9 March 2016

ATTRAQT Group plc

("ATTRAQT", the "Group" or the "Company")

FULL YEAR RESULTS FOR YEAR ENDED 31 DECEMBER 2015

ATTRAQT Group plc (AIM: ATQT), a leading provider of eCommerce site search, visual merchandising and product recommendation technology, announces its audited results for the full year ended 31 December 2015.

Financial Highlights

- Significant revenue growth of 40% to £2.91m (2014: £2.09m)
    - Recurring monthly revenue increased by 38% to £2.65m (2014: £1.92m), now representing 91% of all revenue (2014: 90%)
- Exit rate (year-end annualised billing) up 29% at £3.05m (2014: £2.36m)
- Increased gross margin to 84% (2014: 81%)
- 44% increase in gross profit to £2.4m (2014: £1.69m)
- Adjusted EBITDA[1] losses reduced to £0.2m (2014: £0.74m), in line with management expectations
- Cash at period end £3m (2014: £0.31m)

1. Adjusted EBITDA refers to earnings before interest, tax, depreciation, amortization, exceptional items and share based payments.

Operational Highlights

- Continued sales momentum with 49 deals in the period, including 31 new clients, bringing total clients to 110 (2014: 87)
    - New marquee clients signed include: *Bonmarché, Brown Thomas, ESPA* and *World Duty Free* in the UK; *La Perla* and *Screwfix* in Europe; *Ben Sherman, Vix Swimwear* and *TUMI* in North America.
- North American sales operation continuing to deliver with eight new clients in the period, bringing the total number of clients in this region to 17
- Delivered 63 new site implementations, bringing total live sites to 154 (2014: 110)
- Continued investment in the Freestyle Merchandising platform ('the Platform') with five upgrades delivered during the year
- Low client churn (<10% of the 2014 Exit rate)
- Significant growth in the number of existing client upgrades including renewal upgrades and additional sites (2015: 18 vs 2014: 3), with incremental revenue from existing customers greater than that lost through churn.

Fundraise

- Successful issue of new shares completed and approved by shareholders on 30 November 2015, raising £3.3 million (before expenses)

Andre Brown, CEO of ATTRAQT Group plc, commented:

"We are very pleased with the strong operational and financial progress achieved by ATTRAQT in 2015. We have continued to gain traction with leading retailers across the UK, Europe and North America, adding 31 new customers in the year, bringing the total to 113, with 154 live sites. This has enabled us to deliver significant revenue growth of 40% and a 29% increase in annualised billings.

"In the period, we successfully completed a fundraising which provides us with the financial means to accelerate our growth in the UK, Europe and North America, by investing further in sales, account management, production and core platform development.

"With a strong pipeline of new business opportunities, our increased exit rate and an increasingly sophisticated merchandising platform, we are confident in the ongoing success of ATTRAQT and in the outlook for 2016 and beyond."

For further information, please contact:

ATTRAQT Group plc André Brown, CEO Mark Johnson, CFO	via Newgate
N+1 Singer Shaun Dobson, Lauren Kettle	Tel: 020 7496 3000
Newgate Adam Lloyd, Madeleine Palmstierna	Tel: 020 7680 6550

About ATTRAQT

ATTRAQT launched its merchandising platform, ***Freestyle Merchandising***, in 2009 which included product recommendations, site search and visual merchandising. The client base has now grown to over 100 clients, including Tesco Clothing (part of Tesco Plc (LSE: TSCO)), boohoo.com (LSE: BOO) and Superdry (LSE: SGP). The Group has market presence in Western Europe and North America with offices in London and Chicago. For more information please visit: http://attraqt.com/

Chairman's Statement

We are delighted with the continued progress we have made in our first full year as an AIM listed company, delivering further sales momentum and signing 49 new deals in the period, growing our client base to 110 clients with 154 live sites. We have also succeeded in growing recurring monthly revenue by 38% and increasing the average deal value by 31%. This has enabled us to deliver a solid set of results for the year, with top line growth of 40% to £2.91m. More importantly, with our year-end annualised billings (exit rate) up 29% at £3.05m; our visibility over future revenues is also ahead of the same period last year.

