



## **BRAINJUICER GROUP PLC**

**Unaudited interim accounts  
for the three month period ended 31 March 2016**

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**PROFIT AND LOSS ACCOUNT**  
**for the period ended 31 March 2016**

	Note	Period ended 31 March 2016 £'000	Year ended 31 December 2015 £'000
<b>Turnover</b>		<b>2,004</b>	7,207
Administrative expenses		(1,736)	(7,235)
<b>Operating profit/(loss)</b>		<b>268</b>	(28)
Dividends received from subsidiary undertaking		1,700	2,000
Net interest on intra-group balances		-	34
<b>Profit on ordinary activities before taxation</b>		<b>1,968</b>	2,006
Tax on profit on ordinary activities		(97)	(114)
<b>Profit for the financial period</b>		<b>1,871</b>	1,892

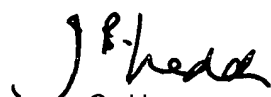
All activities of the Company are classed as continuing

**BALANCE SHEET**  
**AS AT 31 MARCH 2016**

	Note	31 March 2016	31 December 2015
		£'000	£'000
<b>Fixed assets</b>			
Other intangible assets	2	446	519
Tangible assets	3	179	156
Investments	4	581	581
		1,206	1,256
<b>Current assets</b>			
Inventories		6	-
Debtors due within one year	5	3,512	2,271
Debtors due after one year	5	159	147
Cash at bank		3,965	3,724
		7,642	6,142
<b>Creditors: amounts due within one year</b>	6	(946)	(1,408)
<b>Net current assets</b>		6,696	4,734
<b>Total assets less current liabilities</b>		7,902	5,990
<b>Provisions for liabilities</b>	7	(368)	(349)
<b>Net assets</b>		7,534	5,641
<b>Capital and reserves</b>			
Share capital	9	132	132
Share premium account		1,599	1,599
Retained earnings		5,803	3,910
<b>Shareholders' funds</b>		7,534	5,641

Registered Company No. 05940040

These unaudited interim accounts for the period ended 31 March 2016 were approved by the directors on 21 April 2016 and are signed on their behalf by:

  
James Geddes  
Director

**STATEMENT OF CHANGES IN EQUITY**  
For the period ended 31 March 2016

		Share capital	Share premium account	Retained earnings	Total
		£'000	£'000	£'000	£'000
At 1 January 2015		131	1,580	3,444	5,155
Profit for the financial year and total comprehensive income attributable to the equity holders		-	-	1,892	1,892
Transactions with owners:					
Employee share options scheme:					
- exercise of share options		1	19	-	20
- value of employee services		-	-	112	112
- current tax credited to equity		-	-	123	123
- deferred tax debited to equity		-	-	(169)	(169)
Dividends paid to owners		-	-	(544)	(544)
Sale of treasury shares		-	-	211	211
Purchase of treasury shares		-	-	(1,159)	(1,159)
		1	19	(1,426)	(1,406)
At 31 December 2015		132	1,599	3,910	5,641
Profit for the financial period and total comprehensive income attributable to the equity holders		-	-	1,871	1,871
Transactions with owners:					
Employee share options scheme:					
- value of employee services		-	-	50	50
- deferred tax debited to equity		-	-	(28)	(28)
		-	-	22	22
At 31 March 2016		132	1,599	5,803	7,534

## NOTES TO THE UNAUDITED INTERIM ACCOUNTS

### 1 Accounting policies

#### Basis of preparation

The unaudited interim accounts of the Company are presented as required by the Companies Act 2006, Section 838(6). They have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 – 'The Reduced Disclosure Framework'.

The Company's interim accounts for the period ended 31 March 2016 are not consolidated accounts and do not include the results, cash flows, assets and liabilities of its subsidiary undertakings.

These interim accounts have been prepared solely to demonstrate that the Company has sufficient distributable reserves to make planned distributions and solely to satisfy the relevant requirements of the Companies Act 2006. Accordingly these interim accounts are not directly comparable with the financial statements for the year ended 31 December 2015 that include the results, cash flows, assets and liabilities of BrainJuicer Group PLC and its subsidiary undertakings.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently throughout the period.

#### Revenue recognition

Turnover represents income from market research services, royalties and services provided to subsidiary undertakings. Such income is net of VAT and recognised to the extent that services have been delivered during the period. Revenue in respect of market research services is recognised only after the final written debrief has been delivered to the client.

#### Other Intangible assets

**Software.** Acquired computer software licenses are capitalised at the cost of acquisition. These costs are amortised on a straight-line basis over their estimated useful economic life of two years.

Costs incurred in the development of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include professional fees and directly-attributable employee costs required to bring the software into working condition. Non-attributable costs are expensed under the relevant income statement heading.

