

8 June 2020

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

UNAUDITED CONSOLIDATED INTERIM RESULTS
for the six months ended 31 March 2020

Actual Experience plc (AIM: ACT), the analytics-as-a-service company, is pleased to announce its unaudited consolidated interim results for the six months ended 31 March 2020.

Highlights

- Pivot in focus of sales processes to professional services model largely complete
- Revenue of £971,516 (31 March 2019: £953,025)
- Gross profit increased by 29% to £507,099 (31 March 2019: £393,141) as a result of improved operating efficiencies
- Operating loss after exceptional item declined by 12% to £3,031,961 (31 March 2019: £3,444,666)
- Loss per share of 6.06p (31 March 2019: loss per share of 7.37p)
- Cash and cash equivalents at 31 March 2020 of £4,394,105 (30 September 2019: £7,876,634)
- Expected annualised cost savings of approximately £1.8m resulting from a restructuring of the cost base, as announced previously

Dave Page, CEO of Actual Experience plc, said: "Our pivot to a professional services led engagement is now complete and structural changes made in this regard will be reflected in the reduced ongoing cost base. We continue to make progress in targeting further land and expand opportunities with global blue chip companies and remain convinced that we will grow our Annual Recurring Revenue as a result.

Significant changes have taken place globally in regards to how businesses are operating. The recent enforced adoption of home working places digital transformation and related digital experience at the top of the corporate agenda. We, together with our Partners, their customers, and a growing number of industry analysts, believe that this will result in long term change to how employees work that highlights the need for our technology. Our ability to service the needs of major corporates, be it in traditional offices or in hundreds or thousands of individual homes, places us in a strong position. Discussions regarding potential new contracts are well progressed and we expect to be able to announce further details regarding this in due course."

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About Actual Experience

Actual Experience's goal is to significantly improve the performance of the digital world.

The Company enables its partners to optimise their customers' digital ecosystem to increase productivity and enhance brand experiences through Human Experience Management.

Developed from 10 years of patented academic research and three patents, the Company's Human Experience Management Services analyse the human experience of any digital service. The Company's service provides organisations with actionable information whereby changes to the digital ecosystem can be made to optimise and improve digital experience for customers and employees. For any organisation, this means that their most valuable asset - their employees - are liberated from digital slow time, their online brand reputation can be protected and they can make informed ecosystem investment decisions.

Actual Experience is listed on the London Stock Exchange (AIM: ACT). Our corporate headquarters is in Bath, UK. Actual Experience's unique and patented digital analytics-as-a-service is founded on cutting-edge research at Queen Mary University of London.

For further information please visit www.actual-experience.com

COVID-19

The health and safety of our people remain our top priority. In a direct response to the COVID-19 pandemic, and in accordance with government guidelines, we have implemented our business continuity plan. Our office has been closed since 16 March 2020 and all employees are working from home with no disruption to business operations. Other relevant measures contained in the government guidelines have been followed, including cancellation of all business-related travel. Actual has been able to continue supporting its Partners and their enterprise customers with no compromise on service levels or delivery.

BUSINESS REVIEW

The first six months of the financial year have seen the Company complete its pivot from a managed services led offering to that of professional services, placing us at the heart of our Channel Partners processes in order to promote quicker customer engagements, and we have seen deployment cycles shorten as a result. This will help us to execute our strategy of signing new 'land and expand' deployments with large scale global blue chip enterprises. As noted in the report on the Company's full year results for 2019, the adapting of the processes involved some restructuring within the business. The resulting reduction in headcount was completed by March 2020.

Having agreed the new approach with our Channel Partners, our focus in the first four months of the current fiscal year was on the commercial and technical aspects of implementation. Whilst significant progress was made in this respect, the COVID-19 pandemic diverted attention of all of our Partners towards implementing business continuity processes, not just for their customers but for their own organisations. The immediate impact of this was to slow down the finalising of certain details but as Partners and their customers have adapted to new ways of conducting their businesses, with a momentous shift to remote and home working, the opportunity for our offering has increased significantly.

Enabling efficient and effective remote working is now a key focus of most businesses in the current environment. The ability to do so depends entirely on how productive staff can be from home, which in turn relies heavily on the human experience of numerous digital collaboration tools. For enterprise IT departments used to looking after tens or hundreds of corporate offices, managing the human experience of thousands or tens of thousands of home offices is an enormous challenge.