ATTRAQT is also pleased with the further progress made in the careful and deliberate rollout of its North American operations, adding eight new clients in the period, including marquee brand TUMI, bringing the total number of clients in this region to 17.

The trends we continue to see across the Platform are very exciting. ATTRAQT continues to demonstrate its ability to deliver value for retailers, with a number of key renewal upgrades achieved in the period, where clients increased fee levels and added further sites to the Platform.

The recent successes of Black Friday and Cyber Monday provide further evidence of the Platform's ability to improve online conversion rates, average order values and customer retention. During this peak period, the average conversion rate for our clients rose to 5.4%, a 9% increase over last year. The Platform served 4.6m unique users in a single day on Black Friday, an increase of 64% on last year. Furthermore, Cyber Monday saw increased levels of activity across the platform, serving 4.1m unique users in a single day and average order values of £62.78, 22% higher than that of Black Friday.

On 30 November 2015, we completed a successful fundraising of £3.3 million (before expenses) by way of a placing of new shares. We were delighted by the response from investors, seeing strong support from both our existing shareholders and new investors. The additional funds will enable us to accelerate our growth in UK, Europe and North America and also allows us to further improve our productive capacity and further invest in our unique Freestyle Merchandising technology platform.

2016 looks to be a very exciting year for ATTRAQT and the Board looks to the future with confidence.

Dan Wagner
Chairman
8 March 2016

CEO's Statement

Introduction

We are very pleased with the strong operational and financial progress achieved by ATTRAQT during 2015. We have grown our customer base significantly, adding important marquee names to our client register and further building the volume of recurring revenue, which has also driven an improvement in gross margin. Our productive capacity has also improved and we now have 154 live sites, with a strong pipeline in place for 2016. Success in sales and production has contributed to the growth in revenue, which we expect to see continue in 2016.

We have continued to invest in and upgrade the Platform during the year and have an exciting development programme for 2016. In addition, we have continued to develop a number of important technology partnerships including with YUDU Media, signing the first joint client in the period, to extend the functionality of the Platform and to expand the use of our technology into new market segments.

Business model

The Group's business model is based on a recurring monthly service fee plus a one-off set-up fee and additional follow-on project fees. Clients sign up for a minimum of 12 months, with some larger clients signing up for a longer period of 2-3 years.

The current sales model is based on direct sales via a dedicated sales team. Due to the importance of the functionality provided by the Platform to our clients, client loyalty is strong with churn rates below 10% of revenue per annum, with most clients automatically renewing at the end of the contractual term.

Growth strategy

The Group's objective is to become the visual merchandising platform of choice for online retailers in Europe and North America and in a more global capacity in the long term.

Our recent fundraising, as announced on 12 and 30 November 2015, has enabled us to continue to build on our business plan, which is founded on five key elements:

1) Invest in sales and marketing to grow client base and volume of recurring revenue;
2) Expand the company's productive capacity to keep pace with accelerating sales;
3) Develop strategic partnerships – both sales and technology – to accelerate sales growth and extend our product offering;
4) Extend the capabilities of the platform through continued investment in research and development, adding new features and creating new products to initiate new revenue streams; and
5) Identify new markets and innovative ways to repurpose our technology.

Review of Sales & Operations

The Group has grown the client-base in the year, adding 31 new clients in the UK and North America (2014: 36), worth £0.95m in recurring revenue on an annualised basis. These include marquee names such as *Ben Sherman* in Canada; *Bonmarché*, *Brown Thomas*, *ESPA, Present Finder*, *Pretty Little Thing, World Duty Free* and *Buck and Hickman* in the UK and *Bizou, Echo Design*, and *TUMI* in the US. Further additions include *La Perla* and *Screwfix* in Europe, bringing the Group's total number of clients to 110 by the end of December 2015 (2014: 87).

The average value of new client contracts signed in 2015 has increased by 24% to £31k per annum reflecting the return on investment we can demonstrate for our products, the growing maturity of the sales team and the sales process as well as the increasing size of our typical customer.