Furthermore, internally-generated software is recognised as an intangible asset only if the Company can demonstrate all of the following conditions:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) its intention to complete the intangible asset and use or sell it;
- (c) its ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits;
- (e) among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

## NOTES TO THE UNAUDITED INTERIM ACCOUNTS

- (f) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- (g) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally-generated intangible assets are amortised on a straight-line basis over their useful economic lives. Where no internally-generated intangible asset can be recognised, development expenditure is charged to administrative expenses in the period in which it is incurred. Once completed, and available for use in the business, internally developed software is amortised on a straight line basis over its useful economic life which varies between 2 and 7 years.

The Company's main research software platform, which it developed over a number of years, was brought into use on 1 January 2011 and is being amortised over its estimated useful economic life of 7 years.

Amortisation on all intangible assets is charged to administrative expenses.

### **Tangible assets**

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided to write off the cost of all property, plant and equipment to its residual value on a straight-line basis over its expected useful economic lives, which are as follows:

Furniture, fittings and equipment	5 years
Computer hardware	2 to 3 years

The residual value and useful life of each asset is reviewed and adjusted, if appropriate, at each balance sheet date.

### **Impairment of property, plant and equipment and intangible assets**

At each balance sheet date the Company reviews the carrying amount of its property, plant and equipment and intangible assets for any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Intangible assets not available for use are tested for impairment on at least an annual basis. The recoverable amount is the higher of the fair value less costs to sell and value in use.

### **Cash at bank**

Cash at bank comprises cash in hand and bank deposits available on demand.

### **Inventories – work in progress**

Work in progress comprises directly-attributable external costs on incomplete market research projects and is held in the balance sheet at the lower of cost and net realisable value.

## **NOTES TO THE UNAUDITED INTERIM ACCOUNTS**

### **Income taxes**

Current income tax liabilities comprise those obligations to fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws that have been enacted or substantively enacted at the reporting date applicable to the fiscal periods to which they relate, based on the taxable profit for the period. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement, except where it relates to items charged or credited to other comprehensive income or directly to equity.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as a component of tax expense in the income statement, except where it relates to items charged or credited to other comprehensive income or directly to equity.

### **Employee benefits**

All accumulating employee-compensated absences that are unused at the balance sheet date are recognised as a liability.

The Company operates a defined contribution pension plan. The Company pays contributions to the plan based upon the contractual terms agreed with each employee. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

### **Share-based payments**

Equity-settled, share-based payments are measured at fair value at the date of grant. Equity-settled, share-based payments that are made available to employees of the Company's subsidiaries are treated as increases in equity over the vesting period of the award, with a corresponding increase in the Company's investments in subsidiaries, based on an estimate of the number of shares that will eventually vest.

### **Provisions**

Provisions for sabbatical leave are recognised when: the Company has a legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Where material, the increase in provisions due to passage of time is recognised as interest expense. The provision for sabbatical leave is measured using the projected unit credit method.



## NOTES TO THE UNAUDITED INTERIM ACCOUNTS

### Financial instruments

**Financial assets.** The Company's financial assets comprise loans and receivables. The Company does not possess assets held at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets. The classification is determined by management at initial recognition, being dependent upon the purpose for which the financial assets were acquired. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

**Loans and receivables.** Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Company's loans and receivables comprise trade and other debtors and cash at bank in the balance sheet.

Trade debtors are initially recorded at fair value, but subsequently at amortised cost using the effective interest rate method. Provision against trade debtors is made when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of those debtors. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

**Financial liabilities.** Financial liabilities are initially recognised at fair value, net of transaction costs, and subsequently carried at amortised cost using the effective interest rate method. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited directly to equity.

### Share capital

Ordinary shares are classified as equity. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### Share premium

Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

## NOTES TO THE UNAUDITED INTERIM ACCOUNTS

### **Treasury shares**

Where the Company purchases the Company's equity share capital, the consideration paid is deducted from the total shareholders' equity and classified as treasury shares until they are cancelled. Where such shares are subsequently sold or re-issued, any consideration received is included in total shareholders' equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### **Significant accounting estimates and judgements**

**Share-based payments.** The fair value of options granted is determined using the Hoadley Employee Stock Option Valuation model (for the employee share option scheme) and a Monte Carlo simulation model (for the long-term incentive scheme). These models require a number of estimates and assumptions. The significant inputs into the models are share price at grant date, exercise price, historic exercise multiples, expected volatility and the risk free rate. Volatility is measured at the standard deviation of expected share price returns based on statistical analysis of historical share prices.