Our analytics can help these enterprises swiftly identify where the cause of poor human experience lies. Using our analytics, businesses can fully harness the economic and well-being benefits of homeworking, leading to fast and effective resolution of the issues and increased employee productivity.

Our analytics can analyse the human experience of thousands of home offices simultaneously, promptly providing actionable information to recover lost productivity, and providing an ongoing analytics capacity to manage human experience going forward. As the COVID-19 situation has progressed, we have been working very closely with our Channel Partners to support their customers in this new environment and are seeing increasing levels of engagement as a result.

From an operational standpoint, we have seen minimal impact as a result of the virus, as our own business continuity systems and procedures have enabled all our employees to work from home, allowing us to continue providing full support to our Channel Partners with minimal disruption.

I would like to thank all of our staff for the professionalism and dedication that they have shown throughout this difficult period and their unwavering attention to supporting our Partners to help them navigate the challenges presented.

The Company is planning to introduce a share purchase scheme in June 2020 and all employees will have the opportunity to purchase newly issued shares. All directors have agreed to participate in this scheme and we will be announcing details of these purchases in the coming months.

Revenue for the first six months of the current financial year was £0.97 million (H1 2019: £0.95 million) with Annual Recurring Revenue (“ARR”) at the end of the period also similar to last year’s at £1.9 million (H1 2019: £1.8 million). The Company retains adequate cash balances for the next year, taking into account expected annual savings from the business restructuring of approximately £1.8 million. As at 31 March 2020, the Company had cash and cash equivalents of £4.4 million, which will provide the Group with sufficient resources to meet its liquidity requirements for the next 12 months, based on a conservative forecast of sales growth and cost efficiencies.

We are actively seeking new business opportunities and progressing discussions with our existing Partners. As at the period end, the extension of current revenue contracts and the timing of new revenue contracts remains uncertain. However, the discussions are well progressed and are expected to result in additional new revenue for the Group. Furthermore, the Group has restructured the business to align itself with the evolved sales model which has resulted in a reduction of the cost base as well as improving operational efficiencies.

After making appropriate enquiries and considering the assumptions and uncertainties described above, the Directors consider that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements. Accordingly, the financial statements do not include any adjustments which would be required if the going concern basis of preparation was deemed to be inappropriate. However, if the Group is unable to deliver the anticipated revenue growth it would give rise to a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern.

Market

The global digital economy is currently seen as accounting for about a third of the total world economy, and we believe that digital activities will continue to grow as businesses strive to further refine and enhance their value propositions to their customers.

Our Analytics-as-a-Service (AaaS) gives our customers the insight needed to improve their customers’ digital journeys and operational efficiency. Using our analytics, businesses can manage and improve the human experience of their digital ecosystem, so that staff productivity is improved. We now have a number of large Channel Partners building our analytics into their processes in a way that will enable us to continue to scale and reach further into the global digital economy.

The market opportunity for Actual Experience remains large and is rapidly growing, as a result of the enforced digital transformation that we are seeing through a shift towards remote working. We have seen greater need for our analytics during the first half of the year, as our Partners assess customer staff productivity whilst they are working from home, and we believe there will be an increase in customers’ requiring access to performance data as the world adapts to this new environment and different working practices.

Strategy

As well as continuing to build our pipeline of land and expand opportunities, we are focusing in the short term on helping our Channel Partners optimise the new realities of home and remote working for their customers. There are strong reasons to believe that a lasting effect of the current pandemic will be a continuing cultural shift towards a much greater proportion of home working. In order to achieve this, digital transformation and user experience will have to remain at the top of the corporate agenda. Our ability to service the needs of major corporates, be it in traditional offices or in hundreds or thousands of individual homes, places us in a strong position.

Through our Channel Partner network, we are able to target a significant proportion of the global digital economy. Through these Partners, we have been able to execute customer deployments, and some of these deployments bring the opportunity to attract new Channel Partners, which will in turn help us build a pipeline of additional customer deals and further our global reach.

