors consider the key quantitative performance indicators to be sales revenues of £1,076,463 (2017: £364,832) and the level of cash and term deposits held in the business of £10,776,516 (2017: £18,209,850). The Board performs regular reviews of actual results against budget, and management monitors cash balances on a monthly basis to ensure that the business has sufficient resources to enact its current strategy. Certain non-financial measures, such as the number of deployed Digital Users, are monitored on a monthly basis.

The Board will continue to review the KPIs used to assess the business as it grows.

Environmental matters

As far as the Directors are aware the Group's business does not cause a materially adverse impact on the environment.

Human rights policy

We have adopted a formal equal opportunities policy which is contained in our employee handbook. The aim of the policy is to ensure that there is no discrimination against any employee or job applicant either directly or indirectly on the grounds of race, gender, disability, sexual orientation, marriage or civil partnership, pregnancy or maternity, religion or belief, or age.

Employees

As at 30 September 2018 the Group employed 90 people in two offices (2017: 80 people), of whom 65 were male and 25 were female. As at the date of this document, of the seven senior members of management, one is female.

Directors

Details of the Directors who served during the year ending 30 September 2018 are noted in the Remuneration report. All seven of the Directors serving on the Board at the year-end were male.

On behalf of the Board.

Steve Bennetts

Chief Financial Officer

Financial statements

Consolidated statement of comprehensive income for the year ended 30 September 2018

	Note	**2018**	2017
		£	£
REVENUE	2	**1,076,463**	364,832
Cost of sales		**(1,165,108)**	(1,300,684)
GROSS LOSS		**(88,645)**	(935,852)
Administrative expenses	3	**(7,293,472)**	(6,976,814)
OPERATING LOSS		**(7,382,117)**	(7,912,666)
Finance income		**89,061**	40,849
LOSS BEFORE TAX		**(7,293,056)**	(7,871,817)
Tax	4	**81,260**	474,668
LOSS FOR THE YEAR		**(7,211,796)**	(7,397,149)
Other comprehensive (expense)/income:			
Items that may be reclassified to profit or loss:			

Foreign currency difference on translation of overseas operations		**(29,951)**	70,693
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(7,241,747)**	(7,326,456)
LOSS PER ORDINARY SHARE			
Basic and diluted	5	**(16.08)p**	(17.72)p

Consolidated statement of changes in equity for the year ended 30 September 2018

	Share capital	Share premium	Accumulated losses	Total equity
	£	£	£	£
At 1 October 2016	74,896	14,835,170	(4,668,166)	10,241,900
Loss for the year	-	-	(7,397,149)	(7,397,149)
Other comprehensive income for the year	-	-	70,693	70,693
Total comprehensive loss for the year	-	-	(7,326,456)	(7,326,456)
Issue of shares	14,626	17,588,902	-	17,603,528
Cost of share issue	-	(615,942)	-	(615,942)
Share-based payment expense	-	-	154,987	154,987
At 30 September 2017	89,522	31,808,130	(11,839,635)	20,058,017
Loss for the year	**-**	**-**	**(7,211,796)**	**(7,211,796)**
Other comprehensive expense for the year	**-**	**-**	**(29,951)**	**(29,951)**
Total comprehensive loss for the year	**-**	**-**	**(7,241,747)**	**(7,241,747)**
Issue of shares	**283**	**119,883**	**-**	**120,166**
Share-based payment expense	**-**	**-**	**177,413**	**177,413**
At 30 September 2018	**89,805**	**31,928,013**	**(18,903,969)**	**13,113,849**

Consolidated statement of financial position as at 30 September 2018

	Note	2018	2017
		£	£
ASSETS			
Non-current assets			
Property, plant and equipment		**250,250**	350,704
Intangible assets		**1,579,227**	1,266,261
TOTAL NON-CURRENT ASSETS		**1,829,477**	1,616,965
Current assets			
Trade and other receivables		**684,578**	487,189
Income tax receivable	4	**735,634**	568,102
Investments		**-**	5,000,000
Cash and cash equivalents	6	**10,776,516**	13,209,850
TOTAL CURRENT ASSETS		**12,196,728**	19,265,141
TOTAL ASSETS		**14,026,205**	20,882,106
LIABILITIES			
Non-current liabilities			
Deferred tax	4	**(26,863)**	(37,744)
TOTAL NON-CURRENT LIABILITIES		**(26,863)**	(37,744)
Current liabilities			
Trade and other payables		**(885,493)**	(786,345)
TOTAL CURRENT LIABILITIES		**(885,493)**	(786,345)
TOTAL LIABILITIES		**(912,356)**	(824,089)
NET ASSETS		**13,113,849**	20,058,017
EQUITY			
Share capital		**89,805**	89,522
Share premium		**31,928,013**	31,808,130
Accumulated losses		**(18,903,969)**	(11,839,635)

