



Report of the Directors and
Consolidated Financial Statements
For the year ended 31 May 2017

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Company Information

Directors

Dr A J Riddell
Dr B Ganeshan
M P Hayball
Dr A H Menys
T N Irish

Secretary

Temple Secretaries Limited

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Bourn
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Registered Number

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Nominated Adviser and Joint Broker

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London
EC3A 6AB

Joint Broker

Northland Capital Partners Limited
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Joint Broker

Peterhouse Corporate Finance Limited
15 Eldon Street
London
EC2M 7LD

Bankers

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Registrars

Share Registrars Limited
The Courtyard
17 West Street
Farnham
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Chairman's Statement

Financial progress

In the year ended 31 May 2017, the Group incurred a loss after tax of £266,003 (2016: loss £183,156) on revenue of £465,885 (2016: £431,454). The results show a continuation in revenue growth as more customers around the world adopt TexRAD® and Cadran products and associated support services. On 26 April 2017, we announced the completion of a placing of 27,272,727 new Ordinary Shares at a price of 2.75 pence per share to raise a total of £750,000 (before expenses). A proportion of the net proceeds from the share issue has been invested in product development, sales and marketing with the balance being utilised for general working capital purposes. This accelerated expenditure, including investing in the team and external activities, has contributed to the increase in the loss during the period, however the Directors expect that the benefits of this investment will be seen in the current financial year. Operational cash generation has been satisfactory and reflects customer payments for new purchases and contracts before the periods in which the revenue is recognised. The share issue, net of costs, has contributed to a healthy cash balance at the end of the year.

Operational progress

As previously announced, Feedback's subsidiary company, Cambridge Computed Imaging Ltd ("CCI") is working towards a CE marked release of "TexRAD® Lung" for the clinical application of TexRAD® in the diagnosis, prognosis and treatment of lung cancer. CE marking is a claim by a medical device manufacturer that a product meets the essential requirements of the Medical Device Directive, which outlines the safety and performance requirements for medical devices in the European Union. TexRAD® Lung will be a "software only" medical device providing additional information for the interpretation of computerised tomography (CT) and positron emission tomography (PET) scans.

Feedback is committed to offering its customers the highest quality service across all areas of its business, and therefore compliance with international quality management standards is of paramount importance. CCI received certification for its compliance with the ISO 13485:2016 quality management standard in September 2017. In May 2017, Feedback announced that CCI had identified enhancements to improve the performance of TexRAD® which will further support the wider clinical application of the TexRAD® technology. Since then, CCI has successfully prepared a "release candidate" version of TexRAD® Lung, incorporating over 60 risk control measures to address the 50 potential clinical risk scenarios identified within the product. This is now in the final stages of testing, with an anticipated CE marked release by the end of November 2017.

On 30 March 2017, as part of the intended distribution arrangements, CCI signed a letter of intent with a leading global medical imaging company which would make TexRAD® Lung available for purchase on its diagnostic imaging solutions platform. This would, in due course, enable easy access to TexRAD® Lung for hundreds of potential users around the world on a subscription basis. We look forward to continuing our ongoing discussions with this company and other leading imaging companies to broaden the range of potential routes to market for clinical versions of TexRAD®.

Post-period end, CCI signed exclusive distributor agreements with Korea Computer Motion ISG ("Korea ISG") in June 2017 and Boya Digital Technology (Beijing) Co. Ltd. ("Boya") in July 2017 for sales and distribution of TexRAD® in South Korea and the People's Republic of China, respectively. These agreements represent a significant step in expanding TexRAD® sales to meet the fast-growing demand in Asian markets. By successfully identifying and engaging with distributors who are experts in the local market, we can leverage the TexRAD® brand to help build a regional sales pipeline. Over the first few months of these agreements, joint marketing and promotional activities have been well-received, we have seen an increase in purchase orders for TexRAD® from leading medical institutions in South Korea and we are receiving significant interest in China.

Chairman's Statement

CONTINUED

In September 2016, we announced that we have developed a technical solution with Alliance Medical Group ("Alliance") that would allow the integration of TexRAD® into Alliance's network of PET/CT scanners in UK hospitals. A prototype version has been demonstrated to potential users and an abstract was presented at the Radiological Society of North America (RSNA) annual conference in November 2016. The poster, entitled "PET/CT in Lung Cancer: An Automated Imaging Tool for Decision Support", highlighted results from a preliminary study which suggests that an automated PET/CT lung cancer tool may standardise clinical performance whilst allowing access to quantitative texture analysis to improve prognostication and fit within clinical workflow. We continue to work closely with Alliance on the future integration of TexRAD® Lung.

In March 2017, the Company announced that CCI was finalising arrangements for the secure transfer of patient data from Papworth Hospital NHS Foundation Trust to the new Cambridge Biomedical Campus which was expected to open in April 2018. Papworth Hospital has since extended the timeframe to September 2018 and therefore preparation for the transfer of the extensive archive of medical images is ongoing.

Research and development progress

In July 2016, we announced a large-scale collaboration with Future Processing Sp. z o.o. ("Future Processing"), a software development service provider based in Gliwice, Poland to develop medical imaging software. The collaboration will entail a substantially increased development team working on new products and the sharing of intellectual property and future revenues. We believe that by CCI working jointly with the Future Processing healthcare team, CCI's existing product portfolio can be improved and new products developed more rapidly including further applications for TexRAD®. The collaboration is fully underway and both teams are working towards agreeing formal licences for new software products to be brought to market in 2018.

We continue to receive significant TexRAD® research interest from prestigious institutions worldwide which has resulted in multiple articles in leading publications. In September 2016, University College London ("UCL") published a retrospective study of 67 prostate cancer patients which demonstrated that TexRAD® analysis of multi-parametric MRI images may be able to identify the presence of clinically significant prostate cancers in the transition zone and therefore could potentially assist in optimising prostate radiologists' workflow. In November 2016, we attended the 102nd Scientific Assembly and Annual Meeting of the Radiological Society of North America (RSNA 2016); the premier global event for radiologists. We had a strong presence at RSNA 2016, with 19 scientific paper presentations featuring TexRAD® analysis, further emphasising the significance of our technology across the healthcare industry. Further information on the papers presented at RSNA 2016 can be found at <https://rsna2016.rsna.org/program/>.

Post-period end in October 2017, our customer at the International University of Health and Welfare Hospital in Tochigi, Japan published article featuring TexRAD® analysis in liver cancer. The paper, entitled "Impact of hepatocellular carcinoma heterogeneity on computed tomography as a prognostic indicator" was published in the *Nature* affiliated journal; *Scientific Reports*. We also sponsored the American British Course in Neuroradiology in Mumbai, India in October 2017, which included a lunch-time symposium presentation on brain texture analysis using TexRAD® technology. These research activities continue to support the potential future clinical application of TexRAD® in these other disease indications.

In 2015, we announced the incorporation of a 50:50 joint venture company, Prostate Checker Ltd, with QUIBIM S.L. ("QUIBIM"). The Board has concluded that a joint venture vehicle is no longer required for the collaboration. The Company continues to work closely with QUIBIM to develop a specific application of TexRAD® texture analysis for the computer assisted detection and diagnosis of prostate cancer.

Chairman's Statement

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Board and organisation

Tom Charlton stepped down as a director on 30 May 2017 in order to devote more time to his other investment activities. Post-period end, on 8 June 2017, we announced that Trevor Brown resigned as a non-executive Director in order to allow the Company to move rapidly to the next stage in its development. On behalf of the Board, I thank both Tom and Trevor for their invaluable support of the Company following its readmission in 2014 which has enabled it to achieve considerable progress to date.

To further support the Company's growth strategy, Tim Irish joined the Board on 8 June 2017 as Non-Executive Director. Tim is a Professor of Practice at Kings College London as well as a board member of Bournemouth University. He joined the board of the National Institute for Health and Care Excellence (NICE) in April 2015 and became its Senior Independent Director in May 2017. Tim has worked in the life sciences industry for 30 years. His career has spanned global health technology companies across Europe and North America, including GSK, GE and Philips the latter two in senior positions responsible for medical imaging. Tim also currently holds a number of non-executive positions in health and technology related entities.

I would also like to recognise and thank the Group's employees for the outstanding contribution they have made. Having completed the placing in April 2017, we are in strong position to continue to build and invest in a leading team to deliver our objectives.

Strategy and outlook

Upon delivery of the first CE marked release of TexRAD® by the end of November 2017, our ambition is to leverage our leading research, image processing and analysis expertise to position TexRAD® technology for routine clinical use to drive future revenue growth. We look forward to continuing our ongoing discussions with leading imaging companies to broaden the range of potential routes to market for clinical versions of TexRAD®. Our existing and future distributor agreements will continue to support the Company's international expansion, ensuring that our technology continues to be used by the world's leading institutions to expedite research in this important field. With pioneering technology platforms and strong industry trends, we believe the Group is ideally placed to deliver continued growth.