Product development

Fundamental to our success is the ability to refine our technology so that it is easy to deploy and is user friendly. Over the years, we have invested heavily in development and innovation of our analytics to ensure our product is simple to use, so that our Channel Partners and their customers are able to easily access the full capabilities of our solutions. This will result in a significant reduction in the skill and knowledge required by our Channel Partners and deliver value to their mid-tier and SME customer. As already highlighted, we have also worked hard on enabling our technology to be integrated into our Partners' offerings, so that our analytics can be included as part of their wider offering, rather than a standalone product.

We have continued to make product changes in line with our new professional services model for sales processes. We have made further improvements in the reporting of analysis of users' digital experience, including better user interfaces.

Sales & Marketing

Considerable work has been done over the period to support our Channel Partners in our shift to a more business-orientated professional services model, and we continue to ensure that our Partners have the necessary tools needed to effectively deliver our offering to their customers. The majority of our marketing materials and tutorial videos have been updated so that our Partners can shift their focus from fixing operational issues to human experience and brand integrity. Training has been done with specific sales teams at individual partners to prepare them for the new emphasis that arises as a result of home working.

Current trading, COVID-19 impact, and Outlook

The need for effective home working and the ability to monitor the technology which enables it are clearly moving up the corporate agenda. Discussions are well progressed regarding potential new contracts to support this commercial opportunity and we expect to be able to announce further details in due course.

Whilst we believe that the increase in home working will create significant opportunities for Actual Experience, we are also having to deal with the impact of the COVID-19 pandemic on our own operations. To the best of our ability, and after discussions with our Partners, we have factored this into our planning. The health and safety of our employees, Partners and their customers is paramount, and we have taken decisive steps to move fully to remote working, with an online sales, marketing and support model for engaging with our customers. The Board remains cautious and vigilant, assessing the impact of COVID-19 on the general economy as we develop and manage our cash resources as well as we can.

FINANCIAL REVIEW

Consolidated income statement

Revenue of £971,516 was recognised in the six months ended 31 March 2020 (2019: £953,025). The increase over the corresponding period in the previous year is derived from the previously announced 'land and expand' contract deployments. The Company continues to focus on its indirect sales model, with revenues from Channel Partners accounting for 97.9% of sales in the period (2019: 99.5%).

A gross profit of £507,099 was achieved in the period, compared to the gross profit of £393,141 in the corresponding period in 2019. This reflects further operating efficiencies in the Company's customer support operations.

Administrative costs amounted to £3,127,535, compared to £3,837,807 in the six months to 31 March 2019, reflecting the Company's continuing focus on expense reduction, as well as the positive financial

impact in March 2020 of lower payroll costs following the completion of the restructuring process, as announced previously. The comparative numbers below for the six months ended 31 March 2019 have been restated to include the effects of adoption of IFRS 16 Leases.

The functional cost breakdown is as follows:

	Six months ended 31 March 2020	Six months ended 31 March 2019	Year ended 30 September 2019
	£	Restated £	£
Research and development	1,082,459	1,301,629	2,546,368
Operational support	577,721	656,794	1,112,153
Sales and marketing	948,945	1,258,350	2,403,106
Finance and administration	514,376	621,351	1,066,049
Foreign exchange (gains)/losses	4,034	(317)	(77,259)
Total	3,127,535	3,837,807	7,050,417

As noted in the Business Review, the Company completed a restructuring in February 2020. The cost of the restructuring was £411,525 and is not included in the above table. The restructuring reduced headcount from 93 to 74 and, together with related costs such as employee travel expenses, it is expected that this will result in monthly operating expenses being reduced by approximately £150,000 per month, commencing in March 2020.

As disclosed in the notes to the Company's 2019 Financial Statements, and in accordance with the requirements of IAS 38, qualifying development expenditure is capitalised and amortised over the estimated useful life of the developed assets. Total expenditure on research and development in the six months to 31 March 2020, prior to capitalisation, was £1,264,860 (2019: £1,331,706). In the current period, £182,401 has been capitalised, net of amortisation (2019: £30,077).

The Company continues to benefit from the tax relief given in the UK on qualifying development expenditure. This research and development tax credit is estimated at £154,314 for the period (2019: £120,000) and substantially accounts for the tax credit in the Consolidated Income Statement.