The ongoing investment in our productive capacity has enabled us to deliver 63 new client sites during the year, nearly double the previous year's total (2014: 35), bringing the total number of live sites to 154 by year end. The Group also started 11 new site builds before the end of 2015, which are scheduled for delivery during 2016.

In 2015, we delivered a significant number of client renewal upgrades with 18 clients increasing their monthly fee increments and/or site upgrades (2014: 3). These upgrades, from clients such as Laura Ashley, TK Maxx and White Stuff, are worth an annualised £0.44m. We have also continued to undertake project work for our clients such as Responsive Web Design ('RWD') projects and search auto-complete projects.

Interesting client implementations during the year included the following:

- **Brown Thomas** and **John Greed** both added marketing content, in addition to the usual product displays, to their category page merchandising. This allowed them to promote particular products or promotions on the page. The products appear to mould themselves around the content, making the pages look far more sophisticated.

- **The Tate – Print Finder**: Prints are one of the best sellers for The Tate. The company built a print finder function on their site which uses ATTRAQT filters to return the correct products to fit the users selected criteria The solution enabled them to implement a 'wizard', allowing their customer to choose specific filters to get them to the prints they liked quickly, therefore improving customer experience and conversion rates.

- **Wilko, The Tate, Bonmarché** and **Ben Sherman** have added product recommendations to their homepages to reduce the number of clicks it takes customers to view products. This strategy utilises the real estate on the home page, which can often be overlooked by many customers, giving the retailer an opportunity to showcase the brand and products that get the highest conversion or to promote new products/sale products.

North American Expansion progressing

ATTRAQT has continued to focus on its North American expansion plans following the relocation of the North American HQ to Chicago in November 2014. During 2015, the Company successfully added 8 new clients in North America; *Ben Sherman, Bikini Village, Bizou, Echo Design, La Vie en Rose, Souris Mini, TUMI,* and *Vix Swimwear* bringing the total number of clients in this region to 17.

With the aid of proceeds from the fundraise ATTRAQT intends to bolster the North American team in 2016, adding additional sales people, account managers, project managers and client services people. ATTRAQT has recently hired a senior account manager which will enable the transfer of account management from the UK team to North America, freeing up additional capacity in the UK.

Platform enhancements and Product development

During 2015, ATTRAQT deployed five upgrades to the Platform, focused on performance improvements, enhancements to personalisation technology, improvements to manual merchandising and additional reporting functionalities; further increasing its competitive strength.

These new core platform releases included the new Hypercaching performance technology developed by the company which speeds up both search and category pages by getting the product information from a cache layer rather than having to retrieve it directly from the database or search index. Other code releases included "Smart collections" which allow clients to automatically add and remove products from manually created collections. In addition to this, ATTRAQT has made the first batch of changes to upgrade the platform infrastructure to improve platform resiliency and disaster recovery.

Functionality within the ATTRAQT Control Panel was also added to make merchandising simpler for clients with very large product sets and/or lots of international sites. ATTRAQT also released a new feature that will allow data from any third party provider to be used as input into ATTRAQT merchandising strategies without the need to integrate clients of 3rd parties.

ATTRAQT also continues to invest in and develop ATTRAQTMail™, which allows retailers to merchandise to customers through their current email marketing systems.

Strategic Partnerships

In August 2015, ATTRAQT announced its first technology partnership with mobile digital catalogue app developer YUDU Media to develop 'Live Catalog', a joint service offering using ATTRAQT's visual merchandising platform and YUDU's digital catalogue technology. 'Live Catalog' enables retailers to add real-time visual merchandising techniques, such as personalised promotions and special offers, and other rapidly-changing content to their digital catalogues. In November 2015, the Company announced it had signed Screwfix Germany as the first joint client of 'Live Catalog'.

The Board believes partnerships present a valuable opportunity for ATTRAQT to engage with its clients on additional features, with the potential to create new revenue streams.

Supportive Market Developments

Online retail continues to be a very competitive and dynamic industry where retailers are continuously challenged to respond to a clear, and growing, interaction between online and offline retailing. The Board believes the Platform is well positioned to help retailers respond to this challenge, ensuring consistency of merchandising across channels and countries.