TOTAL EQUITY	**13,113,849**	20,058,017

Consolidated statement of cash flows for the year ended 30 September 2018

	Note	**2018**	2017
		£	£
Cash flows from operating activities			
Loss before tax		**(7,293,056)**	(7,871,817)
Adjustment for non-cash items:			
Depreciation of property, plant and equipment		**138,422**	107,233
Amortisation of intangible assets		**844,898**	162,059
Loss on disposal of property, plant and equipment		**522**	1,014
Share-based payment charge		**177,413**	154,987
Finance income		**(89,061)**	(40,849)
Operating cash outflow before changes in working capital		**(6,220,862)**	(7,487,373)
Movement in trade and other receivables		**(173,317)**	(83,913)
Movement in trade and other payables		**58,110**	221,661
Cash flows used in operations		**(6,336,069)**	(7,349,625)
Tax (paid)/received		**(97,153)**	263,609
Net cash flows used in operating activities		**(6,433,222)**	(7,086,016)
Cash flows from investing activities			
Development of intangible assets		**(1,157,864)**	(912,279)
Purchases of property, plant and equipment		**(38,474)**	(177,584)
Transfers from/(to) term deposits with more than three months' maturity		**5,000,000**	(5,000,000)
Finance income		**89,061**	40,849
Net cash inflow/(outflow) from investing activities		**3,892,723**	(6,049,014)
Cash flows from financing activities			
Proceeds from issue of share capital, net of costs		**120,166**	16,987,586
Loan to Employee Benefit Trust		**(18,000)**	(55,950)
Net cash inflow from financing activities		**102,166**	16,931,636
(Decrease)/increase in cash and cash equivalents		**(2,438,333)**	3,796,606
Effect of exchange rate fluctuations on cash held		**4,999**	(2,642)
Cash and cash equivalents at start of year		**13,209,850**	9,415,886
Cash and cash equivalents at end of year	6	**10,776,516**	13,209,850

Notes to the consolidated financial statements for the year ended 30 September 2018

1 Basis of preparation

Actual Experience plc is a public limited company domiciled in the United Kingdom and incorporated in England. The Company's registered office is Quay House, The Ambury, Bath, BA1 1UA.

The financial statements of Actual Experience plc are audited financial statements for the year to 30 September 2018. These include comparatives for the year ended 30 September 2017.

The Preliminary Announcement does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006.

The unaudited Preliminary Announcement has been prepared under the historical cost convention and in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and interpretations in issue at 30 September 2018.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 September 2017, as described in those financial statements. New standards or interpretations which came into effect for the current reporting period did not have a material impact on the net assets or results of the Group.

Going concern

At 30 September 2018, the Group had a cash and cash equivalents position of £10,776,516 with no bank debt. The Directors have prepared detailed monthly projections of future cash flows for the remainder of the financial year to September 2019 and the subsequent financial year, 2020. The base case forecast includes expected revenue growth, together with further investment in the cost base, leading to the commencement of positive monthly cash flows during 2020. Additional scenarios have been modelled reflecting differing revenue growth rates with corresponding adjustments to the level of investment in the Group's cost base; these scenarios indicate broadly similar cash flow trends.

After due consideration, the Directors have concluded that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

2. Segmental reporting

The information that is presented to the Chief Executive Officer, who is considered to be the Chief Operating Decision Maker (CODM), for the purposes of resource allocation and assessment of performance, is based wholly on the overall activities of the Group. Due to the current size and activities of the Group, there is a high degree of centralisation of activities. The Directors therefore consider that there is one operating, and hence one reportable, segment for the purposes of presenting information under IFRS8; that of "Digital experience quality analytics services and associated consultancy services". There are no differences between the segment results and the Consolidated statement of comprehensive income. The assets and liabilities information presented to the CODM is consistent with the Consolidated statement of financial position.

During the year ended 30 September 2018 the Group had one customer who generated more than 10% of total revenue. This customer generated 81% of revenue.

During the year ended 30 September 2017 the Group had two customers who generated more than 10% of total revenue. These customers generated 28% and 26% of revenue.