As a result of the investment noted above, the Group recorded an operating loss in the period of £3,031,961 (31 March 2019: loss of £3,444,666) and a loss per share of 6.06p (31 March 2019: loss per share of 7.37p).

A summary of the Group's results is set out below.

	Six months ended 31 March 2020	Six months ended 31 March 2019	Year ended 30 September 2019
	£	Restated £	£
Revenue	971,516	953,025	1,934,082
Gross profit	507,099	393,141	790,966
Operating loss after exceptional item	(3,031,961)	(3,444,666)	(6,259,451)
Loss for the period/year	(2,868,224)	(3,311,552)	(5,911,950)

Balance sheet

The Group has a debt free balance sheet. Cash and cash equivalents decreased in the period, from £7,876,634 at 30 September 2019 to £4,394,105 at 31 March 2020. This decrease, which was in line with management's expectations, was substantially as a result of the loss for the period, including redundancy payments, associated with the restructuring. Free cash flow for the period was £(3,425,490) (2019: £(2,572,877)). 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.

The trade and other receivables figure of £672,148 at 31 March 2020 (31 March 2019: £481,710) comprises trade debtors of £413,357, prepayments of £115,042 and other debtors of £143,749.

Trade and other payables of £464,314 (31 March 2019: £965,309) includes non-payroll accruals of £231,420 (31 March 2019: £412,234). The accrual for commission and bonus payments decreased to £67,800 (31 March 2019: £344,266). The balance relates to trade creditors, tax and social security, and deferred income.

Cash flow statement

The movement in cash and cash equivalents during the period was:

	Six months ended 31 March 2020	Six months ended 31 March 2019 Restated	Year ended 30 September 2019
	£	£	£
Net cash used in operating activities	(2,826,438)	(2,048,391)	(4,418,091)
Net cash used in investing activities	(585,472)	(492,298)	(1,157,445)
Net cash (used in)/generated from financing activities	(70,157)	(69,315)	2,671,304
Effect of exchange rate fluctuations	(462)	(46)	4,350
Movement during the period/year	(3,482,529)	(2,610,050)	(2,899,882)

Going concern

As in previous years, the Group has continued to utilise its cash resources to fund losses whilst the sales pipeline is being established. The cash balance as at 31 March 2020 was £4,394,105 which will provide the Group with sufficient resources to meet its liquidity requirements for the next 12 months, based on a conservative forecast of sales growth and cost efficiencies.

We are actively seeking new business opportunities and progressing discussions with our existing Partners. As at the period end, the extension of current revenue contracts and the timing of new revenue contracts remains uncertain. However, the discussions are well progressed and are expected to result in additional new revenue for the Group. Furthermore, the Group has restructured the business to align itself with the evolved sales model which has resulted in a reduction of the cost base as well as improving operational efficiencies.

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Actual Experience plc
Consolidated income statement and statement of comprehensive income
For the six months ended 31 March 2020

	Unaudited Six months ended 31 March 2020	Unaudited Six months ended 31 March 2019 Restated	Audited Year ended 30 September 2019
	£	£	£
Revenue	971,516	953,025	1,934,082
Cost of sales	(464,417)	(559,884)	(1,143,116)
Gross profit	507,099	393,141	790,966
Administrative expenses	(3,127,535)	(3,837,807)	(7,050,417)
Operating loss before exceptional item	(2,620,436)	(3,444,666)	(6,259,451)
Exceptional item; redundancy expense	(411,525)	-	-
Operating loss after exceptional item	(3,031,961)	(3,444,666)	(6,259,451)
Finance income	13,580	32,188	54,235
Finance expense	(15,948)	(17,649)	(34,687)
Finance (expense)/income – net	(2,368)	14,539	19,548
Loss before tax	(3,034,329)	(3,430,127)	(6,239,903)
Tax	166,105	118,575	327,953
Loss for the period/year	(2,868,224)	(3,311,552)	(5,911,950)
Other comprehensive income:			
Items that are or may be reclassified to profit or loss:			
Foreign currency difference on translation of overseas operations	(8,714)	3,064	(7,241)
Total comprehensive loss for the period/year	(2,876,938)	(3,308,488)	(5,919,191)
Loss per ordinary share			
Basic and diluted	(6.06)p	(7.37)p	(13.04)p