The growth of ecommerce and investment in mobile continued during the year as retailers worked to enhance their capabilities in RWD, web app and mobile apps to capitalise on the trend for increasing use of mobile and tablet devices. According to reports by IMRG, visits to ecommerce sites via smartphone and tablet devices accounted for 45% of all ecommerce traffic in the UK (IMRG, Feb 2015). UK Consumers are estimated to spend £53.6bn a year by 2024 using their smartphones and tablets, highlighting the importance for retailers to invest in their mobile strategy. ATTRAQT is well positioned to benefit from this trend as the Platform is device and platform agnostic, enabling it to support retailers regardless of their channels to market.

Retailers continue to move away from the automated 'black-box' method of providing product recommendations towards a more nuanced approach that allows the retailer interaction with the recommendations being made, in particular to extend their visual merchandising strategies into those recommendations. This is a trend that plays to the core strength of the Platform and has continued throughout 2015. Internationalisation also remained a focus in 2015, with clients including Superdry and TUMI rolling out 21 and 18 international sites respectively.

We will continue to monitor market trends and enhance the Platform to ensure it meets customers' needs.

Financial Review

Total revenue increased by 40% to £2.91m (2014: £2.09m), exceeding Group expectations of £2.8m, as new customers were added and more existing customers commissioned additional sites. The recurring monthly revenue rose 38% from £1.92m to £2.65m, now representing 91% of total Group revenue, up 1% from 90% in 2014. The Exit Rate (year-end annualised billing) for 2015 was up 29% to £3.1m.

The Group recorded losses before tax and at the EBITDA level, both of which were in line with management expectations. Losses before tax were reduced to £0.73m (2014: £1.53m) and adjusted EBITDA losses for the year were significantly reduced by 73% to £0.2m (2014: £0.74m); on a monthly basis reaching a position of EBITDA breakeven in late FY 2015. In FY 2016, the investment of the proceeds of the fundraising in expanding sales, marketing and production (detailed further in the section below) are expected to lead to EBITDA losses increasing in the short-term, reflecting investment in the Group's operational expansion; however the rate of growth is expected to accelerate as a result, with a return to EBITDA profitability in the mid-term.

ATTRAQT continues to invest in technical enhancements to the existing product offerings and in new products. Some of this cost is capitalised and some is absorbed as part of the operating costs of the business.

Funding

Since its admission to AIM, ATTRAQT has continued to deliver strong operational and financial progress, signing important new clients across regions and continuing to invest in organic growth by developing performance improvements and new features. In order to continue to deliver on the exciting potential of the Group and its target markets, ATTRAQT successfully raised approximately £3.3 million (before expenses) by way of a placing. This will enable the Group to develop its sales teams in the UK and in North America, with additional investment required to expand the required production capacity to support its potential growth prospects and increase the functionality of the core platform.

As part of the fundraising, ATTRAQT also welcomed Nick Habgood, Managing Partner of Azini Capital Partners LLP, to its Board as Non-executive Director as of 30 November 2015.

Outlook

We are very pleased with the strong progress we have made in 2015. We are continuing to gain traction with leading retailers both in the UK, Europe and North America, and with a strong financial platform, we look forward to 2016 with confidence.

- There is real momentum in the sales process and production pipeline and with our year-end annualised billings up 29% we see this continuing into 2016.

- The Platform continues to perform well, with further enhancements delivered in 2015 and an exciting development roadmap for 2016, including improvements to the Platform to streamline production, a full reporting and recommendations upgrade and further improvements to personalisation.

- We have further invested in our productive capacity, driving efficiencies and working closely with our clients to drive improvements, increasing client reliance and usage of the Platform.

- We have maintained our high margin and low revenue churn.

- The successful fundraising has provided us with the financial means to accelerate our growth in the UK, Europe and North America, by investing further in sales, account management, production and core platform development.

With a strong pipeline of new business opportunities, our much increased exit rates and an increasingly sophisticated merchandising platform, we are confident in the ongoing success of ATTRAQT and in the outlook for 2016 and beyond.

