County Contact Centres PLC

Annual Report and Accounts

2007

County Contact Centres PLC provides a 24/7 365 day a year bureau call centre service to a large range of clients, trading as Ansaback, as well as developing and selling, on a world-wide basis, the CallScripter scripting and call centre management software suite.

Ansaback

Ansaback is a 24/7 Contact Centre and Business Services Bureau based in Ipswich.

For over 8 years it has been supplying telephone solutions for business. Ansaback provides the highest levels of service and professionalism.

www.ansaback.co.uk

CallScripter

CallScripter is an enhanced customer interaction software suite specifically developed for modern contact centres, telesales and telemarketing operations.

Companies can gain major cost saving benefits by introducing CallScripter's dynamic scripting environment.

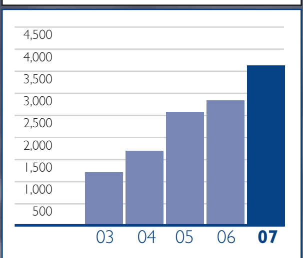
www.callscripter.com

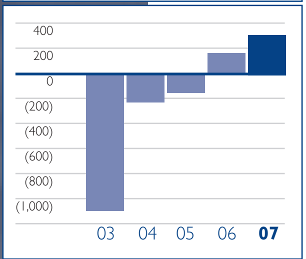
www.countycontactcentres.com

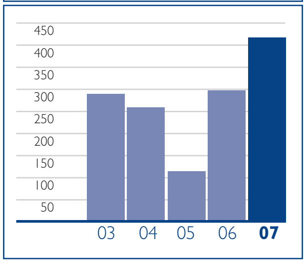
Contents

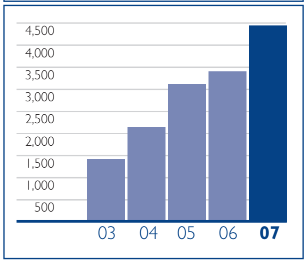
Highlights

Sales (£000s)	Profit/(loss) before tax (£000s)	Closing bank balance (£000s)	Ansaback billable minutes
+22%	+78%	+38%	+30%









Operational Highlights

- Profit before tax increased by 78%
- Profit before tax of £304,861 compared to a previous year profit of £171,417
- Turnover increased by 22% to £3,572,059
- Closing cash balance of £413,890 at 30 June 2007 compared to £299,892 at 30 June 2006
- New international sales of CallScripter software

Company registration number:	3869545
Registered office:	Melford Court The Havens Ransomes Europark Ipswich Suffolk IP3 9SJ
Directors:	Philip John Dayer Peter Michael Brown William Alexander Catchpole Geoffrey Forsyth Robert Stuart McWhinnie Gordon
Secretary:	Robert Stuart McWhinnie Gordon BA FCMA
Bankers:	Barclays Bank PLC
Solicitors:	Fasken Martineau Stringer Saul LLP
Auditors:	Grant Thornton UK LLP
Nominated Advisers and Brokers:	Brewin Dolphin Securities Limited
Registrars:	Lloyds TSB Registrars

COUNTY CONTACT CENTRES PLC

Chairman's Statement

Statement

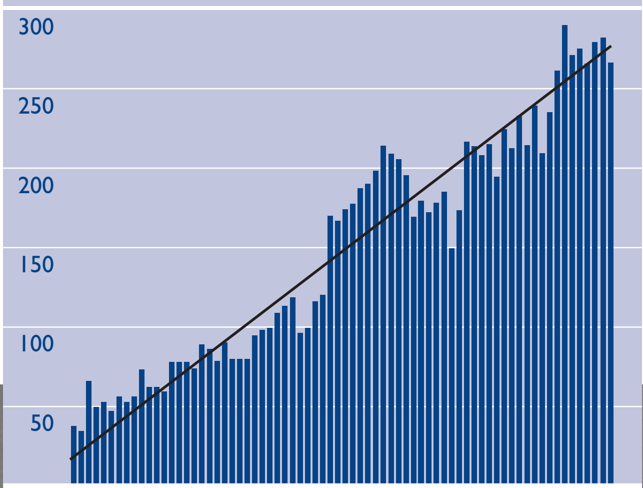
Building on the previous year's performance, we have once again seen significant progress with continued growth in both sales and profitability. Each part of the group has contributed to this success. Ansaback's growth in Direct Response Television Advertising (DRTV), Accident Management and the Eco Repair market has been impressive and CallScripter achieved a 58% increase in sales. As a result the group has declared record profits.

The Market

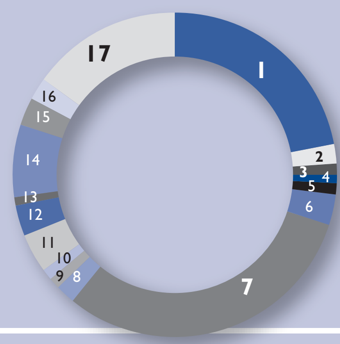
The Ansaback market will continue to grow as the frenetic effort to maximise returns on advertising and promotion continues. The outlook for the bureau contact centre is good. One of our key strengths is our ability to provide rapidly a bespoke service to discerning clients requiring a bureau facility.

Our success in this market can be seen from the chart below of monthly Ansaback sales. A new record level was achieved in November 2006.