Actual Experience plc
Consolidated statement of financial position
As at 31 March 2020

	Unaudited At 31 March 2020	Unaudited At 31 March 2019 Restated	Audited At 30 September 2019
	£	£	£
Non-current assets			
Property, plant and equipment	98,474	191,988	140,806
Right-of-use assets	838,502	950,292	894,398
Intangible assets	1,974,866	1,609,304	1,792,465
Total non-current assets	2,911,842	2,751,584	2,827,669
Current assets			
Trade and other receivables	672,148	481,710	681,670
Income tax receivable	451,180	421,948	296,866
Cash and cash equivalents	4,394,105	8,166,466	7,876,634
Total current assets	5,517,433	9,070,124	8,855,170
Total assets	8,429,275	11,821,708	11,682,839
Non-current liabilities			
Deferred tax	(11,263)	(20,191)	(14,317)
Lease liabilities	(776,173)	(920,259)	(866,134)
Total non-current liabilities	(787,436)	(940,450)	(880,451)
Current liabilities			
Trade and other payables	(464,314)	(965,309)	(689,426)
Lease liabilities	(109,429)	(105,645)	(107,493)
Total current liabilities	(573,743)	(1,070,954)	(796,919)
Total liabilities	(1,361,179)	(2,011,404)	(1,677,370)
Net assets	7,068,096	9,810,304	10,005,469
Equity			
Share capital	95,066	89,805	94,249
Share premium	34,751,001	31,928,013	34,706,402
Accumulated losses	(27,777,971)	(22,207,514)	(24,795,182)
Total equity	7,068,096	9,810,304	10,005,469

Actual Experience plc
Consolidated statement of changes in equity
For the six months ended 31 March 2020

	Share capital £	Share premium £	Accumulated losses £	Total equity £
Unaudited				
As at 30 September 2018 – as previously reported	89,805	31,928,013	(18,903,969)	13,113,849
Change of accounting policy	-	-	(55,221)	(55,221)
Restated – at 1 October 2018	89,805	31,928,013	(18,959,190)	13,058,628
Loss for the period	-	-	(3,311,552)	(3,311,552)
Other comprehensive income for the period	-	-	3,064	3,064
Total comprehensive loss for the period	-	-	(3,308,488)	(3,308,488)
Shares based payment expense	-	-	60,164	60,164
As at 31 March 2019	89,805	31,928,013	(22,207,514)	9,810,304
Audited				
As at 30 September 2018 – as previously reported	89,805	31,928,013	(18,903,969)	13,113,849
Change of accounting policy	-	-	(55,221)	(55,221)
Restated – at 1 October 2018	89,805	31,928,013	(18,959,190)	13,058,628
Loss for the year	-	-	(5,911,950)	(5,911,950)
Other comprehensive income for the year	-	-	(7,241)	(7,241)
Total comprehensive loss for the year	-	-	(5,919,191)	(5,919,191)
Issue of shares	4,444	2,995,557	-	3,000,001
Expenses of share issue	-	(217,168)	-	(217,168)
Share based payment expense	-	-	83,199	83,199
At 30 September 2019	94,249	34,706,402	(24,795,182)	10,005,469
Unaudited				
As at 1 October 2019	94,249	34,706,402	(24,795,182)	10,005,469
Loss for the period	-	-	(2,868,224)	(2,868,224)

Other comprehensive income for the period	-	-	(8,714)	(8,714)
Total comprehensive loss for the period	-	-	(2,876,938)	(2,876,938)
Issue of shares	817	44,599	-	45,416
Share based payment expense	-	-	(105,851)	(105,851)
At 31 March 2020	95,066	34,751,001	(27,777,971)	7,068,096

Actual Experience plc
Consolidated statement of cash flows
for the six months ended 31 March 2020