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

	2018	2017
	£	£
United Kingdom	**179,071**	240,597
United States of America	**897,392**	113,435
Europe	**-**	10,800
	1,076,463	364,832

3 Loss from operations

	2018	2017
	£	£
Loss from operations is stated after charging/(crediting) to administrative expenses:		
Depreciation on property, plant and equipment	**138,422**	107,233
Amortisation of intangible assets	**844,898**	162,059
Loss on disposal of property, plant and equipment	**522**	1,014
Operating lease rentals - land and buildings	**239,380**	257,877
Employee costs	**5,477,969**	4,761,152
Foreign exchange gains/(losses)	**(44,052)**	117,662
Auditors' remuneration:		
- Audit of these financial statements	**33,000**	33,000
Total auditors' remuneration	**33,000**	33,000

4. Tax

Tax on loss on ordinary activities

	2018	2017
	£	£
Current tax:		
UK Corporation tax on losses of the year	**(167,532)**	(568,102)
Overseas taxes	**97,153**	76,650
Deferred tax:		
Origination and reversal of timing differences	**(10,881)**	16,784
Total tax credit	**(81,260)**	(474,668)

Factors affecting the current tax credits

The tax assessed for the year varies from the standard UK company rate of corporation tax as explained below:

	2018	2017
	£	£
Loss on ordinary activities before tax	**(7,293,056)**	(7,871,817)
Tax at the UK corporate tax of 19.50% (2017: 20.00%)	**(1,422,146)**	(1,574,363)
Effects of:		

Expenses not deductible for tax purposes	**216,657**	75,001
Unrecognised deferred tax asset on losses	**1,409,086**	1,803,286
Tax relief in respect of exercise of share options	**(52,048)**	(150,275)
Research and development enhancement in respect of the current year	**(338,643)**	(625,354)
Prior year adjustment	**104,227**	-
Change in rate of tax used to calculate deferred tax liability	**1,607**	(2,963)
Tax credit for the year	**(81,260)**	(474,668)

The Group has tax losses carried forward of approximately £25,006,000 (2017: £17,754,000).

During the year the Group has incurred qualifying expenditure on research and development projects which has given rise to tax credits due from HM Revenue and Customs to the Group of £735,634 (2017: £568,102). Of the £735,634 receivable, £463,815 relates to the period ended 30 September 2017 and £271,819 relates to the period ended 30 September 2018.

Deferred tax

Deferred tax relates to the following:

	2018	2017
	£	£
Accelerated depreciation for tax purposes	**26,863**	37,744
Deferred tax liability	**26,863**	37,744

Reconciliation of deferred tax liabilities

	2018	2017
	£	£
Balance at the beginning of the year	**37,744**	20,960
(Credit)/charge to the Consolidated statement of comprehensive income	**(10,881)**	16,784
Balance at the end of the year	**26,863**	37,744

At 30 September 2018, the Group had unrecognised deferred tax assets totalling £4,251,000 (2017: £3,018,180), which relate to losses. The Group has not recognised this asset in the Consolidated statement of financial position due to the uncertainty in the timing of when it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

5 Loss per ordinary share

Basic loss per share is calculated by dividing the loss attributable to the owners of the parent by the weighted average number of ordinary shares in issue during the year. Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares in issue during the year to assume conversion of all dilutive potential ordinary shares.

The Company has one class of potentially dilutive ordinary shares, being those share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year. However, due to losses incurred in both the current and previous financial year there is no dilutive effect from the potential exercise of these dilutive shares.

	2018	2017
	£	£
Total loss attributable to the equity holders of the parent	**(7,211,796)**	(7,397,149)

	No.	No.
Weighted average number of ordinary shares in issue during the year	**44,845,951**	41,733,648
Loss per share		
Basic and diluted on loss for the year	**(16.08)p**	(17.72)p

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

	2018	2017
Issued ordinary shares at the beginning of the year	**44,761,213**	37,447,838
Effect of shares issued in November 2016	**-**	58,284
Effect of shares issued in January 2017	**-**	6,658
Effect of shares issued in February 2017	**-**	4,182,192
Effect of shares issued in March 2017	**-**	21,847
Effect of shares issued in July 2017	**-**	15,462
Effect of shares issued in September 2017	**-**	1,367
Effect of shares issued in October 2017	**50,329**	-
Effect of shares issued in February 2018	**22,279**	-
Effect of shares issued in June 2018	**12,130**	-
Weighted average number of shares at the end of the year	**44,845,951**	41,733,648

6 Cash and cash equivalents

Bank credit rating:	**2018** **£**	2017 £
A+	**2,564,438**	2,549,604
BBB+	**4,123,384**	8,607,282
BBB-	**4,088,694**	2,052,964
Cash and cash equivalents	**10,776,516**	13,209,850

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

All of the Group's cash and cash equivalents at 30 September 2018 are held in instant access current accounts or short-term deposit accounts. Balances are denominated in UK sterling (£) and US dollars ($) as follows:

	2018 **£**	2017 £
Denominated in UK sterling	**10,359,870**	12,961,619
Denominated in US dollars	**416,646**	248,231
Cash and cash equivalents	**10,776,516**	13,209,850

The Directors consider that the carrying value of cash and cash equivalents approximates to their fair value.

7 Report and Accounts

The Company's Report and Accounts for the year ended 30 September 2018, together with a notice convening the Company's annual general meeting, will be posted to shareholders in due course.

END

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