André Brown
Chief Executive Officer
8 March 2016

ATTRAQT Group PLC
Consolidated statement of comprehensive income
For the year to 31 December 2015

	Note	Year to 31 December 2015 £'000	Year to 31 December 2014 £'000
Revenue	4	**2,911**	**2,086**
Cost of sales		**(480)**	**(399)**
Gross profit		**2,431**	**1,687**
Administrative expenses		**(3,045)**	**(2,736)**
Exceptional administrative expense	5	**(118)**	**(484)**
Total administrative expenses		**(3,163)**	**(3,220)**
Loss from operations		**(732)**	**(1,533)**
Loss before tax		**(732)**	**(1,533)**
Tax credit		**80**	**119**
Loss for the year		**(652)**	**(1,414)**
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(6)**	**(26)**
Total other comprehensive income		**(6)**	**(26)**
Total comprehensive loss for the year attributable to shareholders of the parent		**(658)**	**(1,440)**
Loss per share attributable to the ordinary equity holders of the company			
Basic and diluted EPS	6	**(3.1p)**	**(8p)**

ATTRAQT Group PLC
Consolidated statement of financial position
as at 31 December 2015

	2015 £'000	2014 £'000
Assets		
Non-current assets		
Property, plant and equipment	**27**	**50**
Intangible assets	**170**	**120**
	197	**170**
Current assets		
Trade and other receivables	**473**	**310**
Corporation tax receivable	**61**	**119**
Cash and cash equivalents	**2,996**	**307**
	3,530	**736**
Total assets	**3,727**	**906**
Liabilities		
Current liabilities		
Trade and other payables	**700**	**540**
Total liabilities	**700**	**540**
NET ASSETS	**3,027**	**366**
Issued capital and reserves attributable to owners of the parent		
Share capital	**269**	**206**
Share premium	**4,253**	**1,252**
Merger reserve	**1,457**	**1,457**
Share based payment reserve	**477**	**222**
Foreign exchange reserve	**(32)**	**(26)**
Retained earnings	**(3,397)**	**(2,745)**
TOTAL EQUITY	**3,027**	**366**

ATTRAQT Group PLC
Consolidated statement of cash flows
for the year ended 31 December 2015

	2015 £'000	2014 £'000
Cash flows from operating activities		
Loss for the year	**(652)**	**(1,414)**
Adjustments for:		
Depreciation of property, plant and equipment	**28**	**34**
Amortisation of intangible fixed assets	**139**	**132**
Income tax credit	**(80)**	**-**
Share based payment expense	**255**	**162**
Foreign exchange loss	**(6)**	**(40)**
	(316)	**(1,126)**
(Increase) in trade and other receivables	**(163)**	**(96)**
Increase/(decrease) in trade and other payables	**160**	**164**
Cash used in operations	**(319)**	**(1,058)**
Income taxes received	**138**	**-**
Net cash flows from operating activities	**(181)**	**(1,058)**
Investing activities		
Purchases of property, plant and equipment	**(5)**	**(15)**
Development of intangibles	**(189)**	**(131)**
Net cash used in investing activities	**(194)**	**(146)**
Financing activities		
Issue of ordinary shares, net of issue costs	**3,064**	**1,295**
Repayment of debt	**-**	**(45)**
Net cash from investing and financing activities	**2,870**	**1,104**
Net increase in cash and cash equivalents	**2,689**	**46**
Cash and cash equivalents at beginning of year	**307**	**261**
Cash and cash equivalents at end of year	**2,996**	**307**

ATTRAQT Group PLC
Consolidated statement of changes in equity
for the year ended 31 December 2015

	Share capital £'000	Share premium £'000	Other reserve £'000	Merger reserve £'000	Share based payment reserve £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total equity £'000
1 January 2014	177	-	45	1,457	60	-	(1,331)	408
Loss for the year	-	-	-	-	-	-	(1,414)	(1,414)
Translation of foreign entity	-	-	-	-	-	(26)	-	(26)
Total comprehensive Income for the year	-	-	-	-	-	(26)	(1,414)	(1,440)
Share based payment charge	-	-	-	-	162	-	-	162
Issue of share capital	29	1,252	(45)	-	-	-	-	1,236
31 December 2014	206	1,252	-	1,457	222	(26)	(2,745)	366
Loss for the year	-	-	-	-	-	-	(652)	(652)
Translation of foreign entity	-	-	-	-	-	(6)	-	(6)
Total comprehensive Income for the year	-	-	-	-	-	(6)	(652)	(658)
Share based payment charge	-	-	-	-	255	-	-	255
Issue of share capital	63	3,222	-	-	-	-	-	3,285
Issue costs	-	(221)	-	-	-	-	-	(221)
31 December 2015	269	4,253	-	1,457	477	(32)	(3,397)	3,027