	Unaudited Six months ended 31 March 2020	Unaudited Six months ended 31 March 2019 Restated	Audited Year ended 30 September 2019
	£	£	£
Cash flows from operating activities			
Loss before tax	(3,034,329)	(3,430,127)	(6,239,903)
<i>Adjustment for non-cash items:</i>			
Depreciation of property, plant and equipment	56,819	65,145	125,136
Depreciation of right-of-use assets	55,894	55,894	111,788
Amortisation of intangible assets	402,165	487,525	982,808
Non-cash employee benefit expense – Share-based payments	(105,851)	60,164	83,199
Finance income – net	2,368	(14,539)	(19,548)
Operating cash outflow before changes in working capital	(2,622,934)	(2,775,938)	(4,956,520)
Movement in trade and other receivables	19,129	202,637	(2,446)
Movement in trade and other payables	(231,370)	99,321	(213,300)
Cash outflow from operations	(2,835,175)	(2,473,980)	(5,172,266)
Income tax received	8,737	425,589	754,175
Net cash flows used in operating activities	(2,826,438)	(2,048,391)	(4,418,091)
Cash flow from investing activities			
Development of intangible assets	(584,566)	(517,602)	(1,196,046)
Purchase of property, plant and equipment	(14,486)	(6,884)	(15,634)
Finance income	13,580	32,188	54,235
Net cash outflow from investing activities	(585,472)	(492,298)	(1,157,445)
Cash flow from financing activities			
Proceeds from issue of share capital, net of costs	45,416	-	2,782,833
Principal element of lease payments	(103,973)	(69,315)	(138,630)
Inflow/(outflow) from Employee Benefit Trust	(11,600)	-	27,101
Net cash (outflow)/inflow from financing activities	(70,157)	(69,315)	2,671,304
Decrease in cash and cash equivalents	(3,482,067)	(2,610,004)	(2,904,232)
Effect of exchange rate fluctuations on cash held	(462)	(46)	4,350
Cash and cash equivalents at start of year / period	7,876,634	10,776,516	10,776,516
Cash and cash equivalents at end of year / period	4,394,105	8,166,466	7,876,634

Notes to the consolidated interim report

For the six months ended 31 March 2020

1 General information

Actual Experience plc (the “Company”) is a public limited company domiciled in the UK and incorporated in England and Wales (registered number 06838738) and its registered office is Quay House, The Ambury, Bath, BA1 1UA.

The principal activity of Actual Experience plc (“the Company”) and its subsidiary company Actual Experience Inc (together “Actual Experience” or “the Group”) is the provision of digital experience quality analytics services and associated consultancy services.

The interim condensed consolidated financial statements were approved for issue on 8 June 2020.

2 Basis of preparation

This unaudited interim condensed consolidated financial information has been prepared under the historical cost convention and in accordance with AIM Rules for Companies. The interim condensed consolidated financial information has been prepared on a going concern basis and is presented in Sterling to the nearest £1.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those set out in the 2019 Annual Report and Accounts. Further IFRS standards or interpretations may be issued that could apply to the Group’s financial statements for the year ending 30 September 2020. If any such new standards or interpretations are issued, these may require the financial information provided in this report to be changed. The Group will continue to review its accounting policies in the light of emerging industry consensus on the practical application of IFRS.

The preparation of financial information in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of the events or actions involved, actual outturns ultimately may differ from those estimates. The interim information does not include all financial risk management information and disclosures required in annual financial statements; the information should be read in conjunction with the financial information, as at 30 September 2019, summarised in the 2019 Annual Report and Accounts. There have been no significant changes in any risk management policies since 30 September 2019.

The full year results to 30 September 2019 included the change of accounting policy required under IFRS 16 for the group’s leases. The interim report for the six months ended 31 March 2019 as presented last year did not include this change of accounting policy as the decision to adopt IFRS 16 early was not made until after those results were published. Consequently, in order to show comparative figures which are true and fair, the results for the six months to 31 March 2019 have been restated in this report to account for the changes required under IFRS 16 for that period.

The interim condensed consolidated financial information for the six months ended 31 March 2020 and for the six months ended 31 March 2019 do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006 and are unaudited. The financial information for the six months ended 31 March 2020 presents financial information for the consolidated group, including the financial results of the Company’s wholly owned US subsidiary, Actual Experience Inc. Comparative figures in the Interim Report for the year ending 30 September 2019 have been taken from the Group’s audited financial statements on which the Group’s auditors, PricewaterhouseCoopers LLP, expressed an unqualified opinion.

3 Segmental reporting

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 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 condensed statement of comprehensive income. The assets and liabilities information presented to the CODM is consistent with the Statement of Financial Position. All of the Group’s assets and operations are located in the UK and the USA.