Ansaback Sales (£000's)
April 2001 – June 2007



There are currently three significant areas of operation within the Ansaback business: Telecoms, Call Centre Partners and TV Shopping/Retail, as shown below:



1.	**Call Centre Partners**	**22%**	10.	Law	1%
2.	Travel/Leisure	2%	11.	Motors	4%
3.	Cosmetic Surgery/Beauty	1%	12.	Commercial Services	3%
4.	Others	1%	13.	Property	1%
5.	Electrical Services	1%	14.	Homes & Gardens	7%
6.	Finance	3%	15.	Public Services	3%
7.	**TV Shopping/Retail**	**31%**	16.	Service/Trade Industry	2%
8.	Insurance	2%	**17.**	**Telecom**	**15%**
9.	IT	1%			

Last year we reported that CallScripter software had broadened its channels to market and as a result we have seen an increase in orders both domestically and internationally. One telecommunication company, Interactive Intelligence Inc. (ININ), distributes a version of CallScripter under the OEM (Original Equipment Manufacturer) brand of EasyScripter. The first year's results have been encouraging and we look forward to ININ increasing this performance in 07/08. We are proposing to capitalise on this current momentum by recruiting supplementary sales staff and increasing promotional activity over the next twelve months.

Financial

During the year the company decided to reorganise its capital and held an Extraordinary General Meeting in June to obtain shareholder approval. Following subsequent court proceedings the capital reorganisation became effective on 6 August 2007. All of the costs of the capital reorganisation have been charged to the Profit and Loss account in the year. This reorganisation has a positive effect on both the group and company balance sheets, as well as paving the way to allowing the company to pay dividends in the future if the board considers it appropriate to do so. Whilst the published statements reflect the position at 30 June 2007 (prior to the reorganisation), the table below illustrates the effect that the capital reorganisation would have made had it taken place in the 2006/07 fiscal year. As can be seen the overall position remains unchanged, but we would have reflected a positive balance on the Profit and Loss Account.

	Before £	After £
Called up share capital	297,908	297,908
Share premium account	6,045,563	—
Profit and loss account	(5,895,865)	149,698
Shareholders' funds	447,606	447,606

In December 2006 the group reached a settlement with the Inland Revenue in relation to the June 2002 investigation into the Research and Development claims, with the Group repaying £15,000. The associated costs for professional advice on this matter have been charged to the profit and loss account for the year ended 30 June 2007 but it should be noted that these costs were incurred over a number of years.

People

After 5 years as Chairman, Peter Brown stepped down in October 2006 and I took over the chair. Peter remains on the board as a non-executive.

During the year James Thorpe was appointed Software Development Director of the CallScripter (UK) Limited subsidiary, continuing our emphasis of promoting from within.

The board would like to record its thanks to the staff for their hard work, which has produced another good year for the group.

Prospects

Our two business sectors are in growing markets. Accordingly, we look forward to the future with confidence. We continue, however, to be alert to opportunities to enhance shareholder value through organic growth, acquisition and partnerships.

Philip Dayer
10 August 2007

INVESTOR IN PEOPLE

Investor in People
Awarded to County Contact Centres (UK) Limited in 2007

Business Review

Ansaback

It has been a good year for Ansaback with a steady rise in turnover.

The run-up to Christmas was very busy with calls from our DRTV clients showing a marked increase. Analysis of this sector led to the launch of a new service — Ansaback Plus. All operators within this new section are trained sales agents who seek to increase our clients' profitability by maximising sales opportunities during the call. Additionally, we have recruited a Business Development Manager to specifically target the DRTV business sector and develop the Ansaback Plus service. We exhibited at the ERA (Electronic Retailers Association) in Monte Carlo in June and have strong leads to pursue, which we are confident will bring new business in the next financial year.

The ability of modern telephone technology to switch calls seamlessly within the network provides both our, and other call centres', clients with the option of having more than one call centre working for them. This process of maximising the returns and responsiveness to media advertising remains a strong driving force, as a client advertising on a television shopping channel will be looking for an answer response rate as near to 100% as possible. This high level can only be achieved by using modern systems, as well as multiple call centres. The number of call centre partners using Ansaback for overflow, nighttime and weekend work has increased from 13 to 20 over the last 12 months. One potential risk with this type of call centre overflow business is that as the partner call centre grows they invest in their own infrastructure, expand and as a result take calls back in-house.

We continue to provide clients with detailed data regarding call durations and outcomes, using our in-house developed CallScripter software package. Scripts are designed in a manner reflecting the client businesses, ensuring that the agent delivery reflects the culture of the client's organisation. Ansaback is monitored and controlled on the actual and predicted billable minutes and this Key Performance Indicator, as well as the number of agent call minutes per hour, is reviewed on a daily basis to ensure the correct levels of staff efficiencies within the call centre. We also scrutinise our Grade of Service and Percentage of Calls Answered to maintain our contracted Service Level Agreements of answering 80% of calls presented within 20 seconds.

Out of hours telephone/broadband fault repair logging (Eco Repair) is another area, which we have developed over the period. Again this requires slightly more specialist agent knowledge and we currently have fifteen clients that use our fault logging service.

In September we gained a new contract, which has become one of our larger clients, handling accident reporting calls for bus drivers and follow-up outbound calls to third parties to arrange vehicle repair. This has proved to be a very worthwhile market and is one that we will be exploring further.

We continue to see growth across all business sectors including a web-based designer clothing retailer who has recently opened a US operation. As a result of this we have seen an increase in calls late at night.