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Other reserve	Amount of proceeds on issue of convertible debt relating to the equity component (i.e. option to convert the debt into share capital).
Merger reserve	The merger reserve results from the application of merger accounting on the merger of ATTRAQT Inc and ATTRAQT Limited.
Share based payment reserve	The share based payment reserve represents equity settled share based employee remuneration until such share options are exercised.
Foreign exchange reserve	The difference arising on the translation of the assets and liabilities of the overseas subsidiary company into the functional currency of the Group.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

1. Accounting policies

General information

The principal activity of ATTRAQT Group PLC ("the Company") and its subsidiaries (together "the Group") is the development and provision of eCommerce site search, merchandising and recommendation technology.

The principal trading subsidiaries are ATTRAQT Limited and ATTRAQT Inc.

The Company is a public limited company which is quoted on the Alternative Investment Market of the London Stock Exchange and is incorporated and domiciled in the UK. The address of the registered office is 14 Gray's Inn Road, London, WC1X 8HN.

The registered number of the company is 8904529.

Basis of preparation

The financial information set out in this document does not constitute the Group's statutory financial statements for the year ended 31 December 2015 or 31 December 2014. The annual report and financial statements for the year ended 31 December 2015 were approved by the Board of Directors on 8 March 2016 along with this preliminary announcement. The financial statements for the year ended 31 December 2015 have been reported on by the Independent Auditor. The Independent Auditor's report on the financial statements for 2015 was unqualified and did not draw attention to any matters by way of emphasis.

The financial information set out in these preliminary results has been prepared using International Financial Reporting Standards (IFRSs) as adopted by the EU and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The accounting policies adopted in these preliminary results have been consistently applied to all the years presented. The principal accounting policies adopted are unchanged from those used in the preparation of the statutory accounts for the period ended 31 December 2015. New standards, amendments and interpretations to existing standards, which have been adopted by the Group, have not been listed since they have no material impact on the financial statements.

A business combination is a ''common control combination'' if the combining entities are ultimately controlled by the same party (including the same individual shareholder or a group of shareholders acting together in accordance with a contractual arrangement) both before and after the combination and the common control is not transitory.

For the purposes of the consolidated financial information, the creation of the ATTRAQT Group PLC has been treated as a business combination involving entities under common control. Business combinations involving entities under common control fall outside the scope of IFRS 3: Business Combinations. In accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, management have considered the pronouncements of other standard-setting bodies in developing an accounting policy for common control combinations.

Going concern

The financial statements have been prepared under the going concern basis as the directors have undertaken a review of the future financing requirements for the ongoing operation of the company, and wider group, and are satisfied that the sufficient cash facilities are secured, in respect of positive cash inflows from operations, to meet its working capital requirement for at least 12 months from the date of signing these financial statements. The directors accordingly consider it appropriate for the financial statements to be prepared on a going concern basis.

2. Significant accounting judgements and estimates

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share based payments

Share options are recognised as an expense based on their fair value at date of grant. The fair value of the options is estimated through the use of a valuation model – which require inputs such as the risk-free interest rate, expected dividends, expected volatility and the expected option life – and is expensed over the vesting period. Some of the inputs used to calculate the fair value are not market observable and are based on estimates derived from available data, such as employee exercise behaviour and employee turnover.

Capitalisation of development costs

It is a requirement under IFRS that development costs that meet the criteria prescribed in the standard are capitalised. The assessment of each project requires that a judgement is made as to the commercial viability and the ability of the company to bring the product to market.