Dr A J Riddell

Chairman

6 November 2017

Strategic Report

The Directors present their Strategic Report and the audited financial statements for the year ended 31 May 2017.

Principal activities of the Group

The Company has two subsidiaries in the medical imaging sector, Cambridge Computed Imaging Limited (“CCI”) and TexRAD Limited. During the year, CCI acted as sales distributor for TexRAD to reduce operating costs.

Review of the business

The Chairman’s Statement on pages 2 to 4 includes a general review of the Group’s business for the year.

Future developments in the business

The Group will continue to invest in the development of its products. In addition, the Group’s future strategy may involve the formation of collaborations where Feedback’s valuable intellectual property can be combined with the specialist skills and intellectual property of other companies and research institutions. By adopting this approach, the Group is expected to generate licensing and royalty revenue streams and residual equity participation in these joint ventures.

Group results and dividends

The Group loss for the year after taxation amounted to £266,003 (2016: Loss £183,156).

On 26 April 2017, the Company raised £750,000 by the issue of 27,272,727 new ordinary shares at a price of 2.75 pence per share.

On 23 November 2016, the Company exercised its discretionary right to issue 15,120,000 new ordinary shares of 0.25 pence each at a deemed price of 1.25 pence per share to Tom Charlton in full settlement of his outstanding loan to the Company of £189,000.

The Company now has 246,066,584 ordinary shares in issue.

No dividends are payable for the year under review.

Principal risks and uncertainties

Economic and market risks

The subsidiary companies are both in the medical imaging market. The market is fragmented and the future success of the business is dependent on the ability of the companies to secure new and renew current contracts. These contracts are often with Government supported organisations and the timing of these can be dependent on market conditions. The Group’s dependence on the award or renewal of contracts means that its revenue stream is not constant and has the potential to be particularly irregular.

Regulatory approval

The development, evaluation and marketing of the Group’s products and ongoing research and development activities are subject to regulation by governments and regulatory agencies in all territories within which the Group intends to market its products (whether itself or through a partner) and there can be no assurance that any of the Group’s products will successfully complete the trial process or that regulatory approvals to market these products will ultimately be obtained. Failure to obtain regulatory approvals for its products could threaten the Group’s ability to trade in the long term.

Strategic Report

CONTINUED

The time taken to obtain regulatory approval varies between territories and there can be no assurance that any of the Group's products will be approved in any territory within the timescale envisaged by the Board, or at all, and this may result in a delay, or make impossible, the commercial exploitation of the Group's products. Furthermore, each regulatory authority may impose its own requirements and may refuse to grant, or may require additional data before granting an approval, even though the relevant product may have been approved by another country's authority.

If regulatory approval is obtained, products will be subject to continual review and there can be no assurance that such approvals will not be withdrawn or restricted. Changes in applicable legislation or regulatory policies, or discovery of problems with products may result in the imposition of restrictions on sale, including withdrawal of the product from the market, or may otherwise have an adverse effect on the Group's business and/or revenue streams.

Product development risk

The products in development may cost more and/or take longer to develop than the current estimates. It is possible that commercially successful products may not be developed. The Board monitors progress on the product on a regular basis and discusses with potential customers their requirements to mitigate this risk.

Liquidity

Management of liquidity risk concentrated on the maintenance of appropriate credit lines and funding sources to ensure adequate cash resources for the Group's operations. The Board regularly monitors the cash position of the Group and ongoing cash requirements. The Board believes the Group is likely to have access to adequate cash resources from a combination of operational cash generation and by obtaining equity finance from the financial markets to support its corporate strategy.

Credit risk

The Company's credit risk is primarily attributable to its cash and cash equivalents and trade receivables. The credit risk on other classes of financial assets is considered insignificant.

Other risks

There is a risk that existing and new customer relationships will not lead to the income currently forecast (especially, as noted above, from new products currently in development). As with other technology businesses, the Company is reliant on a small number of highly skilled staff.

Post balance sheet events

On 8 June 2017 the Company subsidiary, Cambridge Computed Imaging Ltd ("CCI") signed an exclusive distributor arrangement with Korea Computer Motion ISG based in Seoul, South Korea, for sales and distribution of its TexRAD® texture analysis research software. On 28 July 2017, CCI signed an exclusive distributor agreement with Boya Digital Technology (Beijing) Co. Ltd., based in Beijing, China, for sales and distribution of its TexRAD® texture analysis research software in the People's Republic of China.

Key performance indicators

During the year the Group maintained its cash position as the key performance indicator. The cash balance at 31 May 2017 was £696,811 (2016 £105,673).

By Order of the Board on 6 November 2017.

Dr A J Riddell

Director

Directors' Report

The Directors present their report and the Financial Statements for the year ended 31 May 2017.

Future developments

The future developments for the Group are discussed in the Chairman's Statement and the Strategic Report.

Directors

The Directors of the Company during the year were:

T E Brown	(Resigned 8 June 2017)
T W G Charlton	(Resigned 30 May 2017)
Dr B Ganeshan	
M P Hayball	
Dr A H Menys	
Dr AJ Riddell	(Appointed 1 June 2016)

Directors' shareholdings

The shareholdings in the Company of the Directors as at 31 May 2017 were:

	No. of Shares	%
T E Brown	55,089,111	22.39
Dr B Ganeshan	2,860,000	1.16
M P Hayball	5,670,600	2.30
Dr A H Menys	Nil	–
Dr A J Riddell	5,000,000	2.03

Significant shareholders

Shareholders who have notified the Company of shareholdings in excess of 3% as at 31 May 2017 are:

	No. of Shares	%
T E Brown	55,089,111	22.39
T W G Charlton	59,637,408	24.24
W R Ruffler	12,597,893	5.12
University of Sussex	9,400,000	3.82

Directors' Report

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Directors' biographies

Dr Alastair Riddell, Non-Executive Chairman (appointed 1 June 2016)

Alastair has over 30 years' experience in the pharmaceutical, life science and biotech industries, with 18 years as a main board director. After 10 years directing phases 1-4 clinical trials of antibiotics, oncology and intensive care products for companies including Lederle (now Pfizer) and Centocor (now J&J), he spent five years managing sales and marketing for oncology and imaging products for Amersham International (now GE Healthcare). This led to 12 years as CEO for three UK biotech companies, Pharmagene, Paradigm Therapeutics and Stem Cell Sciences; in these roles he was the principal involved in an IPO on UK's main list, trade sales to international companies in Japan and the USA and significant fund raising rounds. He has been Chairman of Silence Therapeutics (AIM listed) and Chairman of Definigen Ltd, a private Cambridge University spinout. He is currently on the Board of three biotechnology companies; AzurRx Biotherapeutics, a NASDAQ listed drug development company based in New York; Cristal Therapeutics, a Netherlands based company specialising in nanoparticle medicines; and Nemesis Biosciences a private Cambridge based company developing products to combat antibiotic resistances. He is also Chairman of the SWAHSN (South West Academic Health Science Network), which seeks to improve and sustain the healthcare provision in the south-west of England by linking innovation from industry, academia and the NHS. Alastair is on the Remuneration Committee.

Dr Balaji Ganeshan, Executive Director (appointed 5 November 2015)

Balaji is a Senior Imaging Scientist at the Institute of Nuclear Medicine, University College London and an Honorary Visiting Research Fellow at the Brighton & Sussex Medical School, University of Sussex. He was instrumental in the original development of the TexRAD[®] texture analysis technology which resulted from his PhD in Biomedical Engineering. Balaji is responsible for developing new business opportunities for TexRAD[®] and is Director of New Business at Feedback plc.

Mike Hayball, Executive Director (appointed 5 November 2015)

Mike started his career as a medical physicist at Addenbrooke's Hospital in Cambridge where he took his MSc in Radiation Physics. From there he worked on cardiac imaging at Papworth Hospital before forming Cambridge Computed Imaging Limited in 2001 where he is Managing Director. Mike is Technical Director for the Feedback Group.

Tim Irish, Non-Executive Director (appointed 8 June 2017)

Tim is a Professor of Practice at Kings College London as well as a board member of Bournemouth University. Tim joined the board of the National Institute for Health and Care Excellence (NICE) in April 2015 and became the Senior Independent Director in May 2017. Tim has worked in the life sciences industry for thirty years. His career has spanned global health technology companies across Europe and North America, including GSK, GE and Philips the latter two in senior positions responsible for medical imaging. Tim also currently holds a number of non-executive positions in health and technology related entities.

Dr Alex Menys, Non-Executive Director (appointed 5 November 2015)

Alex obtained his PhD at University College London focusing on imaging of the gastrointestinal tract with MRI. He is the founder and chief executive of Motilent Ltd, a developer of advanced medical imaging software aimed at maximising the effectiveness of radiology in the evaluation of gastrointestinal function. Alex is on the Remuneration Committee.