In prior reporting periods the Company has often purchased shares arising from the exercise of share options in order to minimise shareholder dilution and create shareholder value. IFRS 2 does not provide guidance on the application of 'substance over form' when evaluating whether a share based payment should be accounted for as equity or cash-settled. In order to determine whether the Company's share options are equity or cash-settled, consideration needs to be given to whether the settlement of the share options through the issue and subsequent repurchase of treasury shares should be treated as one transaction or as two distinct transactions, and whether the Company has a present obligation to settle in cash. The Company does not publicise to option holders that treasury shares may be repurchased and the decision to do so is only made at the point of option exercise. Consequently, for subsequent settlements treasury shares issued may not be purchased. For this reason treating the transaction as a whole would not reflect the transaction's substance. There's no present obligation to settle in cash given that the Company does not have a policy of repurchasing treasury shares and has not advertised to employees that this option will be open to them until the point of exercise. As a result the Company's share options continue to be accounted for as equity rather than cash-settled.

In 2014 the Company cash-settled part of its long-term incentive plan. Despite the repurchase of these equity interests the Company did not have an obligation to do so and does not have an obligation, constructive or otherwise to do so in the future. As a result, the Company continues to account for share-based payments related to its long term incentive plans as equity rather than cash-settled.

**Employee benefits.** The Company has a sabbatical leave scheme, open to all employees, that provides 20 days paid leave for each six years' of service. The carrying amount of the provision at the balance sheet date amounted to £320,000 (2015: £304,000). The provision for liabilities under the scheme is measured using the projected unit credit method. This model requires a number of estimates and assumptions. The significant inputs into the model are rate of salary growth and average staff turnover as explained in Note 7.

## NOTES TO THE UNAUDITED INTERIM ACCOUNTS

### 2 Other intangible assets

For the period ended 31 March 2016:

	Software licenses	Software	Total
	£'000	£'000	£'000
<b>At 1 January 2016</b>			
Cost	435	1,672	2,107
Accumulated amortisation	(375)	(1,213)	(1,588)
<b>Net book amount</b>	<b>60</b>	<b>459</b>	<b>519</b>
<b>Period ended 31 March 2016</b>			
Opening net book amount	60	459	519
Additions	2	-	2
Amortisation charge	(18)	(57)	(75)
<b>Closing net book amount</b>	<b>44</b>	<b>402</b>	<b>446</b>
<b>At 31 March 2016</b>			
Cost	437	1,672	2,109
Accumulated amortisation	(393)	(1,270)	(1,663)
<b>Net book amount</b>	<b>44</b>	<b>402</b>	<b>446</b>

For the year ended 31 December 2015:

	Software licenses	Software	Total
	£'000	£'000	£'000
<b>At 1 January 2015</b>			
Cost	405	1,672	2,077
Accumulated amortisation	(297)	(984)	(1,281)
<b>Net book amount</b>	<b>108</b>	<b>688</b>	<b>796</b>
<b>Year ended 31 December 2015</b>			
Opening net book amount	108	688	796
Additions	30	-	30
Amortisation charge	(78)	(229)	(307)
<b>Closing net book amount</b>	<b>60</b>	<b>459</b>	<b>519</b>
<b>At 31 December 2015</b>			
Cost	435	1,672	2,107
Accumulated amortisation	(375)	(1,213)	(1,588)
<b>Net book amount</b>	<b>60</b>	<b>459</b>	<b>519</b>

Software comprises the Group's main research software platform, which it developed over a number of years and introduced in 2011, at a cost of £1,604,000. It is being amortised over 7 years and has a remaining amortisation period of 21 months. The carrying amount of this asset at the balance sheet date was £402,000 (31 Dec 2015 £459,000).

## NOTES TO THE UNAUDITED INTERIM ACCOUNTS

### 3 Tangible assets

For the period ended 31 March 2016:

	Furniture, fittings and equipment	Computer hardware	Total
	£'000	£'000	£'000
<b>At 1 January 2016</b>			
Cost	99	386	485
Accumulated depreciation	(17)	(312)	(329)
<b>Net book amount</b>	<b>82</b>	<b>74</b>	<b>156</b>
<b>Period ended 31 March 2016</b>			
Opening net book amount	82	74	156
Additions	33	17	50
Depreciation charge for the period	(5)	(22)	(27)
<b>Closing net book amount</b>	<b>110</b>	<b>69</b>	<b>179</b>
<b>At 31 March 2016</b>			
Cost	132	403	535
Accumulated depreciation	(22)	(334)	(356)
<b>Net book amount</b>	<b>110</b>	<b>69</b>	<b>179</b>

For the year ended 31 December 2015:

	Furniture, fittings and equipment	Computer hardware	Total
	£'000	£'000	£'000
<b>At 1 January 2015</b>			
Cost	154	336	490
Accumulated depreciation	(152)	(224)	(376)
<b>Net book amount</b>	<b>2</b>	<b>112</b>	<b>114</b>
<b>Year ended 31 December 2015</b>			
Opening net book amount	2	112	114
Additions	91	50	141
Depreciation charge for the year	(11)	(88)	(99)
<b>Closing net book amount</b>	<b>82</b>	<b>74</b>	<b>156</b>
<b>At 31 December 2015</b>			
Cost	99	386	485
Accumulated depreciation	(17)	(312)	(329)
<b>Net book amount</b>	<b>82</b>	<b>74</b>	<b>156</b>