We have decided to invest in a 'state-of-the-art' modern telephone switch over the next 6 months. This new switch will include fail-over systems to further increase our business continuity/disaster recovery readiness whilst also enabling us to offer additional services to clients.

Looking at other risks, to lower our susceptibility to power outages, we have a standby generator in case of power cuts, while our main computer systems have been upgraded to improve their resilience and minimise any down-time should a problem arise.

CallScripter

The CallScripter division had a very encouraging year securing numerous contracts within its traditional market as well as expanding its international direct customer base. New territories included Colombia, Australia and Canada.

Our OEM agreement with ININ continues to generate new revenues and the EasyScripter application now boasts over 1,500 installed licences covering Europe, North America, South Africa and Australia. Being part of the ININ solution enables us to be involved in larger projects as well as opening up additional opportunities through their established reseller base. One example is our current largest customer who runs 450 concurrent licences over two locations in the Netherlands and Suriname further highlighting CallScripter's scalability and flexibility.

Another project of note has been the adoption of EasyScripter by Schipol airport in Amsterdam, who use the system to manage emergency ambulance call-out procedures as well as building maintenance roof access control.

CallScripter Version 4 was released in Quarter 1, 2007. The product has been given a fresh new look and feel with specific improvements to the Outbound module, an encryption engine as part of compliance with the new PCI (Credit Card) Guidelines and a real-time .NET reporting dashboard. This improved functionality has already allowed us to secure new business.

To coincide with the release of Version 4, the opportunity was taken to revamp the marketing of the product. New sales brochures have been produced as well as a revitalised website. Totally rewritten, the website now includes a support section and knowledge base area for existing clients.

In October 2006 we exhibited at our 6th Call Centre Expo, the principal UK showcase for suppliers to the call centre trade, which attracts both a domestic and international audience looking for the latest offerings. During the year we were also invited as guests to the ININ EMEA (Europe, Middle East and Asia) conference held in Barcelona. Here we presented the latest EasyScripter version to a wide range of ININ distributors.

The risks to the CallScripter division continue to be in the ability of our internal sales team and the partner resellers to achieve market penetration. We are confident that the sales targets can be achieved.

Social Responsibilities and Green Initiatives

We are delighted to report that we recently achieved the Investors in People award showing our commitment to our staff, who, as a service industry, are our key asset. Investors in People is a prestigious award designed to recognise companies with a real commitment to their work-force. While we were convinced that we had most of the policies in place this proved to be a very inspiring and motivating exercise for the whole company.

This year the staff voted to adopt Neuroblastoma (which helps fight childhood cancer) as our 'Charity of the Year'. Various events and raffles have been organised to support this worthy cause over the last 12 months including a regular 'dress-down' day on the last Friday of each month.

During November we donated 20 of our older computers to the 'Computers for Africa' campaign.

The Company has also been the lead player working with five other local businesses on the Europark campaigning for a bus shelter on the main road behind our offices. We have jointly raised donations and will be erecting a weatherproof bus shelter to help encourage staff to use public transport.

Looking ahead

Both sides of our business will continue to push forward with exciting prospects.

Ansaback will be focusing on further development of the Ansaback Plus and telephone fault logging services – areas where we feel we have a unique selling point, while CallScripter will continue to target new revenue streams with reselling partners and other software manufacturers as well as increasing the existing revenue streams from both the OEM and direct sales.

Overall, we expect to perform well in the coming year.

William A Catchpole
10 August 2007

Directors' Report

The directors present their report together with the financial statements for the year to 30 June 2007.

1. Principal activity

The company operates principally as a holding company. The main subsidiary is engaged in the provision of a 24 hours a day, 7 days a week out of hours and overflow telephony service and the development and sale of call centre contact relationship management software.

2. Results, dividends, future prospects

The trading results of the group are set out in the annexed accounts and are summarised as follows:

	2007	2006
	£	£
Turnover	**3,572,059**	2,921,879
Profit on ordinary activities before taxation	**304,861**	171,417

The Chairman's Statement and Managing Director's Business Review contain a full explanation of developments during the year, key performance indicators and the group's future prospects.

The directors do not recommend payment of a dividend (2006: £nil).

3. Directors

The present membership of the board who served through the year is set out below.

The beneficial and other interests of the directors and their families in the shares of the company at 30 June 2007 and 1 July 2006, as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows:

	30 June 2007 Ordinary shares of 1p each	1 July 2006 Ordinary shares of 1p each
P M Brown (non-executive)	**2,129,779**	1,408,351
W A Catchpole	**1,399,169**	1,396,989
R S M Gordon	**598,000**	548,000
G Forsyth	**531,427**	481,427
P J Dayer (non-executive)	**293,619**	115,047

The above interests include 33,220 (2006: 54,220) ordinary shares held by or on behalf of Mr Catchpole's wife (2006: wife and son).

On 12 September 2002, directors were granted options to subscribe for ordinary shares in the company as follows:

	Number of Shares	**Exercise Price (pence)**
W A Catchpole	1,000,000	12.36
R S M Gordon	1,000,000	12.36
G Forsyth	1,000,000	12.36
P M Brown	200,000	12.36

These options can be realised on the following formula between three and ten years from their grant:

If the share price is at or above	**Percentage of options realisable**
25p	25%
40p	50%
65p	75%
100p	100%

During the year the share price fluctuated between 12 pence and 21.75 pence and closed at 18.25 pence on 30 June 2007.