Employment policies

The Group is committed to employee involvement in the business and there are consultative procedures available for management and other employees to discuss matters of mutual interest.

Directors' Report

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The Group has a policy of non-discrimination in respect of sex, colour, religion, race, nationality or ethnic origin and the recruitment of disabled persons is only subject to any overriding consideration of access and safety.

Creditor payment policies

The Group's policy for all suppliers is to fix terms of payment when agreeing the terms of each business transaction, to ensure the supplier is aware of those terms and to abide by the agreed terms of payment. Payment terms for the year ended 31 May 2017 averaged 30 days (2016: 30 days).

Treasury policy

The Group has adopted formal treasury policies to control its financial instruments. It is a Group Treasury policy not to undertake transactions of a speculative nature. Group cash flows are managed centrally and surplus cash is invested in short-term financial instruments. The Group does not undertake hedging transactions in foreign currencies. Foreign currencies are generally converted automatically into sterling on receipt.

Compliance with these policies is monitored by the Board. Other than for currency disclosures, the Group has taken advantage of the exemption permitting it not to treat short-term debtors and creditors as financial instruments.

Strategic report

Information regarding the Group's principal risks, results, future developments, dividends and key performance indicators is provided in the Strategic Report.

Statement of directors' responsibilities

The Directors are responsible for preparing the Group and parent Company financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law the Directors are required to prepare the Group and parent Company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and parent Company and of the profit and loss of the Group for that period.

In preparing each of the Group and parent Company financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU subject to any material departures disclosed and explained in the parent Company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and parent Company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They have general responsibility for taking such steps as are reasonably open to safeguard the assets of the Group and parent Company and to prevent and detect fraud and other irregularities.

Directors' Report

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Under applicable law and regulations the Directors are also responsible for preparing a Strategic Report and a Directors' Report to comply with that law and those regulations.

In determining how amounts are presented within terms in the income statement and balance sheet the Directors have had regard to the substance of the reported transaction or arrangement in accordance with generally accepted accounting principles or practice.

The directors are also responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Audit information

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, there is no relevant audit information of which the auditors are unaware.

Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

A resolution to reappoint haysmacintyre as auditors to the Company will be proposed at the Annual General Meeting.

By order of the Board on 6 November 2017.

Dr A J Riddell

Director

Corporate Governance Statement

Under the AIM Rules for Companies, the Group is not obliged to implement the provisions of the UK Corporate Governance Code ('the Code'). However, the Group is committed to applying the principles of good governance contained in the Code as appropriate to a group of this size.

In common with other organisations of a similar size, the Executive Directors are heavily involved in the day-to-day running of the business. The Board of Directors meets regularly and is responsible for formulating strategy, and for the trading subsidiaries, monitoring financial performance and approving major items of capital expenditure.

During the year the Board comprised two Executive Directors and four Non-Executive Directors. In view of the size and management structure of Feedback Plc, the Company has not complied with certain aspects of the Combined Code as discussed below.

Board of Directors

The Board included up to four Non-Executive Directors which was considered appropriate. The Board has scheduled monthly meetings and others as required. The Board retains full responsibility for the direction and control of the Group. No strategic powers have been delegated and for these reasons the Board did not have, during the year, a formal schedule of matters specifically reserved to it (Paragraph A1 of the Code).

There is currently no formal agreed procedure for Directors in the furtherance of their duties to take independent professional advice as necessary at the Company's expense (paragraph B5 of the Code).

Non-executive Directors

The appointment of Non-Executive Directors is a matter for the Board as a whole. Although recommended by the Code, there is currently no formal selection process. The Non-Executive Directors have contracts for services for an unspecified period. (Paragraph B2 of the Code). Non-Executive Directors are subject to re-election every three years.

Terms and conditions of appointment of the Non-Executive Directors are available for inspection.

Executive Directors

Directors are appointed by the Board of Directors but stand for election by the shareholders at the Annual General Meeting. The Executive Directors are subject to re-election every three years.

Board committees

A Remuneration Committee was in place comprising the four Non-Executive Directors. The Remuneration Committee has two scheduled meetings in the year. All serving members attended both meetings held in the year.

An Audit Committee was in place comprising four Non-Executive Directors. The Company's approach to internal control is described below. The Audit Committee has two scheduled meetings in the year. All serving members attended both meetings held in the year.

There is no Nomination Committee. Given the size of the Group, the Board do not consider a Nomination Committee appropriate (paragraph B2 of the Code).

Performance evaluation

There is currently no formal performance evaluation of the board, its committees and its individual directors (paragraph A6.1 of the Code).

Corporate Governance Statement

CONTINUED

Communication with shareholders

The Directors are available to shareholders at any time to discuss strategy and governance matters.

In addition, all Company announcements are published on the Company's website, together with financial results.

All shareholders have the opportunity to ask questions and express their views at the Company's Annual General Meeting, at which all Directors are available to take questions.

Audit and internal control

The primary role of the Audit Committee was to keep under review the Group's financial systems and controls and its financial reporting procedures. In fulfilling this role, the Committee received and reviewed work carried out by the external auditors and their findings.

The Board had overall responsibility for operating and monitoring the system of internal control within the Group and for monitoring its effectiveness. The system includes an on-going process for identifying, evaluating and managing significant business risks.

Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group's system was designed to provide the directors with reasonable assurance that any material problems were identified on a timely basis and dealt with appropriately.

Guidance to Directors of UK Companies on internal control procedures and good practice on risk management is provided by the Financial Reporting Council.

The Audit Committee reviewed the effectiveness of the internal controls on an annual basis on behalf of the Board and considered that they have complied throughout the year ended 31 May 2017 with those provisions of the Code which they consider to be practicable and appropriate for a relatively small public company.

The key elements of the system, which had been designed to meet the specific needs and business risks of the Group, include:

- clearly defined organisation structures with segregation of duties wherever practicable;
- agreement of Group short term financial objectives and business plans;
- regular review by the Board of Group Financial Statements and monitoring of results against budgets;
- Board control over treasury, taxation, legal, insurance and personnel issues;
- Board control over appraisal, review and authorisation of capital expenditure.

In common with organisations of similar size the Executive Directors and the Non-Executive Directors are heavily involved in the day-to-day running of the business. The directors believe that although the Group's controls may be slightly less formal than those of larger groups and companies, the continued close involvement of the Non-Executive Directors more than compensated for this.

The Board believes that it is not currently appropriate for the Group to maintain an internal audit function because of the small size of the Group.

Corporate Governance Statement

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The Audit Committee considered the independence and objectivity of the external auditors on an annual basis, with particular regard to non-audit services. The split between audit and non-audit fees for the year and information on the nature of the non-audit fees appear in note 6 to the financial statements. The non-audit fees are considered by the Committee not to affect the independence or objectivity of the auditors. The Audit Committee monitors such costs in the context of the audit fee for the year, ensuring that the value of non-audit services does not increase to a level where it could affect the auditors' objectivity and independence.

With the exception of the matters referred to above the Group has complied throughout the financial year with provisions of The UK Corporate Governance Code (September 2014 edition).

Going concern

On 26 April 2017 the Company raised a total of £750,000 (before expenses) through a placing to both invest further in the product development and sales and marketing of TexRAD, Feedback's patented quantitative imaging software, and also for general working capital purposes.

Having updated the Group's formal business plan the Directors consider that the Group and the Company are likely to have access to adequate cash resources for at least the next twelve months, from both existing cash balances and by obtaining further equity finance from the financial markets, or alternative funding, if required to enable continued product development and international expansion. Although this further finance has not yet been obtained, the Directors are confident that adequate additional finance will be forthcoming should it be required. Accordingly, the Directors believe that the Group and Company are a going concern and have therefore prepared the financial statements on a going concern basis.

Independent Auditors' Report

We have audited the financial statements of Feedback Plc for the year ended 31 May 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Changes in Equity, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 9 and 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 May 2017 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Emphasis of matter – going concern

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in Note 3c of the accounting policies regarding the group and parent company's ability to continue as a going concern. The group incurred a loss of £266,003 in the year and may need to obtain further finance during the next twelve months which has not yet been obtained. These factors, along with the matters explained in note 3c of the accounting policies indicate the existence of a material uncertainty which may cast a significant doubt about the group and the company's ability to continue as a going concern.

The financial statements do not include the adjustments that would result if the group and company were unable to operate as a going concern.

