FINAL RESULTS
FOR THE YEAR ENDED 30 JUNE 2016

Financial Highlights:

- Group turnover climbed 27% to £8,265,955 (2015: £6,486,941).
- Group returned to profitability, with profit before taxation on continuing activities of £21,163 (2015: loss of £258,244).
- Closing cash and cash equivalents balance of £895,422 (2015: £1,040,822).

Operational Highlights:

- Major wins for PCI-PAL which included a major pan-European fitness chain, a market leader in the European gambling sector, a leading national online estate agency, a global retail fashion brand, and a regional public sector authority.
- PCI-PAL transaction volumes rose by 46% in the six months to June 2016.
- Ansaback increased overall sales by 36.3% on the previous year, while CallScripter had a difficult trading year resulting in a loss of £229,631.

Post year end transaction and re-organisation

Summary Highlights:

- Disposed of the Ansaback call centre and CallScripter businesses to an industry consolidator.
- £3.35 million up front cash consideration paid on completion with the balance of £3.35 million received in the form of Loan Notes, to be redeemed over 42 months, post completion.
- Sale and leaseback of the Group's property generating further net cash to the Group of c. £0.8 million.
- £4.8 million net cash position (including existing Group resources) at completion.
- Special interim dividend of £1 million, as announced on 7 November 2016, to be paid to shareholders on the register as at 18 November 2016.
- Renamed the PLC to reflect the new focus of the business, as a specialist provider of secure payments solutions, including a cloud-based, PCI DSS[(1)] compliant suite.
- Recent contract wins and growing transaction volumes across multiple verticals highlight the significant market opportunity in the market for secure payments solutions and data security.

(1) The Payment Card Industry Data Security Standard or PCI DSS has been developed globally by the major payment card schemes

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

I take pleasure in presenting my statement in respect of the year ended 30 June 2016 which includes a review of the considerable changes to the Group since the period end.

Operational Highlights

There is much to report since my previous statement to the market on 26th August 2016 in respect of last year. The Board is pleased to report that the Group ceased to be loss-making last year, and that, since the year-end, we have completed the disposal of the Ansaback call centre business and the CallScripter software business, so focusing all of our efforts on our rapidly developing PCI-PAL secure payment business; PCI being the recognised market acronym for Payment Card Industry.

Reflecting this change, we renamed the holding company PCI-PAL PLC on 3 October 2016.

Financial Summary

In the year ended 30 June 2016 the Group generated a profit on continuing activities before tax of £21,163 (2015: loss of £258,244), on turnover up 27% at £8,265,955 (2015: £6,486,941). Cash and cash equivalents at 30 June were £895,422 (2015: £1,040,822).

The trends in the business over the period reflected the positive changes that were being made in the Group ahead of the decision to pursue our current strategy of focussing solely on the development of the PCI-PAL business.

Review of Operations

PCI-PAL had an excellent year, securing 32 new contracts across a range of market sectors including retail, services, leisure, public, and charity sector. Transaction volumes for the month of June 2016 were 84% higher compared to June 2015. The continued evolution of the PCI-PAL product suite to provide a wide range of payment security solutions for businesses has allowed us to broaden and extend the value proposition to both existing clients and new business prospects. We maintain a high retention of existing clients, retaining all payments clients for the period.

Significant client wins last year included a global leader in the logistics market, a major pan-European fitness chain, a market leader in the European gaming sector, and a global retail fashion brand. PCI-PAL typically benefits from a high proportion of contracted, recurring revenue. In the 2015/2016 financial year, the business demonstrated its ability to grow this revenue and it is the view of the Board that further investment would allow us to accelerate this growth.

Ansaback had a strong year delivering growth in revenue of 36.3% on the previous year, however much of this was generated from its new significant customer, which represented a major risk for a group of our size.

CallScripter, despite the best endeavours of management and its staff, struggled to secure sufficient new contracts and again generated losses.

Against this background the Group resolved to sell the Ansaback and CallScripter businesses to Direct Response Contact Centres Group Limited, as announced following the year-end on 12 September 2016.

Following this disposal, the Group will now focus all of its efforts and working capital on developing the exciting momentum PCI-PAL achieved last year.

Dividend

The proceeds from the sale will also allow us to return £1 million to shareholders by way of a special interim dividend. In light of the special interim dividend and the results for the year ended 30 June 2016, the Board is not proposing a final dividend in respect of the year to 30 June 2016.