## NOTES TO THE UNAUDITED INTERIM ACCOUNTS

### 4 Investments

	Group companies
	£'000
<b>Cost and net book amount</b>	
At 1 January 2016 and at 31 March 2016	581

### Subsidiary undertakings

Details of subsidiary undertakings at 31 March 2016 are as follows:

	Country of incorporation
BrainJuicer Limited	UK
BrainJuicer BV	Netherlands
BrainJuicer Inc	USA
BrainJuicer Sarl	Switzerland
BrainJuicer GmbH	Germany
BrainJuicer Marketing Consulting (Shanghai) Co., Ltd	China
BrainJuicer Do Brazil Servicos de Marketing LTDA	Brazil
BrainJuicer Srl	Italy
BrainJuicer France SARL	France
BrainJuicer Market Research Pte Ltd	Singapore
BrainJuicer India Private Limited	India
System1 Agency Limited	UK

BrainJuicer Limited and System1 Agency Limited are wholly owned direct subsidiaries of BrainJuicer Group PLC. The remaining subsidiaries are each wholly owned direct subsidiaries of BrainJuicer Limited. The activities of all companies are the provision of online market research services, apart from System1 Agency Limited which provides advertising agency services.

### 5 Debtors

	31 March 2016	31 December 2015
	£'000	£'000
<b>Due within one year</b>		
Trade debtors	4	-
Amounts due from group undertakings	3,020	1,713
Other debtors	30	32
Corporation tax recoverable	57	150
Deferred tax (Note 8)	169	210
Prepayments	232	166
	3,512	2,271
<b>Due after one year</b>		
Deferred tax (Note 8)	159	147

## NOTES TO THE UNAUDITED INTERIM ACCOUNTS

### 6 Creditors: amounts due within one year

	31 March 2016	31 December 2015
	£'000	£'000
Trade creditors	281	238
Social security and other taxes	(12)	88
Amounts due to group undertakings	160	522
Accruals and deferred income	517	560
	946	1,408

### 7 Provisions for liabilities

	Deferred tax (Note 8)	Sabbatical provision	Total
	£'000	£'000	£'000
At 1 January 2015	24	207	231
Provided in the year	6	91	97
Utilised in the year	-	(20)	(20)
At 31 December 2015	45	304	349
Provided in the period	3	16	19
At 31 March 2016	48	320	368

The Company has a sabbatical leave scheme, open to all employees. The scheme provides 20 days paid leave for each successive period of 6 years' service. There is no proportional entitlement for shorter periods of service. The provision for the liabilities under the scheme is measured using the projected unit credit method.

The calculation of the provision assumes an annual rate of growth in salaries of 5% (2015: 5%), a discount rate of 2.75% (2015: 2.75%), based upon good quality 6-year corporate bond yields, and an average staff turnover rate of 15% (2015: 15%).

## NOTES TO THE UNAUDITED INTERIM ACCOUNTS

### 8 Deferred tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	31 March 2016	31 December 2015
	£'000	£'000
Deferred tax assets:		
- Deferred tax assets to be recovered after more than 12 months	159	147
- Deferred tax assets to be recovered within 12 months	169	210
	328	357
Deferred tax liabilities:		
- Deferred tax liability to be recovered within 12 months	(48)	(45)
Deferred tax asset (net):	280	312

The gross movement in deferred tax is as follows:

	31 March 2016	31 December 2015
	£'000	£'000
At beginning of period	312	483
Income statement charge	(4)	(2)
Tax debited directly to equity	(28)	(169)
At end of period	280	312

The movement in deferred income tax assets and liabilities during the period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets	Other provisions	Share options	Sabbatical provision	Total
	£'000	£'000	£'000	£'000
At 1 January 2016	2	294	61	357
(Debited)/credited to income statement	-	(4)	3	(1)
Debited directly to equity	-	(28)	-	(28)
At 31 March 2016	2	262	64	328

Deferred tax liabilities	Accelerated capital allowances
	£'000
At 1 January 2016	(45)
Charged to income statement	(3)
At 31 March 2016	(48)

## NOTES TO THE UNAUDITED INTERIM ACCOUNTS

### 9 Share capital

Allotted, called up and fully paid:

	Number	£'000
At 1 January 2015	13,141,867	131
Exercise of share options	81,895	1
<b>At 31 December 2015 and at 31 March 2016</b>	<b>13,223,762</b>	<b>132</b>

Of the total issued Ordinary Shares numbering 13,223,762 (31 Dec 2015: 13,223,762), those held in treasury numbered 509,268 (31 Dec 2015: 509,268).