Independent Auditors' Report

CONTINUED

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

George Crowther (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor

26 Red Lion Square
London
WC1R 4AG

6 November 2017

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 MAY 2017

	Note	2017 £	2016 £
Revenue	4	465,885	431,454
Cost of sales		(11,007)	(7,438)
Gross profit		454,878	424,016
Other income		150	–
Other operating expenses	5	(755,960)	(676,596)
Operating loss	6	(300,932)	(252,580)
Net finance income	7	5	1,361
Loss on ordinary activities before taxation		(300,927)	(251,219)
Tax credit	9	34,924	23,063
Loss on ordinary activities after tax		(266,003)	(228,156)
Profit on disposal of investment	12	–	45,000
Loss for the year attributable to the equity shareholders of the Company		(266,003)	(183,156)
Other comprehensive income			
Translation differences on overseas operations		–	–
Total comprehensive expense for the year		(266,003)	(183,156)
Loss per share (pence)			
Basic and diluted	11	(0.11)	(0.09)

The notes on pages 22 to 41 form part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 MAY 2017

Group

	Share Capital £	Share Premium £	Capital Reserve £	Retained Earnings £	Translation Reserve £	Convertible Debt Option Reserve £	Total £
At 1 June 2015	476,867	1,409,334	299,900	(2,076,483)	(209,996)	189,000	88,622
New shares issued	32,318	190,382					222,700
Costs associated with the raising of funds		(6,580)					(6,580)
Share option and warrant costs	–	–	–	8,163	–	–	8,163
Total comprehensive expense for the year	–	–	–	(183,156)	–	–	(183,156)
At 31 May 2016	509,185	1,593,136	299,900	(2,251,476)	(209,996)	189,000	129,749
New Shares issued	105,982	833,018	–	–	–	(189,000)	750,000
Costs associated with the raising of funds	–	(50,121)	–	–	–	–	(50,121)
Share option and warrant costs	–	–	–	5,726	–	–	5,726
Total comprehensive expense for the year	–	–	–	(266,003)	–	–	(266,003)
At 31 May 2017	615,167	2,376,033	299,900	(2,511,753)	(209,996)	–	569,351

Company

	Share Capital £	Share Premium £	Retained Earnings £	Convertible Debt Option Reserve £	Total £
At 1 June 2015	476,867	1,409,334	(2,046,753)	189,000	28,448
New shares issued	32,318	190,382			222,700
Costs associated with the raising of funds		(6,580)			(6,580)
Share option and warrant costs	–	–	8,163	–	8,163
Total comprehensive expense for the year	–	–	(224,563)	–	(224,563)
At 31 May 2016	509,185	1,593,136	(2,263,153)	189,000	28,168
New shares issued	105,982	833,018	–	(189,000)	750,000
Costs associated with the raising of funds	–	(50,121)	–	–	(50,121)
Share option and warrant costs	–	–	5,726	–	5,726
Total comprehensive expense for the year	–	–	(123,357)	–	(123,357)
At 31 May 2017	615,167	2,376,033	(2,380,784)	–	610,416

The notes on pages 22 to 41 form part of these financial statements.

Consolidated Balance Sheet

AT 31 MAY 2017

	Notes	2017 £	2016 £
Assets			
Non-current assets			
Property, plant and equipment	13	4,109	3,639
Intangible assets	14	80,235	110,747
Investments	12	–	1,000
		84,344	115,386
Current assets			
Trade receivables		49,982	40,894
Other receivables	15	62,328	63,910
Cash and cash equivalents		696,811	105,673
		809,121	210,477
Total assets		893,465	325,863
Equity			
Capital and reserves attributable to the Company's equity shareholders			
Called up share capital	18	615,167	509,185
Share premium account		2,376,033	1,593,136
Capital reserve		299,900	299,900
Translation reserve		(209,996)	(209,996)
Retained earnings		(2,511,753)	(2,251,476)
		569,351	(59,251)
Convertible debt option reserve	19	–	189,000
Total equity		569,351	129,749
Liabilities			
Deferred tax liabilities	9	4,250	19,378
		4,250	19,378
Current liabilities			
Trade payables		68,948	21,546
Other payables	16	250,916	155,190
		319,864	176,736
Total liabilities		324,114	196,114
Total equity and liabilities		893,465	325,863

The financial statements were approved and authorised for issue by the Board of Directors on 6 November 2017 and were signed below on its behalf by:

Dr A J Riddell
Chairman

The notes on pages 22 to 41 form part of these financial statements.

Company Balance Sheet

AT 31 MAY 2017

Company Number 00598696

	Notes	2017 £	2016 £
Assets			
Non-current assets			
Investments	12	–	1,000
		–	1,000
Current assets			
Other receivables	15	39,733	16,661
Cash and cash equivalents		654,413	60,492
		694,146	77,153
Total assets		694,146	78,153
Equity			
Capital and reserves attributable to the Company's equity shareholders			
Called up share capital	18	615,167	509,185
Share premium account		2,376,033	1,593,136
Retained earnings		(2,380,784)	(2,263,153)
		610,416	(160,832)
Convertible debt option reserve	19	–	189,000
Total equity		610,416	28,168
Current liabilities			
Trade payables		49,508	16,901
Other payables	16	34,222	33,084
Total current liabilities		83,730	49,985
Total Equity and Liabilities		694,146	78,153

The company loss for the year was £123,357 (2016: £224,563).

The financial statements were approved and authorised for issue by the Board of Directors on 6 November 2017 and were signed below on its behalf by:

Dr A J Riddell
Chairman

The notes on pages 22 to 41 form part of these financial statements.

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 MAY 2017

	2017 £	2016 £
Cash flows from operating activities		
Loss before tax	(300,927)	(251,219)
<i>Adjustments for:</i>		
Share option costs	5,726	8,163
Net finance income	(5)	(1,361)
Depreciation and amortisation	48,182	46,052
Impairment of investment	1,000	–
(Increase)/decrease in trade receivables	(9,087)	69,976
(Increase)/decrease in other receivables	(36,246)	42,402
Decrease/(increase) in trade payables	47,400	(18,852)
(Increase)/decrease in other payables	95,728	(109,772)
Corporation tax received	57,624	9,506
	210,322	46,114
Net cash used in operating activities	(90,605)	(205,105)
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,941)	(104)
Purchase of intangible assets	(15,200)	(13,860)
Net finance income received	5	1,361
Proceeds from sale of joint venture	–	46,000
Purchase of shares in joint ventures	–	(2,000)
Net cash (used by)/generated from investing activities	(18,136)	31,397
Cash flows from financing activities		
Net proceeds of share issue	699,879	216,120
Net cash generated from financing activities	699,879	216,120
Net increase in cash and cash equivalents	591,138	42,412
Cash and cash equivalents at beginning of year	105,673	63,261
Cash and cash equivalents at end of year	696,811	105,673

The notes on pages 22 to 41 form part of these financial statements.

Company Cash Flow Statement

FOR THE YEAR ENDED 31 MAY 2017

	2017 £	2016 £
Cash flows from operating activities		
Loss before tax	(123,357)	(224,563)
<i>Adjustments for:</i>		
Share options costs	5,726	8,163
Profit on sale of investments	–	(45,000)
Net finance income	(5)	(1,356)
(Release of) provision against intercompany receivable	(100,886)	49,880
Decrease/(increase) in other receivables	77,814	(13,548)
Decrease/(increase) in trade payables	32,607	(16,822)
Increase/(decrease) in other payables	1,138	(1,374)
	16,395	(20,057)
Net cash used in operating activities	(106,963)	(244,620)
Cash flows from investing activities		
Net finance income	5	1,356
Impairment of investment	1,000	–
Purchase of joint ventures	–	(2,000)
Proceeds on sale of joint venture	–	46,000
Net cash generated from investing activities	1,005	45,356
Cash flows from financing activities		
Net proceeds of share issue	699,879	216,120
Net cash generated from/(used in) financing activities	699,879	216,120
Net increase in cash and cash equivalents	593,921	16,856
Cash and cash equivalents at beginning of year	60,492	43,636
Cash and cash equivalents at end of year	654,413	60,492

The notes on pages 22 to 41 form part of these financial statements.

Notes to the Financial Statements

1. General information

The Company is a public limited company domiciled in the United Kingdom and incorporated under registered number 00598696 in England and Wales. The Company's registered office is Unit 5, Grange Park, Broadway, Bourn, Cambridgeshire, CB23 2TA.

The Company is listed on AIM of the London Stock Exchange. These Financial Statements were authorised for issue by the Board of Directors on the 6 November 2017.

2. Adoption of new and revised International Financial Reporting Standards

No new International Financial Reporting Standards ("IFRS"), amendments or interpretations became effective in the year ended 31 May 2017 which had a material effect on this financial information.

At the date of approval of this financial information, the following IFRS Standards and Interpretations, which have not been applied in these Financial Statements, were in issue but not yet effective. These new Standards, Amendments and Interpretations are those in issue but not yet effective which are expected to apply to the Group and are effective for accounting periods beginning on or after the dates shown below:

IFRS Standards and Interpretations issued (and EU adopted) but not yet effective:

Mandatory for accounting periods commencing on or after 1 January 2017:

- Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses
- Amendments to IAS 7 – Disclosure Initiative
- Annual improvements to IFRS Standards 2014-2016 Cycle

Mandatory for accounting periods commencing on or after 1 January 2018:

- IFRS 9 – Financial Instruments
- IFRS 15 – Revenue from Contracts with Customers
- IFRIC Interpretation 22 – Foreign Currency Transactions and Advance Consideration

Mandatory for accounting periods commencing on or after 1 January 2019:

- IFRS 16 – Leases

Date of implementation in the European Union not yet known:

- IFRS 14 – Regulatory Deferral Accounts

The Group has not early adopted these amended standards and interpretations. The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the reported results.