4. Substantial Shareholdings

The beneficial and other interests of other substantial shareholders and their families in the shares of the company at 30 June 2007 and 1 July 2006, as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows:

	30 June 2007 Ordinary shares of 1p each	1 July 2006 Ordinary shares of 1p each
Suffolk Life Annuities Limited	**4,406,690**	4,364,018
P Wildey	**4,400,000**	3,830,000

The Suffolk Life Annuities Limited holding includes 1,871,690 shares (2006: 1,556,971 shares) held on behalf of the directors.

5. Directors' responsibilities for the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware;

and

- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are 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. The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

6. Research and Development

The group continues to develop CallScripter, a web-based workflow management software suite for modern contact centres.

7. Payment practice

It is the group's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction, to ensure that suppliers are aware of the terms and to abide by them. Group trade creditors at the year end amount to 49 days (2006: 36 days) of average supplies for the year.

8. Employee policy

The group operates a policy of non-discrimination in respect of ethnicity, sexual orientation and disability and encourages the personal and professional development of all persons working within the group by giving full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities.

9. International Financial Reporting Standards

The International Financial Reporting Standards become applicable to AIM companies in respect of financial years commencing after 1 January 2007. The directors will be required to assess whether development costs meet the recognition criteria of IAS 38 – Intangible Assets. This would result in a prior year restatement and the capitalisation of development costs on the Balance Sheet, which have previously been expensed through the Profit and Loss Account.

Additionally, should the company continue to operate distinctive business segments the company will report on the individual performance of these operations under IAS 14 – Segmental Reporting.

10. Corporate Governance

The company recognises the requirement for high standards of corporate governance but is restricted by having a small board of directors, 40% of whom are non-executive directors.

As an AIM-listed company, we are not obliged to comply with the Combined Code on Corporate Governance, but we do however acknowledge the overall importance of the guidelines and apply as many of the principles therein as appropriate to a company of our size and nature.

Internal Financial Control

The board is responsible for establishing and maintaining the group's system of internal control and reviewing its effectiveness. Internal control systems are designed to meet particular needs of the Group concerned and the risks to which it is exposed and by their nature can provide reasonable, but not absolute, assurance against misstatement or loss. The directors confirm that they have established such procedures as necessary to implement the group's internal controls.

The full board meets on a least six occasions each year to review trading performance and discuss strategy and policy issues. Budgets are approved annually and management accounts are produced on a monthly basis. All directors review these accounts. The executive board meets on a regular basis to discuss the group's performance, inviting input from the non-executive directors as appropriate. The group reports to shareholders twice a year. The board considers that a separate internal audit function is not justified having regard to the size of the group.

The Chairman, who carries out his duties on a part-time basis, is primarily responsible for running the board. The Managing Director is responsible for the day-to-day running of the group and for implementing group strategy.

All directors are aware of their right to seek independent professional advice at the company's expense to assist them in their duties and to have access to the services of the Company Secretary.

Remuneration Committee

The Remuneration Committee consists of Peter Brown and Philip Dayer. Peter Brown is Chairman of Independent Remuneration Solutions Limited, an independent company, which advises on and helps implement Executive Directors' Packages, Annual and Long Term Incentives and Independent Directors' Fees to corporate bodies.

The committee is responsible for setting the terms and conditions of employment for the executive directors and met on two occasions during the year.

The current policy is to set remuneration in accordance with market conditions in order to attract, retain and motivate the executive board.

The committee reviews group performance and arising from those reviews may determine performance related bonuses.

No director is involved in deciding his or her own remuneration level or performance related bonuses.

The fees for non-executive directors are set at smaller turnover AIM quoted market rates to attract individuals with the necessary experience and ability to make a substantial contribution to the group's affairs and its continued development.

Audit Committee

Whilst the Audit Committee formally consists of Philip Dayer and Peter Brown, due to the size of the company, any business relating to the audit has been considered by the full board.

Our audit partner can, however, raise any issues and request a meeting of the committee if it is felt that any governance or other issues need to be discussed without the executive directors attendance.

11. Financial Risk Management

The financial risk management and objectives are discussed in Note 20.

12. Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

13. Post-Balance Sheet Event

The company held an Extraordinary General Meeting in June 2007 and, following the subsequent court proceedings, a capital reorganisation became effective on 6 August 2007. This has the effect of cancelling the Share Premium Account and transferring that balance to the Profit and Loss Account. These entries will take place in the new financial year.

Melford Court
The Havens
Ransomes Europark
Ipswich, Suffolk
IP3 9SJ

BY ORDER OF THE BOARD

R S M Gordon
Secretary
10 August 2007

Report of the Independent Auditors to the Members of County Contact Centres PLC

We have audited the group and parent company financial statements (the "financial statements") of County Contact Centres PLC for the year ended 30 June 2007, which comprise the principal accounting policies, the group profit and loss account, the group and company balance sheets, the group cash flow statement and notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Chairman's Statement and Business Review that is cross-referred from the business review section of the Directors' Report. In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. This information comprises only the Directors' Report, the Chairman's Statement and the Business Review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group and the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 30 June 2007 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information in the Directors' Report is consistent with the financial statements.

Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
Ipswich
10 August 2007

Principal Accounting Policies

1. Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice) and under the historical cost convention.

The principal accounting policies of the group are set out below, and are unchanged from the previous year.

The directors have continued to adopt the going concern basis in preparing the financial statements.