3. Financial instruments - Risk Management

The Company is exposed through its operations to the following financial risks:

- Credit risk
- Foreign exchange risk
- Liquidity risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

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

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

A summary of the financial instruments held by category is provided below.

Financial liabilities

All financial liabilities held by the Group at 31 December 2015 are classified as held at amortised cost.

Financial assets	**2015** **£'000**	**2014** **£'000**
Current		
Trade receivables	369	240
Other receivables	14	17
	383	257
Cash and cash equivalents	2,996	307

All financial assets held by the Group at 31 December 2015 are classified as loans and receivables and there is no difference between the carrying amount and the fair value.

At 31 December 2015 the three largest customers owed a total of £97,200. The directors do not consider that there is any reason to provide against any part of this balance.

Financial liabilities	**2015** **£'000**	**2014** **£'000**
Trade payables	83	214
Other payables - non financial liabilities	338	88
	421	302

All financial liabilities held by the Group at 31 December 2015 are classified as held at amortised cost.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's Chief Executive Officer. The Board receives quarterly reports from the Company Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings take into account local business practices.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

Cash at bank

A significant amount of cash is held with the following institutions:

	Balance at 31 December 2015 £'000	**Balance at 31 December 2014 £'000**
Barclays Bank Plc	2,987	298
Citibank	9	8

On 8 January 2015 the Group obtained an overdraft facility with Barclays Bank for up to £50,000. This is available for immediate drawdown. It is secured over the assets of ATTRAQT Limited.

Foreign exchange risk

Foreign exchange risk arises when the Group enters into transactions denominated in a currency other than the functional currency. The Group's policy is, where possible, to allow entities to settle liabilities denominated in their functional currency (primarily Sterling Pounds) with the cash generated from their own operations in that currency.

In order to monitor the continuing effectiveness of this policy, the CEO reviews a monthly forecast, analysed by the major currencies held by the Group, of liabilities due for settlement and expected cash reserves.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. The Group manages the risk that it will encounter difficulty in meeting its financial obligations as they fall due by forecasting its short term cash position on a regular basis.

The Group seeks to mitigate short term liquidity risk by entering into a factoring arrangement on one of its trade receivables.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 30 days.

The Board receives rolling 12-month cash flow projections on a quarterly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

In the management of liquidity risk, the group monitors and tries to maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

At 31 December 2014	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 year £'000	Between 2 and 5 years £'000	Over 5 years £'000
Trade and other payables	291	11	-	-	-
Total	291	11	-	-	-

At 31 December 2015	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 year £'000	Between 2 and 5 years £'000	Over 5 years £'000
Trade and other payables	421	-	-	-	-
Total	421	-	-	-	-

4. Revenue

Revenue arises from the rendering of services	2015 £'000	2014 £'000
Recurring revenues	2,652	1,922
One-off fees	259	164
Total rendering	2,911	2,086

There are three customers contributing 14%, 11% and 10% respectively to Group revenues. The Directors are not concerned about the continuance of these relationships.

Geographical split of revenue	2015 £'000	2014 £'000
UK	2,785	2,064
North America	126	22
Total revenue	2,911	2,086

The Group reports geographical revenue on the basis of the revenue of the relevant statutory billing entity.

5. Exceptional administrative expenses

Exceptional expenses of £118,000 in 2015 relates to: (i) £61,000 of costs incurred in respect of the secondary purchase of 5,000,000 shares in December 2015 done in conjunction with the December 2015 placing of 6,316,346 new shares on AIM, and (ii) £57,000 of costs related to the non-recurring award of a bonus to Andre Brown regarding the IPO in 2014 and the placing in December 2015. (2014 – £484,000 in connection with the Company's IPO and admission to AIM)

6. Loss per share

Numerator	2015 £'000	2014 £'000
Loss for the year and loss used in basic and diluted EPS	(652)	(1,414)
Denominator		
Weighted average number of shares used in basic and diluted EPS	21,127,841	18,819,772
Loss per share – basic and diluted	(3.1p)	(8p)

At the year end the Group had 1,341,680 exercisable share options (2014: nil), however in accordance with IAS 33 where there is a loss for the year, there is no dilutive effect of options and therefore there is no difference between the basic and diluted loss per share.