3. Significant accounting policies

(a) Basis of preparation

These financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements. The policies set out below have been consistently applied to all the years presented.

No separate income statement is presented for the parent Company as provided by Section 408, Companies Act 2006.

Notes to the Financial Statements

CONTINUED

3. Significant accounting policies (continued)

(b) Basis of consolidation

The Group financial statements consolidate the financial statements of Feedback plc and its subsidiaries (the "Group") for the years ended 31 May 2017 and 2016 using the acquisition method.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from them, are eliminated. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

(c) Going Concern

On 26 April 2017 the Company raised a total of £750,000 (before expenses) through a placing to both invest further in the product development and sales and marketing of TexRAD, Feedback's patented quantitative imaging software, and also for general working capital purposes.

Having updated the Group's formal business plan the Directors consider that the Group and the Company are likely to have access to adequate cash resources for at least the next twelve months, from both existing cash balances and by obtaining further equity finance from the financial markets, or alternative funding, if required to enable continued product development and international expansion. Although this further finance has not yet been obtained, the Directors are confident that adequate additional finance will be forthcoming should it be required. Accordingly, the Directors believe that the Group and Company are a going concern and have therefore prepared the financial statements on a going concern basis.

(d) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. An intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be reliably measured.

The significant intangible asset cost related to software development of products which are integral to the trade of the Group's medical imaging products. Amortisation is recognised in other operating expenses in the income and expenditure account.

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstance indicate that the carrying value may not be recoverable. Impairment losses are recognised in other operating expenses in the income and expenditure account. Impairment reviews are carried out annually.

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably. Other development expenditure is recognised as an expense as incurred. Development costs that have a finite useful life and that have been capitalised were amortised from the commencement of the commercial production of the product on a straight line basis as follows:

Intangible asset	Useful economic life
Patents	Over the life of the patent
Customer relationships	4 years

(e) Valuation of Investments

Investments held as non-current assets are stated at cost less provision for impairment.

Notes to the Financial Statements

CONTINUED

3. Significant accounting policies (continued)

(f) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. When used, bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(g) Goodwill

Business combinations on or after 1 April 2006 are accounted for under IFRS 3 using the acquisition method. Any excess of the cost of business combinations over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised in the balance sheet as goodwill and is not amortised.

After initial recognition, goodwill is not amortised but is stated at cost less accumulated impairment loss, with the carrying value being reviewed for impairment, at least annually and whenever events or changes in circumstance indicate that the carrying value may be impaired.

For the purposes of impairment testing, goodwill is allocated to the related cash generating units monitored by management. Where the recoverable amount of the cash generating unit is less than its carrying amount, including goodwill, an impairment loss is recognised in the income statement.

(h) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Depreciation on other assets is provided on cost or valuation less estimated residual value in equal annual instalments over the estimated lives of the assets. The rates of depreciation are as follows:

Plant and equipment	10 – 50% p.a.
Motor vehicles	25 – 33% p.a.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

(i) Leases

Rental costs under operating leases are charged to the income statement in equal annual amounts over the period of the lease.

(j) Foreign currency

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the income statement.

(k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of VAT. The company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the company's activities, as described below.

Revenue relating to software development that is contracted on a time and materials basis is recognised as the services are performed.

Revenue relating to the sale of software licences is recognised over the period to which the licence relates.

Notes to the Financial Statements

CONTINUED

3. Significant accounting policies (continued)

Revenue from services provided is determined by management's assessment of the percentage completed of each contract. Management determine the percentage of completion by considering the work performed to date based upon internal reports and agreed project milestones.

(l) Pension Costs

The Group operated a defined contribution pension scheme during the year. The pension charge represents the amounts payable by the Group to the scheme in respect of that year.

(m) Taxation

The tax credit represents the sum of the current tax credit and deferred tax credit.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

(n) Financial instruments

In relation to the disclosures made in note 17:

- short term debtors and creditors are not treated as financial assets or financial liabilities except for the currency disclosures.
- the Group does not hold or issue derivative financial instruments for trading purposes.

(o) Employee share options and warrants

The Group has applied the requirements of IFRS 2 Share-based Payment.

The Group issues equity-settled share-based payment transactions to certain employees and has issued warrants to the vendors of the acquired subsidiary, TexRAD Limited. Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. Fair value is measured by use of the Black Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Notes to the Financial Statements

CONTINUED

3. Significant accounting policies (continued)

(p) Key sources of estimating uncertainty

The preparation of financial statements requires the Board of Directors to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses. These estimates are based on historical experience and various other assumptions that management and the Board of Directors believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources.

- Intangible assets – Patents are included at cost less amortisation and impairment. Customer lists are included at cost less amortisation. Other intangible assets are recognised only when it is probable that a project will be a success. There is a risk therefore that a project previously assessed as likely to be successful fails to reach the desired level of commercial or technological feasibility. Where there is no probable income to be generated from these assets an estimation of the carrying value and the impairment of the intangible assets, including goodwill, has been made.
- Fair value measurement – a number of assets included in the Group's and Company's financial statements require measurement at fair value. The following items are carried in the financial statements at fair value:
 - o The fair value of the intercompany receivables less the estimate of any provision in respect of the recoverability of those receivables.
 - o The fair value of the share options and warrants issued.

4. Segmental reporting

The Directors have determined that the operating segments based on the management reports which are used to make strategic decisions are medical imaging and head office.

Year ended 31 May 2017

	Medical Imaging £	Head Office £	Total £
Revenue			
External	465,885	–	465,885
Expenditure			
Executive directors remuneration	123,724	–	123,724
Loss before tax	(177,569)	(123,358)	(300,927)
Balance sheet			
External Assets	199,319	694,146	893,465
External Liabilities	(240,384)	(83,730)	(324,113)
	(41,065)	610,416	569,354
Capital expenditure	18,141	–	18,141

Notes to the Financial Statements

CONTINUED

4. Segmental reporting (continued)

Year ended 31 May 2016

	Medical Imaging £	Head Office £	Total £
Revenue			
External	431,454	–	431,454
Expenditure			
Executive directors remuneration	122,970	–	122,970
Loss before tax	(26,657)	(224,562)	(251,219)
Balance sheet			
External Assets	247,710	78,153	325,863
External Liabilities	(146,129)	(49,985)	(196,114)
	101,581	28,168	129,749
Capital expenditure	13,964	–	13,964

Reported segments' assets are reconciled to total assets as follows:

	External revenue by location of customer		Total assets by location of assets		Capital expenditure by location of assets	
	2017 £	2016 £	2017 £	2016 £	2017 £	2016 £
United Kingdom	250,582	287,369	893,465	325,863	18,141	13,964
Europe	96,672	69,412	–	–	–	–
Rest of the world	118,631	74,673	–	–	–	–
Total	465,885	431,454	893,465	325,863	18,141	13,964

5. Other operating expenses

	2017 £	2016 £
Administrative costs:		
Other	707,777	630,544
Amortisation and depreciation costs	48,183	46,051
	755,960	676,595

Notes to the Financial Statements

CONTINUED

6. Operating loss

	2017 £	2016 £
This is stated after charging		
Depreciation and amortisation		
Owned assets	2,471	3,380
Amortisation of intangible assets	45,712	42,671
Development Expenditure	35,897	53,540
Auditors' remuneration		
Audit of parent company and group financial statements	10,500	10,500
Audit of subsidiaries	9,000	9,000
Tax and other services	4,000	4,000
Operating lease rentals		
Land and buildings	8,643	8,643

7. Net finance income

	2017 £	2016 £
Interest received	5	1,361
	5	1,361

8. Directors and employees

	2017		2016	
	Average	Year end	Average	Year end
Number of employees				
Selling and distribution	5	5	4	4
Administration	2	2	3	3
Research and development	1	1	2	2
	8	8	9	9

	2017 £	2016 £
Staff costs		
Wages and salaries	263,326	251,461
Social security costs	24,650	23,731
Payments to defined contribution pension scheme	30,238	25,291
	318,214	300,483

Notes to the Financial Statements

CONTINUED

8. Directors and employees (continued)

The value of all elements of remuneration received by each Director in the year was as follows:

	Salary £	Fees £	Termination payments £	Total £
Year ended 31 May 2017				
<i>Executive Directors</i>				
M P Hayball	51,724	–	–	51,724
B Ganeshan	72,000	–	–	72,000
<i>Non-executive Directors</i>				
T E Brown	–	18,000	–	18,000
A H Menys	18,000	–	–	18,000
T W G Charlton	–	–	–	–
A Riddell*	–	48,750	–	48,750
Total	141,724	66,750	–	208,474
Year ended 31 May 2016				
<i>Executive Directors</i>				
M P Hayball	36,729	–	–	36,729
B Ganeshan	35,000	–	–	35,000
<i>Non-executive Directors</i>				
S G Barrell	–	17,100	–	17,100
T E Brown	–	15,500	–	15,500
A H Menys	10,286	–	–	10,286
T W G Charlton	–	–	–	–
Total	82,015	32,600	–	114,615

During the year, retirement benefits under money purchase pension schemes were accruing to 2 directors (2016: 2).