2. Basis of consolidation

The group financial statements consolidate those of the company and its subsidiary undertakings (see note 9) drawn up to 30 June 2007. Profits and losses on intra-group transactions are eliminated in full.

The company is entitled to merger relief offered by Section 131 of the Companies Act 1985, and the shares issued when the subsidiary undertaking, County Contact Centres (UK) Limited, was acquired are shown at their nominal value. The results of County Contact Centres (UK) Limited are consolidated using merger accounting principles. All other subsidiaries are accounted for using the acquisition method.

The group has taken advantage of the exemption in FRS 8 and not disclosed intra-group transactions, which are eliminated on consolidation.

3. Turnover

Turnover is the total amount receivable by the group for goods supplied and services provided, excluding VAT and trade discounts. Call centre turnover is recognised on the basis of billable minutes in the month. Turnover from annual software licences and maintenance contracts may be received in a single amount or in monthly instalments. Such turnover is recognised over the period to which it relates, reflecting the fact that customers could cancel the maintenance contract if there were any disputes. Software turnover is recognised at the point of sale for contracts sold in perpetuity, as it is at this point that the group has performed all of its obligations.

4. Tangible fixed assets and depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Motor vehicles	33%
Fixtures and fittings	20% to 50%
Computer equipment	33%

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

5. Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured on an undiscounted basis using rates of tax that have been enacted or substantively enacted by the balance sheet date.

6. Contribution to defined contribution pension schemes

The pension costs charged against profits represent the amount of the contributions payable to the schemes in respect of the accounting period.

7. Leased assets

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight-line basis over the lease term.

Finance lease agreements

Where the company enters into a lease, which entails taking substantially all of the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element, which reduces the outstanding obligation for future instalments.

8. Share options

All material share-based payment arrangements granted after 7 November 2002 that have not vested prior to 1 July 2006 are recognised in the financial statements.

All equity-settled share-based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to "other reserve".

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options that have vested are not exercised.

Upon exercise of share options, the proceeds received net of attributable transactions are credited to share capital, and where appropriate share premium.

The fair value of the share options granted after 7 November 2002 and not vested at 1 July 2006 has been assessed in accordance with FRS 20 — Share-based Payments. The directors do not consider that the amounts involved are material and therefore no charge has been recognised (see note 14).

9. Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

10. Research and development

Research and development expenditure is charged to the profit and loss account in the period in which it is incurred.

11. Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates ruling at the balance sheet date.

Consolidated Profit and Loss Account

For the year ended 30 June 2007	Note	**2007** £	2006 £
Turnover	1	**3,572,059**	2,921,879
Cost of sales		**(2,014,931)**	(1,682,012)
Gross profit		**1,557,128**	1,239,867
Administrative expenses		**(1,254,193)**	(1,066,953)
Operating profit		**302,935**	172,914
Other interest receivable and similar income	2	**10,962**	8,951
Interest payable and similar charges	3	**(9,036)**	(10,448)
Profit on ordinary activities before taxation	1	**304,861**	171,417
Tax on profit on ordinary activities	5	**61,000**	—
Profit on ordinary activities after taxation transferred to reserves	15	**365,861**	171,417
Basic and diluted earnings per share	6	**1.2p**	0.6p

All of the activities of the Group are classed as continuing.

There were no recognised gains or losses for the year other than the profit disclosed above.

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Balance Sheet

County Contact Centres PLC

As at 30 June 2007	Note	2007 £	2006 £
Fixed assets			
Tangible assets	8	**79,727**	40,317
		79,727	40,317
Current assets			
Debtors	10	**736,243**	490,444
Cash at bank and in hand		**413,890**	299,892
		1,150,133	790,336
Creditors: amounts falling due within one year	11	**(570,318)**	(492,958)
Net current assets		**579,815**	297,378
Total assets less current liabilities		**659,542**	337,695
Creditors: amounts falling due after more than one year	12	**(34,564)**	(78,578)
		624,978	259,117
Capital and reserves			
Share capital	14	**297,908**	297,908
Share premium account	15	**6,045,563**	6,045,563
Merger reserve	15	**18,396**	18,396
Profit and loss account	15	**(5,736,889)**	(6,102,750)
Shareholders' funds	16	**624,978**	259,117

The board of directors approved the financial statements on 10 August 2007.

W A Catchpole Director
R S M Gordon Director

The accompanying accounting policies and notes form an integral part of these financial statements.

Company Balance Sheet

As at 30 June 2007	Note	2007 £	2006 £
Fixed assets			
Investments	9	**201,609**	201,609
		201,609	201,609
Current assets			
Debtors	10	**337,671**	128,102
		337,671	128,102
Creditors: amounts falling due within one year	11	**(76,674)**	(59,400)
Net current assets		**260,997**	68,702
Total assets less current liabilities		**462,606**	270,311
Creditors: amounts falling due after more than one year	12	**(15,000)**	(61,667)
		447,606	208,644
Capital and reserves			
Share capital	14	**297,908**	297,908
Share premium account	15	**6,045,563**	6,045,563
Profit and loss account	15	**(5,895,865)**	(6,134,827)
Shareholders' funds		**447,606**	208,644

The board of directors approved the financial statements on 10 August 2007.