4 Tax

Tax on loss on ordinary activities

	Six months ended 31 March 2020 £	Six months ended 31 March 2019 £	Year ended 30 September 2019 £
Current tax:			
UK Corporation tax on losses of the period/year	(154,314)	(120,000)	(296,866)
Prior year adjustment	-	-	(30,911)
Overseas taxes	(8,737)	8,096	12,370
Deferred tax:			
Origination and reversal of timing differences	(3,054)	(6,671)	(12,546)
Total tax credit	(166,105)	(118,575)	(327,953)

5 Loss per share

The calculation of basic and diluted loss per share for the six months to 31 March 2020 was based upon the loss attributable to ordinary shareholders of £2,868,224 (six months to 31 March 2019: £3,311,552, year ended 30 September 2019: £5,911,950) and a weighted average number of ordinary shares in issue of 47,318,661 (six months to 31 March 2019: 44,902,338, year ended 30 September 2019: 45,334,606), calculated as follows:

Weighted average number of ordinary shares

	Six months ended 31 March 2020	Six months ended 31 March 2019	Year ended 30 September 2019
Issued ordinary shares at start of period/year	47,124,561	44,902,338	44,902,338
Effect of shares issued	194,100	-	432,268
Weighted average number of shares at end of period/year	47,318,661	44,902,338	45,334,606

Due to the losses incurred there is no dilutive effect from the issue of share options. At 31 March 2020, there were 1,831,050 share options granted but not yet exercised (31 March 2019: 2,365,800; 30 September 2019: 2,405,800).

6 Related party transactions

Transactions entered into with related parties are as follows:

	Amount invoiced to related party H1 2020 £	Amount invoiced by related party H1 2020 £	Amount invoiced to related party H1 2019 £	Amount invoiced by related party H1 2019 £	Amount invoiced to related party FY 2019 £	Amount invoiced by related party FY 2019 £
IP Group plc (note 1)	-	10,983	-	12,500	-	26,383

Note 1: IP Group plc is a shareholder of the Company.

No amounts were outstanding to or from the related parties at 31 March 2020.

During each financial period, the Company entered into numerous transactions with its subsidiary company, which net off on consolidation; these have not been shown above.

7. Availability of Interim Report

Electronic copies of this Interim Report will be available on the Company's website at www.actual-experience.com.

Forward-looking statements

This announcement may include certain forward-looking statements, beliefs or opinions, including statements with respect to the Group's business, financial condition and results of operations. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other various or comparable terminology. These statements are made by the Directors in good faith based on the information available to them at the date of this announcement and reflect the Directors' beliefs and expectations. By their nature these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, developments in the global economy, changes in government policies, spending and procurement methodologies, and failure in health, safety or environmental policies. No representation or warranty is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Forward-looking statements speak only as at the date of this announcement and the Company and its advisers expressly disclaim any obligations or undertaking to release any update of, or revisions to, any forward-looking statements in this announcement. No statement in the announcement is intended to be, or intended to be construed as, a profit forecast or to be interpreted to mean that earnings per share for the current or future financial years will necessarily match or exceed the historical earnings. As a result, you are cautioned not to place any undue reliance on such forward-looking statements.

Statement of Directors' Responsibilities

The Directors confirm to the best of their knowledge that:

- i) The condensed interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union; and
- ii) The interim management report includes a fair review of the information required by the FSA's Disclosure and Transparency Rules (4.2.7 R and 4.2.8 R).

Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Directors of Actual Experience plc and their functions are listed below.

Further information for Shareholders

Company number: 06838738

Registered office: Quay House
The Ambury
Bath
BA1 1UA

Directors: Stephen Davidson, Chairman
Dave Page, Chief Executive Officer
Steve Bennetts, Chief Financial Officer
Sir Bryan Carsberg, Non-executive Director
Kirsten English, Non-executive Director (appointed 1 January 2020)
Robin Young, Chief Operating Officer (resigned 28 February 2020)
Paul Spence, Non-executive Director (resigned 28 February 2020)
Dr Mark Reilly, Non-executive Director (resigned 3 December 2019)

Company Secretary: Steve Bennetts