* A Riddell was paid consultancy fees through an agreement with AJR & Associates.

M P Hayball holds interests in share options over 5,200,000 ordinary shares (2016: 5,200,000).

Dr B Ganeshan holds interests in 3,575,000 warrants exercisable into ordinary shares (2016: 3,575,000).

Notes to the Financial Statements

CONTINUED

9. Taxation on loss on ordinary activities

	2017 £	2016 £
(a) The tax credit for the year:		
UK Corporation tax	(34,924)	(23,063)
Current tax credit	(16,319)	(5,046)
Under provision in prior year	(3,477)	(9,484)
Deferred tax charge	(15,128)	(8,533)
	(34,924)	(23,063)

(b) Tax reconciliation

Loss on ordinary activities before tax	(300,926)	(251,219)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 20.00% (2016 – 20.00 %)	(59,684)	(249,215)
Effects of:		
Expenses non-deductible for tax purposes	7,506	10,593
Additional deduction for R&D expenditure	(14,908)	(7,134)
Surrender of tax losses for R & D tax credit refund	6,000	–
Income not taxable	(29)	–
Adjustments to tax charge in respect of previous periods	(3,477)	–
Deferred tax not recognised	44,796	–
Gain on disposal of investments	–	9,000
Other timing differences and goodwill amortisation	(15,128)	14,722
Tax charge for the year	(34,924)	(23,063)

(c) Factors which may affect future tax charges

In view of the tax losses carried forward there is a deferred tax amount of approximately £321,189 (2016: £295,000) which has not been recognised in these Financial Statements. This contingent asset will be realised when the Group makes sufficient taxable profits in the relevant company.

(d) Deferred tax – group

The deferred tax included in the balance sheet is as follows:

	2017 £	2016 £
Deferred tax liability		
Deferred tax on development expenditure		
As at 1 June 2016	19,378	27,911
Charge in the year	(15,128)	(8,533)
As at 31 May 2017	4,250	19,378

(e) Deferred tax – company

In view of the tax losses carried forward there is a deferred tax amount of approximately £280,486 (2016: £249,000) which has not been recognised in these Financial Statements. This contingent asset will be realised when the Company makes sufficient taxable profits.

Notes to the Financial Statements

CONTINUED

10. Results of feedback plc

As permitted by Section 408 of the Companies Act 2006, the income and expenditure account of the parent company is not presented as part of these financial statements. The Company's loss for the financial year is £117,631 (2016: £224,563 loss).

11. Loss per share

Basic earnings per share is calculated by reference to the loss on ordinary activities after taxation of £266,003 (2016: £183,156) and on the weighted average of 232,879,771 (2016: 203,514,709) shares in issue.

	As at 31 May 2017 £	As at 31 May 2016 £
Net loss attributable to ordinary equity holders	(266,003)	(183,156)
	As at 31 May 2017	As at 31 May 2016
Weighted average number of ordinary shares for basic earnings per share	232,879,771	203,514,709
Effect of dilution:		
Share Options	–	–
Warrants	–	–
Weighted average number of ordinary shares adjusted for the effect of dilution	232,879,771	203,514,709
Loss per share (pence)		
Basic	(0.11)	(0.09)
Diluted	(0.11)	(0.09)

There is no dilutive effect of the share options and warrants as the dilution would be negative.

Notes to the Financial Statements

CONTINUED

12. Investments

	Share in group undertakings £	Shares in joint venture £	Total £
Company			
Cost			
At 1 June 2015	2,334,455	–	2,334,455
Additions	–	2,000	2,000
Disposals	–	(1,000)	(1,000)
At 31 May 2016	2,334,455	1,000	2,335,455
As at 31 May 2017	2,334,455	1,000	2,335,455
Provisions			
At 1 June 2014	1,867,000	–	1,867,000
Provided in the year	467,455	–	467,455
At 31 May 2015	2,334,455	–	2,334,455
Provided in the year	–	–	–
At 31 May 2016	2,334,455	–	2,334,455
Provided in the year	–	1,000	–
At 31 May 2017	2,334,455	1,000	2,335,455
Net Book Value			
At 31 May 2017	–	–	–
At 31 May 2016	–	1,000	1,000
At 31 May 2015	–	–	–

All of the above investments are unlisted.

Following the prudent write down of the intangible assets under the requirements of IFRS in the subsidiaries, the subsidiaries' financial statements show that they have net liabilities. The directors have made full provision against the cost of investment in the subsidiaries due to the net liabilities shown in the subsidiary financial statements.

Notes to the Financial Statements

CONTINUED

12. Investments (continued)

Particulars of principal subsidiary and joint venture companies during the year, all the shares of which being beneficially held by Feedback PLC, were as follows:

Company	Activity	Country of and incorporation operation	Proportion of Shares held
Feedback Black Box Company Limited	Non trading	England	100% Ordinary £1
Brickshield Limited	Non trading	England	100% Ordinary £1
Cambridge Computed Imaging Limited	Medical Imaging	England	100% A Ordinary £1 100% B Ordinary 1p
TexRAD Limited	Medical Imaging	England	100% Ordinary 1p
Prostate Checker Ltd	Non trading	England	50% Ordinary £1

TexRAD Limited is owned 100% by virtue of a direct holding by Feedback plc of 91% and an indirect holding via Cambridge Computed Imaging Limited of 9%.

All the subsidiary companies have been included in these consolidated financial statements.

Feedback Plc has a 50% stake in Prostate Checker Ltd with a cost of £1,000, effective 26 August 2015 (date of incorporation) with QUIBIM S.L holding the remaining 50%. This company assists the detection and diagnosis of prostate cancer. The company has not traded during the year, and Feedback's investment in the company has been provided against.

During 2016, Feedback plc disposed of its 50% interest in Stone Checker Software Ltd for £46,000.

The registered office of each subsidiary is Unit 5, Grange Park, Broadway, Bourn, Cambridge CB23 2TA.

Notes to the Financial Statements

CONTINUED

13. Property, plant and equipment

	Plant and Equipment £	Total £
Group		
Cost of valuation		
At 31 May 2015	10,773	10,773
Additions	104	104
At 31 May 2016	10,877	10,877
Additions	2,941	2,941
As 31 May 2017	13,818	13,818
Depreciation		
At 31 May 2015	3,858	3,858
Charge for the year	3,380	3,380
At 31 May 2016	7,238	7,238
Charge for the year	2,471	2,471
At 31 May 2017	9,709	9,709
Net Book Value		
At 31 May 2017	4,109	4,109
At 31 May 2016	3,639	3,639
At 31 May 2015	6,915	6,915

Notes to the Financial Statements

CONTINUED

14. Intangible assets

	Software £	Customer relationships £	Patents £	Goodwill £	Total £
Group					
Cost					
At 31 May 2015	563,099	100,000	74,498	271,415	1,009,012
Additions	–	–	13,860	–	13,860
At 31 May 2016	563,099	100,000	88,358	271,415	1,022,872
Additions	–	–	15,200	–	15,200
At 31 May 2017	563,099	100,000	103,558	271,415	1,038,072
Amortisation					
At 31 May 2015	563,099	25,000	9,940	271,415	869,454
Charge for the year	–	25,000	17,671	–	42,671
At 31 May 2016	563,099	50,000	27,611	271,415	912,125
Charge for the year	–	25,000	20,712	–	45,712
At 31 May 2017	563,099	75,000	48,323	271,415	957,837
Net Book Value					
At 31 May 2017	–	25,000	55,235	–	80,235
At 31 May 2016	–	50,000	60,747	–	110,747
At 31 May 2015	–	75,000	64,558	–	139,558

In accordance with the accounting policies and IFRS the Directors have assessed the carrying value of the intangible assets. In the year ended 31 May 2015, the Directors took the prudent decision to write down the carrying value of the software development costs in the balance sheet in order to meet the requirements of IFRS. During the years ended 31 May 2017 and 2016 all similar development costs have been expensed as the provisions of IFRS have not been met. However the Directors believe the Group's technology has great potential and this write down does not reflect their commercial assessment of the value of the Group's intellectual property. Expenditure on software development is being written off as incurred until the provisions of IFRS are met. The customer lists and patents are deemed to have ongoing value to the Group.