W A Catchpole Director
R S M Gordon Director

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 30 June 2007	Note	2007 £	2006 £
Net cash inflow from operating activities	17	**241,546**	249,915
Returns on investments and servicing of finance			
Interest received	2	**10,962**	8,951
Interest paid	3	**(6,233)**	(9,831)
Interest element of finance leases	3	**(2,803)**	(617)
Net cash inflow/(outflow) from returns on investments and servicing of finance		**1,926**	(1,497)
Taxation		**(15,000)**	—
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**(51,250)**	(21,681)
Proceeds from sale of tangible fixed assets		**—**	5,350
Net cash outflow from capital expenditure and financial investment		**(51,250)**	(16,331)
Financing			
Repayment of borrowings		**(50,000)**	(50,000)
Capital element of finance leases		**(13,224)**	(2,536)
Net cash outflow from financing		**(63,224)**	(52,536)
Increase in cash	18	**113,998**	179,551

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2007

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover derives principally from the provision of a 24 hours a day, 7 days a week out of hours and overflow telephony service and the development and sale of call centre contact relationship management software.

In the opinion of the directors, disclosure of analysis of turnover or profit and loss information by class of business or geographical market would be seriously prejudicial to the interests of the group and therefore is not provided.

Profit on ordinary activities is stated after:

	2007	2006
	£	£
Auditors' remuneration		
Fees payable to the company's auditors for the audit of the company's annual accounts	5,600	5,500
Fees payable to the group's auditors for other services:		
The audit of the company's subsidiaries pursuant to legislation	9,300	9,400
Taxation services	18,498	3,000
Accounting advice	855	950
Depreciation:		
tangible fixed assets – owned	22,036	30,149
tangible fixed assets – leased	14,216	3,378
Rents payable	98,622	95,800
Profit on disposal of fixed assets	—	(5,350)
Amounts of research and development written off	101,649	107,483

2. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2007	2006
	£	£
Bank interest receivable	10,962	8,951

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	£	£
Interest on bank borrowings	6,233	9,831
Finance charges in respect of finance leases	2,803	617
	9,036	10,448

4. DIRECTORS AND EMPLOYEES

	2007 £	2006 £
Staff costs of the group, including the directors, during the year were as follows:		
Wages and salaries	**2,196,892**	1,826,697
Social security costs	**198,049**	150,024
Other pension costs	**22,309**	22,460
	2,417,250	1,999,181

	2007 Heads	2006 Heads
Average number of employees during the year was	**161**	140

Remuneration in respect of directors was as follows:

	2007 £	2006 £
Emoluments	**373,058**	318,798
Pension contributions to money purchase pension schemes	**24,061**	22,460
	397,119	341,258

During the year 3 (2006: 3) directors participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2007 £	2006 £
Emoluments	**118,986**	105,589
Pension contributions to money purchase pension schemes	**9,786**	9,138

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007 £	2006 £
Analysis of credit in the year		
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2006:19%)	—	—
Prior year adjustment	15,000	—
Total current tax	15,000	—
Deferred tax:		
Origination and reversal of timing differences	(76,000)	—
Tax on profit on ordinary activities	(61,000)	—

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2006: 19%).

	2007 £	2006 £
Profit on ordinary activities before tax	304,861	171,417
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2006: 19%)	57,924	32,569
Expenses not deductible/(allowable) for tax purposes	5,886	(1,869)
Capital allowances in excess of depreciation for the year	(43,074)	5,354
Losses carried forward	6,110	8,199
Losses utilised	(26,846)	(44,032)
Other	—	(221)
Current tax credit for the period	—	—

6. BASIC PROFIT PER SHARE

The calculation of the basic profit per share is based on the profit of £365,861 (2006: £171,417) attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year of 29,790,743 (2006: 29,790,743). No diluted profit per share is shown because all options are non-dilutive.

7. PROFIT/(LOSS) FOR THE FINANCIAL YEAR

The company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The profit for the company for the year was £238,962 (2006: loss of £51,028).

8. TANGIBLE FIXED ASSETS

Group	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost:				
At 1 July 2006	13,200	201,768	351,529	566,497
Additions	8,850	6,289	60,523	75,662
Disposals	—	—	(60,543)	(60,543)
At 30 June 2007	22,050	208,057	351,509	581,616
Depreciation:				
At 1 July 2006	6,311	200,164	319,705	526,180
Charge in year	4,388	1,453	30,411	36,252
Disposals	—	—	(60,543)	(60,543)
At 30 June 2007	10,699	201,617	289,573	501,889
Net book amount at 30 June 2007	11,351	6,440	61,936	79,727
Net book amount at 30 June 2006	6,889	1,604	31,824	40,317

Included within the net book value of £79,727 is £35,225 (2006: £25,029) relating to assets held under finance leases. The depreciation charged to the financial statements in the year in respect of such assets amounted to £14,216 (2006: £3,378).

There are no tangible fixed assets in the company.