People

Again I would like to thank each of the Directors and employees for all their efforts during the past year. We said goodbye to Stuart Gordon, who stood down as Chief Financial Officer following the disposal, and his team; Christian Pawsey and his staff at Ansaback; and Kevin Ellis and his staff at CallScripter. We thank each of them for all their efforts on behalf of the Group and wish them every success in the future.

At the same time, we have welcomed to the Board James Barham, who has been responsible for PCI-PAL operations to date, as Commercial Director, and Andy Francombe as Chief Financial Officer, on a part-time basis.

Current trading and outlook

I am pleased to report that PCI-PAL has continued to make strong progress since the year-end, securing 12 new contracts for the provision of secure payment services, with client highlights including a major utilities company and a global furniture retailer. In addition, we continue to grow our channel business with the agreement of two partner arrangements with global leaders in the business communications and IP Telephony space. Monthly transaction volumes have increased 22% over the four months since year end.

We have strengthened our operations team which is now more capable than ever to deliver projects successfully. Improved delivery is, in turn, expected to shorten the time period between contract signature and commencement of recurring and service usage revenues at service ‘go live’.

Our focus on PCI-PAL reflects our ambitious expansion plans for this business. We are targeting substantial growth in both gross revenue and new customer wins, both this year and next, with the objective that PCI-PAL PLC will deliver an inaugural monthly profit in the next financial year. Although we intend to invest meaningful sums to grow this business, our plans are predicated on the Group’s existing resources together with the proceeds of the redemption of the Loan Notes received from the recent disposal.

The Board is pleased with the progress to date and is confident that the Group's long term strategy is appropriate. We believe that PCI-PAL’s positioning within the 'Fintech' (Financial Technology) space provides exciting growth prospects.

We look forward to reporting to shareholders on our progress in developing this business.

Chris Fielding
Non-Executive Chairman
22 November 2016

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2016

Business Summary

Subsequent to the disposal of the Ansaback call centre business and CallScripter software division, PCI-PAL PLC now operates solely in the PCI and telephony space. The operating company is the fully-owned subsidiary, PCI-PAL (U.K.) Limited (formerly PCI-PAL Limited).

Ansaback Division

The Ansaback call centre is a 24 hours a day, 7 days a week bureau telephony service providing out of hours call handling, emergency cover, dedicated phone resources, non-geographic, low call and Freephone telephone facilities as well as disaster recovery lines and other telecommunication services. Ansaback increased overall sales by 36.3% on the previous year. Dedicated advisor services have shown the largest increase, with the bureau also showing an increase in sales revenue of 12.3% year-on-year and the smaller outbound department increasing by 74.4%.

The Ansaback division's results also incorporate the results of PCI-PAL (formerly IP3 Telecom), which was included within the division prior to the year end.

PCI-PAL

PCI-PAL provides products and services that enable organisations to securely take customer payments, safely store customer data, in particular credit card data, and to de-risk their business activities from the threat of data loss and cybercrime. PCI-PAL is a cloud based solution suite.

The focus in the year for the PCI-PAL and telephony division has been on expanding the PCI-PAL secure payments business. Our expertise in contact centre, and industry relevant telephony, security, and compliance requirements, mean we are well placed to continue to grow our share of an expanding and highly topical market.

PCI-PAL, including its telephony business, had a strong year expanding its client base extensively in the phone payment market, with extensive contract wins through the provision of its agent-assisted and automated payment products, while also seeing growth in supplementary data security and PCI related products and services. The client base continues to consist of blue chip, well-known European and, increasingly, global brands, representing organisations with a high risk of reputation loss in the event of data breach. Recurring revenues have grown 75% year on year, with an additional pipeline of contracted business yet to go live. We maintain a position as one of Europe's leading providers of contact centre payment security solutions; but with this comes increasing interest in our product set from outside of this local region, and this is something we expect to develop on in the coming financial year.

Cyber security and data protection remain high on boardroom agendas, and with the market fuelled by well publicised data breaches across multiple vertical industries, more and more companies are looking to find cost effective, outsourced technical solutions to protect customer data and de-risk their businesses from the threat of data loss. We anticipate this focus will continue for years to come, and we are well placed with a strong client reference base and product set with which to capitalise on the opportunity.