Notes to the Financial Statements

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15 Other receivables

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Amounts falling due within one year				
Amounts owing by subsidiary undertakings	–	–	–	–
Other receivables	18,396	8,684	14,878	5,168
Corporation tax recoverable	16,318	37,828	–	–
Prepayments	27,614	17,398	24,855	11,493
	62,328	63,910	39,733	16,661

16. Other payables

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Amounts falling due within one year				
Other payables	5,534	4,885	–	1,042
Other taxes and social security	7,033	15,386	292	292
Accruals	69,827	31,750	33,930	31,750
Deferred income	168,522	103,169	–	–
	250,916	155,190	34,222	33,084

17. Financial instruments

The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance.

The Group's financial instruments comprise cash and cash equivalents and various items such as trade payables and receivables that arise directly from its operations. The Group is exposed through its operations to the following financial risks:

- Credit risk
- Foreign currency risk
- Liquidity risk
- Cash flow interest rate risk

Fair value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Notes to the Financial Statements

CONTINUED

17. Financial instruments (continued)

The share options and warrants issued by the group during the year are valued under level three above as noted in note 18 below.

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. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks and consequently the objectives, policies and processes are unchanged from the previous period.

The Board has overall responsibility for the determination of the Group's risk management policies. The objective of the Board is to set policies that seek to reduce the risk as far as possible without unduly affecting the Group's competitiveness and effectiveness. Further details of these policies are set out below:

Credit risk

The Group is exposed to credit risk primarily on its trade receivables, which are spread over a range of countries, a factor that helps to dilute the concentration of the risk.

Group policy, implemented locally, is to assess the credit risk of each new customer before entering into binding contracts. Each customer account is then reviewed on an ongoing basis (at least once a year) based on available information and payment history.

The maximum exposure to credit risk is represented by the carrying value in the balance sheet.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	Cash, loans and receivables	
	2017 £	2016 £
Current financial assets		
Trade and other receivables	112,310	104,804
Cash and cash equivalents	696,811	105,673
	809,121	210,477

Analysis of trade receivables

	Total	Current	30 days past due	60 days past due	90 days past due
2017	49,982	16,908	33,074	–	–
2016	40,894	37,052	3,842	–	–

The Group policy is to make provisions against those debts that are overdue, unless there are grounds for believing that all or some of the debts would be collected. During the year the value of provisions made in respect of bad and doubtful debts was £Nil (2016: £5,882). The expense is included within the management and administration costs in the Consolidated Income Statement.

Notes to the Financial Statements

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17. Financial instruments (continued)

Foreign currency risk

Foreign exchange transaction risk arises when the Group enters into transactions denominated in a currency other than the functional currency. Foreign currency amounts generated from trading are converted back to sterling and required foreign currency amounts for suppliers will be converted from sterling and the use of forward currency contracts is considered.

The Group's main foreign currency risk is the short-term risk associated with accounts receivable and payable denominated in currencies that are not the subsidiaries' functional currency. The risk arises on the difference in the exchange rate between the time invoices were raised/received and the time invoices were settled/paid.

The following table shows the net assets, stated in pounds sterling, exposed to exchange rate risk that the Group has at 31 May 2017:

	2017 £	2016 £
Trade receivables	44,524	16,351
Cash and cash equivalents	–	–
	44,524	16,351

The Group is exposed to currency risk because of the subsidiaries undertaking trading transactions in US dollars and Euros. The Directors do not generally consider it necessary to enter into derivative financial instruments to manage the exchange risk arising from its operations, but from time to time where the Directors consider foreign currencies are weak and it is known that there would be a requirement to purchase those currencies, forward arrangements may be entered into. There were no outstanding forward arrangements as at 31 May 2017 or at 31 May 2016.

Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group. Rolling forecasts of the Group's liquidity requirements are monitored to ensure it has sufficient cash to meet operational needs.

	Financial liabilities measured at amortised cost	
	2017 £	2016 £
Current financial liabilities		
Trade and other payables	82,393	58,181

The following are maturities of financial liabilities, including estimated contracted interest payments.

	Carrying amount	Contractual cash flow	6 months or less	6-12 months	1 or more years
2017					
Trade and other payables	144,309	144,309	144,309	–	–
2016					
Trade and other payables	58,181	58,181	58,181	–	–

Notes to the Financial Statements

CONTINUED

17. Financial instruments (continued)

Cash flow interest rate risk

The Group presently has no substantial interest rate risk exposure.

Capital under management

The Group considers its capital to comprise its ordinary share capital, share premium, capital reserve, convertible debt option reserve and accumulated retained earnings.

The group's objectives when managing the capital are:

- To safeguard the group's ability to remain a going concern.
- To maximise returns for shareholders in order to meet capital requirements and appropriately adjust the capital structure, the group may issue new shares, dispose of assets to pay down debt, return capital to shareholders and vary dividend payments.

There have been no changes to the group's capital management objectives in the year.

18. Share capital and reserves

	2017 £	2016 £
Authorised and issued share capital		
Ordinary shares of 0.25 pence each	615,167	509,185
Allotted, called up and fully paid share capital:		
	Number	Number
As at 1 June 2016	203,673,857	190,746,746
Issued	42,392,727	12,927,111
As at 31 May 2017	246,066,584	203,673,857

Share Options

Share options are granted to directors and employees. Options are conditional on the employee completing a specific length of service (the vesting period). The options are exercisable from the end of the vesting period and lapse after ten years after the grant date. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Share options are valued using the Black-Scholes option pricing model and no performance conditions are included in the fair value calculations. The risk free rate was 1.64%. The expected volatility is based on historical volatility over the last two years and is estimated to be 25%. The average share price during the year was 1.85 pence. During the year the Company had the following share options in issue:

Notes to the Financial Statements

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18. Share capital and reserves (continued)

Number of options

At 1 June 2016	Lapsed	Exercised	At 31 May 2017	Exercise price (pence)	Exercise date
2,400,000	–	–	2,400,000	1.25	21/05/14 to 19/05/24
4,000,000	–	–	4,000,000	3.00	21/05/15 to 19/05/24
4,000,000	–	–	4,000,000	5.00	21/05/15 to 19/05/24
10,400,000	–	–	10,400,000		

All share options vest one year after the grant date. Each option can only be exercised from one year after the grant date to ten years after the date of grant.

Warrants

Warrants were issued to the vendors of TexRAD Limited at the time of acquisition. The warrants are exercisable from the end of the vesting period and lapse ten years after the grant date. The Group has no legal or constructive obligation to repurchase or settle the warrants in cash.

Warrants are valued using the Black-Scholes pricing model and no performance conditions are included in the fair value calculations. The risk free rate was 1.64%. The expected volatility is based on historical volatility over the last two years and is estimated to be 25%. The average share price during the year was 1.85 pence. During the year the Company had in existence the following warrants:

Number of warrants

At 1 June 2016	Granted	Cancelled	At 31 May 2017	Exercise price (pence)	Exercise date
4,550,000	–	–	4,550,000	1.25	19/05/16 to 19/05/24
18,200,000	–	–	18,200,000	3.00	19/05/17 to 19/05/24
22,750,000	–	–	22,750,000		

Reserves

The nature and purpose of each reserve within equity is as follows:

Share premium	Amount subscribed for share capital in excess of nominal value.
Capital reserve	Reserve on consolidation of subsidiaries.
Translation reserve	Gains and losses on the translation of overseas operations into GBP.
Retained earnings	All other net gains and losses and transactions with owners not recognised elsewhere.
Convertible debt option reserve	Amount of proceeds on issue of convertible debt relating to the equity component of the debt.

Notes to the Financial Statements

CONTINUED

19. Convertible debt option reserve

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Convertible loan	–	189,000	–	189,000

The loan was from T Charlton a former Director and shareholder of the company and was repayable on the earlier of (i) 1 December 2016 or (ii) such date that certain conditions were satisfied relating to the dilution of Mr Charlton's shareholding in the Company to less than 10 per cent. of the ordinary shares then in issue. Feedback plc also has the right after 1 June 2016, at its sole discretion, to issue up to 15.12 million new ordinary shares at a deemed issue price of £0.0125 per ordinary share in satisfaction of the loan. No interest accrued on the Shareholder Loan.

On 23 November 2016 it was announced that Feedback Plc had exercised its discretionary right to issue 15,120,000 new ordinary shares of 0.25 pence each at a deemed price of 1.25p to Tom Charlton in full satisfaction of his outstanding loan to the company.

20. Financial commitments

The Group has no financial commitments as 31 May 2017.

21. Pensions

The Company operated a defined contribution scheme during the year and the assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost represents contributions payable and amounted to £30,238 (2016: £25,291). There were no outstanding or prepaid contributions at the year end.

22. Related party transactions

T E Brown is a director and shareholder in Peterhouse Corporate Finance Limited who were appointed as joint brokers to the Company on 6 March 2014 at a fee of £18,000 (2016: £12,000). A fee of £18,000 has been charged to the statement of comprehensive income for the year 31 May 2017 and £Nil was outstanding at the year end.