9. FIXED ASSETS — INVESTMENTS

Company	Subsidiary undertaking £
Cost at 1 July 2006	201,609
Additions	—
Cost at 30 June 2007	201,609
Net book amount at 30 June 2007	201,609
Net book amount at 30 June 2006	201,609

At 30 June 2007 the company held 100% of the allotted share capital of the following subsidiary undertakings, which are included in the consolidated accounts:

Name	Country of Incorporation	Class of Share Capital held	Proportion held	Nature of business
County Contact Centres (UK) Limited	England	Ordinary	100%	Out of hours and overflow telephony service and software company
CallScripter Limited	England	Ordinary	100%	Software reseller
Eco Repair Services Limited (previously Lots of Jobs Limited)	England	Ordinary	100%	Dormant
Ansaback Limited	England	Ordinary	100%	Dormant
County Contact Nominees Limited	England	Ordinary	100%	Dormant
EasyScripter Limited	England	Ordinary	100%	Dormant
Ansaback Europe Limited	England	Ordinary	100%	Dormant
CallScripter (U.K.) Limited	England	Ordinary	100%	Dormant

10. DEBTORS

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Trade debtors	**468,009**	333,926	**—**	—
Other debtors	**81,675**	81,075	**2,420**	2,385
Deferred taxation	**76,000**	—	**—**	—
Amount owed by group undertaking	**—**	—	**330,394**	120,895
Prepayments and accrued income	**95,529**	63,758	**4,857**	4,822
Pension contributions	**15,030**	11,685	**—**	—
	736,243	490,444	**337,671**	128,102

Group other debtors of £81,075 (2006: £81,075) relate to a rent deposit which falls due after more than one year. This lease expires in May 2010.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Bank loans (note 12)	**46,667**	50,000	**46,667**	50,000
Trade creditors	**127,553**	82,139	**10,557**	5,405
Social security and other taxes	**175,402**	163,184	**—**	—
Amounts due under finance leases	**17,495**	8,960	**—**	—
Other creditors	**19,007**	9,945	**—**	—
Accruals and deferred income	**184,194**	178,730	**19,450**	3,995
	570,318	492,958	**76,674**	59,400

Amounts due under finance leases are secured on the related assets.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2007 £	Group 2006 £	**Company 2007 £**	Company 2006 £
Bank loans	**15,000**	61,667	**15,000**	61,667
Amounts due under finance leases	**19,564**	16,911	**—**	—
	34,564	78,578	**15,000**	61,667

Borrowings

Bank loans are repayable as follows:

	Group 2007 £	Group 2006 £	**Company 2007 £**	Company 2006 £
Within one year	**46,667**	50,000	**46,667**	50,000
After one year and within two years	**15,000**	46,667	**15,000**	46,667
After two and within five years	**—**	15,000	**—**	15,000
	61,667	111,667	**61,667**	111,667

Amounts due under finance leases fall due as follows:

	Group 2007 £	Group 2006 £	**Company 2007 £**	Company 2006 £
Within one year	**17,495**	8,960	**—**	—
After one year and within two years	**15,783**	9,665	**—**	—
After two and within five years	**3,781**	7,246	**—**	—
	37,059	25,871	**—**	—

On 20 March 2003, through the government's Small Firms Loan Guarantee Scheme, the group obtained a bank loan of £100,000 repayable over 5 years in equal monthly instalments of £1,667, secured by a Department of Trade and Industry Guarantee in favour of the bank. Interest on the loan is payable at 2% above the bank base rate.

On 16 July 2003, through the government's Small Firms Loan Guarantee Scheme, the group obtained a further bank loan of £150,000 repayable over 5 years in equal monthly instalments of £2,500, secured by a Department of Trade and Industry Guarantee in favour of the bank. Interest on the loan is payable at 2% above the bank base rate.

Amounts due under finance leases are secured on the related assets.

13. DEFERRED TAXATION

Deferred tax assets are calculated at a rate of 19% (2006: 19%). Due to the group's profitable position, a deferred tax asset of £76,000 has now been recognised in respect of trading losses.

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Provided — trading losses	**76,000**	—	**—**	—
Unprovided				
Accelerated capital allowances	**122,000**	196,000	**—**	—
Trading losses	**304,000**	399,000	**51,000**	48,000
	426,000	595,000	**51,000**	48,000

The unprovided deferred tax asset attributable to losses should be recoverable against future profits.

14. SHARE CAPITAL

Group and Company	2007 Number	2007 £	2006 Number	2006 £
Authorised:				
Ordinary shares of 1p each	**100,000,000**	**1,000,000**	100,000,000	1,000,000
Allotted called up and fully paid:				
Ordinary shares of 1p each	**29,790,743**	**297,908**	29,790,743	297,908

Contingent rights to the allotment of shares

The company has granted the following options, in respect of ordinary shares of 1p each, which were still valid and unexercised at 30 June 2007.

Date of grant	Number of shares	Exercise price	Period exercisable
30 December 1999	50,000	50.00p	From 3 months to 10 years from grant
11 September 2000	1,000	100.00p	From 3 months to 10 years from grant
12 September 2002	3,526,000	12.36p	See below*
1 February 2004	600,000	12.36p	See below*
1 May 2005	500,000	12.36p	See below*
1 July 2005	400,000	12.36p	See below*
1 March 2006	500,000	12.36p	See below*

During the year the share price fluctuated between 12 pence and 21.75 pence and closed at 18.25 pence on 30 June 2007.

14. SHARE CAPITAL (continued)

*These options can be realised on the following formula between three and ten years from their grant:

If the share price is at or above	Percentage of options Realisable
25p	25%
40p	50%
65p	75%
100p	100%

The fair value of the share options granted after 7 November 2002 and not vested at 1 July 2006 has been assessed in accordance with FRS 20. The directors do not consider that the amounts involved are material and therefore no charge has been recognised.

There has been no movement in the share options outstanding during the period. The Weighted Average Exercise Price at 30 June 2006 and 30 June 2007 was 12.71p.

15. RESERVES

Group	Share premium account £	Merger reserve £	Profit and loss account £
At 1 July 2006	6,045,563	18,396	(6,102,750)
Profit for the year	—	—	365,861
At 30 June 2007	6,045,563	18,396	(5,736,889)

Company	Share premium account £	Profit and loss account £
At 1 July 2006	6,045,563	(6,134,827)
Profit for the year	—	238,962
At 30 June 2007	6,045,563	(5,895,865)

Post-balance sheet event

The company held an Extraordinary General Meeting in June 2007 and, following the subsequent court proceedings, a capital reorganisation became effective on 6 August 2007. This has the effect of cancelling the Share Premium Account and transferring that balance to the Profit and Loss Account. These entries will take place in the new financial year.

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2007 £	2006 £
Shareholders' funds at 1 July 2006	**259,117**	87,700
Profit for the financial year	**365,861**	171,417
Shareholders' funds at 30 June 2007	**624,978**	259,117

17. NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007 £	2006 £
Operating profit	**302,935**	172,914
Depreciation	**36,252**	33,527
Profit on disposal of fixed assets	**—**	(5,350)
Increase in debtors	**(169,799)**	(7,489)
Increase in creditors	**72,158**	56,313
Net cash inflow from operating activities	**241,546**	249,915

18. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2007 £	2006 £
Increase in cash in the year	**113,998**	179,551
Cash outflow from financing	**50,000**	50,000
Cash outflow from finance leases	**13,224**	2,536
Change in net funds resulting from cash flows	**177,222**	232,087
New finance leases	**(24,412)**	(28,407)
Movement in net funds in the period	**152,810**	203,680
Net funds/(debt) at 1 July 2006	**162,354**	(41,326)
Movement in net funds in the year	**152,810**	203,680
Net funds at 30 June 2007	**315,164**	162,354

19. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 1 July 2006 £	Movement £	Other Changes £	At 30 June 2007 £
Cash at bank and in hand	299,892	113,998	—	**413,890**
Debt	(111,667)	50,000	—	**(61,667)**
Finance leases	(25,871)	13,224	(24,412)	**(37,059)**
	162,354	177,222	(24,412)	**315,164**

20. FINANCIAL INSTRUMENTS

The group uses various financial instruments including loans, cash, trade debtors, trade creditors, and leasing that arise directly from its operations. The main purpose of these financial instruments is to maintain adequate finance for the group's operations. The existence of these financial instruments exposes the Group to a number of financial risks, which are described in detail below. The directors review and agree policies for managing each of these risks, as summarised below, and these remain unchanged from previous years. Short-term debtors and creditors have been excluded from disclosures (except currency disclosures).

Financial risk management and objectives

The total loan balance outstanding at 30 June 2007 is £61,667 (2006: £111,667). Interest is payable at 2% above the bank's base rate (note 12).

The group seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The directors achieve this by regularly preparing and reviewing forecasts based on the trends shown in the monthly management accounts.

Credit risk

The group's principal financial assets are cash and trade debtors, with the principal credit risk arising from trade debtors. In order to manage credit risks the group conducts third party credit reviews on all new clients, takes deposits where this is deemed necessary and collects payment by direct debit on all new Ansaback accounts, limiting the exposure to a build up of a large outstanding debt. The group also conducts third party credit reviews on CallScripter accounts, which also have an agreed payment plan tailored to the risk of the individual client.

Interest rate risk

The group finances its operations through a mixture of cash and loans and has some risk to interest rate movements on the outstanding loans which are not deemed significant in the short to medium term.

Liquidity risk

The group aims to mitigate liquidity risk by closely monitoring cash generation and expenditure. Cash is monitored daily and forecasts are regularly prepared to ensure that the movements are in line with the directors' strategy.

Foreign currencies

During the year exchange differences of £3,705 (2006: £822) have arisen and at the year end £122 (2006: £26,463) was held in foreign currency bank accounts. It is the group policy to hold limited amounts in foreign currency in order to reduce exposure to currency risk. The group does not sell or buy any currency forward or enter into any hedging contracts.

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction and monetary assets and liabilities in foreign currencies are translated at the rates ruling at the balance sheet date. At present foreign exchange is minimal and hedging and risk management is not deemed necessary.

21. CAPITAL COMMITMENTS

The group has committed to capital spend of £127,304 in the year to 30 June 2007 (30 June 2006: £nil) in respect of a new telephone switch and the related software.

22. CONTINGENT LIABILITIES

In June 2004 HM Revenue and Customs raised a routine inquiry into certain aspects of the tax computation of the subsidiary, County Contact Centres (UK) Limited, for the year ended 30 June 2002 including the Research and Development tax credits of £51,499 received in respect of that year. This inquiry is now settled with the Group repaying £15,000 during the year.

There were no other contingent liabilities at 30 June 2007 or 30 June 2006.

23. LEASING COMMITMENTS

Operating lease payments amounting to £90,000 (2006: £90,000) are due within one year. The leases to which these amounts relate expire as follows:

	Group 2007 £	Group 2006 £
In two to five years		
Land and buildings	**90,000**	90,000

24. TRANSACTIONS WITH DIRECTORS

During the year, £1,500 (2006: £6,000) was paid to Synergy Holdings Limited, a company controlled by Peter Brown, a director, in respect of rent for the use of his London office.

At 30 June 2007, £nil (2006: £nil) was outstanding in respect of this agreement.

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