Key management personnel

Refer to note 8 for detail on directors' remuneration.

The Directors interests in shares of the Company are contained in the Directors' Report.

23. Post balance sheet events

On 8 June 2017 the Company subsidiary, Cambridge Computed Imaging Ltd had signed an exclusive distributor arrangement with Korea Computer Motion ISG based in Seoul, South Korea, for sales and distribution of its TexRAD® texture analysis research software.

24. Ultimate controlling party

There is no ultimate controlling party.

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting ("**Meeting**") of Feedback plc (the "**Company**") is to be held at the offices of Mills & Reeve LLP at 4th Floor, 24 Monument St, London EC3R 8AJ at 3.00 p.m. on 30 November 2017.

You will be asked to consider and vote on the resolutions below. Resolutions 1, 2, 3, 4 and 5 will be proposed as ordinary resolutions and resolution 6 will be proposed as a special resolution.

Ordinary resolutions

1. To receive and adopt the Company's annual accounts for the Financial year ended 31 May 2017 together with the Directors' report and the auditors' report on those accounts.
2. To re-elect T N Irish, who retires pursuant to the articles of association of the Company and who, being eligible, offers himself for re-election as a Director.
3. To re-elect M Hayball, who retires pursuant to the articles of association of the Company and who, being eligible, offers himself for re-election as a Director.
4. To re-appoint haysmacintyre as auditors of the Company to hold office until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration.
5. THAT the Directors be generally and unconditionally authorised and empowered pursuant to and in accordance with section 551 of the Companies Act 2006 (the "**Act**") to exercise all the powers of the Company to allot shares and/or grant rights to subscribe for or to convert any security into shares ("**Rights**"):
 - a. up to an aggregate nominal value of £205,347 (being the nominal value of approximately one third of the issued share capital of the Company); and
 - b. up to an aggregate nominal value of £410,694 (being the nominal value of approximately two thirds of the issued share capital of the Company) (such amount to be reduced by the nominal amount of any shares allotted or Rights granted under paragraph a) in connection with an offer by way of a rights issue or other pre-emptive offer to:
 - i. the holders of Ordinary Shares in proportion (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them; and
 - ii. holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary,

such authorities to expire on the earlier of the next annual general meeting of the Company held after the date on which this resolution is passed and the date 15 months after the passing of this resolution, save that the Company may at any time before such expiry make any offer(s) or enter into any agreement(s) which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of any such offer(s) or agreement(s) as if the authority conferred hereby had not expired. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot shares or grant Rights but without prejudice to any allotment of shares or grant of Rights already made, offered or agreed to be made pursuant to such authorities.

Special resolution

6. THAT subject to and conditional upon the passing of resolution number 5 above, the Directors be generally authorised in accordance with section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) of the Company for cash as if section 561(1) of the Act did not apply to any such allotment, provided that this authority shall be limited to:

Notice of Annual General Meeting

CONTINUED

- a. the allotment of equity securities in connection with an offer by way of rights in favour of the holders of equity securities in proportion (as nearly as may be possible) to the respective number of Ordinary Shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems in respect of overseas holders or otherwise;
- b. the allotment of equity securities (otherwise than pursuant to sub-paragraph (a) above) up to a maximum aggregate nominal value of £123,208 (being the nominal value of approximately 20 per cent. of the issued share capital of the Company),

and this authority shall expire on the earlier of the conclusion of the next annual general meeting of the Company held after the date on which this resolution becomes unconditional and the date 15 months after the passing of this resolution save that the Company may make any offer(s) or enter into any agreement(s) before such expiry which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer(s) or agreement(s) as if the authority conferred hereby had not expired. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot equity securities but without prejudice to any allotment of equity securities already made, offered or agreed to be made pursuant to such authorities.

Dated 6 November 2017

By Order of the Board

Alastair Riddell

Director

Feedback plc

Grange Park

Broadway

Bourn

Cambridgeshire

CB23 2TA

Notice of Annual General Meeting

CONTINUED

Explanatory Notes to the Notice of Annual General Meeting

The notes on the following pages give an explanation of the proposed resolutions. Resolutions 1 to 5 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolution 6 is proposed as a special resolution. This means that for the resolution to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1: Approval of the annual report and accounts

The Company is required to present its report and accounts to shareholders at its AGM. This provides an opportunity to discuss the performance of the Company during the year, its management and prospects for the future.

Resolutions 2-3: Re-election of directors

As is required by the Company's articles of association, Timothy Irish is retiring at the first AGM since his appointment and the Board proposes him for election as a Director of the Company.

In addition, the Company's articles of association also require one-third of the Board (excluding for this purpose any directors seeking re-appointment at the first AGM since their appointment) to retire and seek re-election at the AGM. If the number of Directors who are required to be considered is not three or a multiple of three, the number of Directors that is as close to one-third as possible but not exceeding one-third, must retire and seek re-election. As there are four Directors (other than Timothy Irish), one further Director is required to retire and seek re-appointment at the AGM. Accordingly, Mike Hayball will also retire and seek re-election and, being eligible, the Board proposes his re-election as a Director of the Company.

Resolution 4: Auditors reappointment and remuneration

It is a requirement that the Company's auditor must be reappointed at each general meeting at which financial statements are laid, in effect, at each AGM. After considering relevant information, the Audit Committee recommended to the Board the reappointment of haysmacintyre. The resolution proposes haysmacintyre's reappointment and to authorise the Directors to determine their remuneration.

Resolution 5: Directors' power to allot relevant securities

Under section 551 of the Act, relevant securities may only be issued with the consent of the shareholders, unless the shareholders pass a resolution generally authorising the Directors to issue shares without further reference to the shareholders. This resolution authorises the general issue of shares up to an aggregate nominal value of £410,694 which is equal to two thirds of the nominal value of the current share capital of the Company. Such authority will expire at the conclusion of the next AGM of the Company or six months after the Company's accounting reference date (whichever is the earlier).

Resolution 6: Disapplication of pre-emption rights on equity issues for cash

Section 561 of the Act requires that a company issuing shares for cash must first offer them to existing shareholders following a statutory procedure which, in the case of a rights issue, may prove to be both costly and cumbersome. This special resolution excludes that statutory procedure as far as rights issues are concerned. It also enables the Directors to allot shares up to an aggregate nominal value of £123,208, which is equal to approximately 20% of the nominal value of the current share capital of the Company, assuming resolution 5 being passed. The Directors believe that the powers provided by this resolution will maintain a desirable degree of flexibility. Unless previously revoked or varied, the disapplication will expire on the conclusion of the next AGM of the Company or six months after the Company's accounting reference date (whichever is the earlier).

Notice of Annual General Meeting

CONTINUED

Notes

1. A member of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to exercise any of his rights to attend, speak and vote at that meeting on his behalf. A proxy need not be a member of the Company but must attend the meeting to represent you.
2. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy please contact Share Registrars on 01252 821390, overseas callers should call +44 1252 821390.
3. A Form of Proxy is enclosed. To be effective, the Form of Proxy together with any power of attorney or other written authority under which it is signed, or a notarially certified copy or a certified copy in accordance with the Powers of Attorney Act 1971 of such power or written authority must be completed signed and to be valid the proxy must be duly executed and deposited with the Company at the offices of the Company's registrars, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR or by scan and email to Share Registrars at proxies@shareregistrars.uk.com, not later than 3 p.m. on 28 November 2017.
4. Completion and return of a Form of Proxy will not prevent a member from attending and voting in person if he or she so wishes.
5. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders entered in the register of members of the Company at the close of business on 28 November 2017 (or in the event of any adjournment, on the day which is two days before the day of the adjourned meeting) shall be entitled to attend and vote at the AGM in respect of the shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the AGM.
6. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
7. In the case of a corporation, the Form of Proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
8. A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy not to vote on any particular resolution. However, it should be noted that a vote withheld in this way is not a "vote" in law and will not be counted in the calculation of the proportion of votes "For" and "Against" a resolution.
9. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy and would like to change the instructions using another hard copy Form of Proxy, please contact Share Registrars. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
10. In order to revoke a proxy instruction, you will need to inform the Company using one of the following methods:
By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Ltd, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
In either case, the revocation notice must be received by Share Registrars no later than 3 p.m. on 28 November 2017.
If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
11. As at 5.00 p.m. on the date immediately prior to this notice the Company's issued share capital comprised 246,416,584 ordinary shares of 0.25 pence each ("**Ordinary Shares**"). Each Ordinary Share carries the right to one vote at a general meeting of the Company and therefore the total number of voting rights in the Company as at 5.00 p.m. on the date immediately prior to this Notice is 246,416,584.



For your notes

For your notes



For your notes

Feedback plc

Grange Park, Broadway, Bourn, Cambridgeshire, CB23 2TA

www.fbk.com