CallSripter Division

CallScripter is an enhanced customer interaction software suite specifically developed for contact centres, telesales and telemarketing operations. Clients gain major benefits by introducing CallScripter's dynamic scripting environment and advanced reporting software into their organisations. The software facilitates the rapid set-up, handling and reporting of sophisticated inbound calls, outbound calls and e-mail campaigns.

The division had a difficult trading year resulting in a loss of £229,631 from a turnover of £637,334. Two main factors contributed: First, being a shift in focus from traditional capex purchasing to cloud models by both a major partner and the market in general resulting in significantly less upfront fees from Outright Purchase sales. Second, being a number of external forces resulting in potential customers delaying, or cancelling entirely, their purchase decisions.

Risks

Principal business risks and uncertainties

The PCI-PAL business has a limited operating history and, as at the date of this document, the Company has no distinct financial statements and/or no meaningful historical financial data upon which prospective investors may base an evaluation of the Continuing Group. The Company is therefore subject to all of the risks and uncertainties associated with any new business enterprise including the risk that the Company will not achieve its investment objectives and that the value of an investment in the Company could decline and may result in the total loss of all capital invested.

There can be no assurances that the Group will successfully develop or that the resources it has will be suitable for its requirements. The Group may require the injection of further capital at a level which the Company or any third party may consider that it is unable to meet.

The principal risks facing the Group and its continuing operations relate broadly to data security, business continuity plans, its intellectual property, its technology, the market place and competitive environment, and dependence on key people.

Intellectual property rights ('IPR'): The Group is reliant on IPR surrounding its internally generated and licensed-in software. Whilst it relies upon IPR protections including patents, copyrights, trademarks and contractual provisions it may be possible for third parties to obtain and use the Group's intellectual property without its authorisation. Third parties may also challenge the validity and/or enforceability of the Group's IPR, although the Directors do not envisage this risk to be significant. In addition, the Directors are aware of the risk of losing key partners.

Data security and business continuity pose inherent risks for the Group. The Group invests in and keeps under review formal data security and business continuity policies which are independently audited.

Market place and competition: The sector in which the Group operates in and/or routes to market may undergo rapid and unexpected changes or not develop at a pace in line with the Directors' expectations. It is also possible that competitors will develop similar products; the Group's technology may become obsolete or less effective; or that consumers use alternative channels of communications, which may reduce demand for the Group's products and services. In addition, the Group's success depends upon its ability to develop new, and enhance existing products, on a timely and cost effective basis, that meet changing customer requirements and incorporate technological advancements. The Directors review the market movements, client requirements and competitive suppliers to ensure that the current portfolio is as required.

The Directors ensure that the team are properly directed, trained and motivated to address this issue.

Key personnel: The Group depends on the services of its small team of key technical, operations, sales and management personnel. The loss of the services of any one or more of these persons could have a material adverse effect on the Group's business. The Group maintains an active policy to identify, hire, train, motivate and retain highly skilled personnel in key functions.

Key performance indicators

The Company monitors a number of key performance indicators, using both financial and non-financial metrics, on a daily and monthly basis. The most important of these are as follows:

- Cash on a daily basis
- Sales and results against budget on a monthly basis
- Sales pipeline on a monthly basis

Employee Relations and Social Responsibilities

The Company continues to advocate a healthy staff policy via its participation in Investors in People together with pursuing a Health and Well-being policy for encouraging healthy practices. The Company continues to encourage car sharing, bus usage and the cycle to work initiative.

The Company employees support a designated charity each year and raised £3,205.

Summary and Outlook

The recent disposal marks the beginning of our next phase of growth and this is a very exciting time for the business. The opportunities to grow our secure payments operations are without doubt considerable. We have an excellent team in place and cash resources to pursue our strategy and look forward to providing updates on our progress in due course.

By Order of The Board
William A Catchpole
22 November 2016

REMUNERATION COMMITTEE REPORT

FOR THE YEAR ENDED 30 JUNE 2016

Remuneration Committee

The Remuneration Committee consists of non-executive directors Jason Starr (Committee Chairman) and Chris Fielding.

Remuneration Policy

The objective of the Group's remuneration policy is to attract, motivate, and retain high quality individuals who will contribute significantly to shareholder value. The Remuneration Committee decides on the remuneration of the Directors and other senior management.

Annual Performance Bonus

For Board executives, a bonus will be paid dependant on the level of achievement against annual targets for the Group, which will be set annually by the Remuneration Committee, with achievement assessed at the end of the year.

Any bonus will be paid as cash, company shares or a combination of the two, also to be decided annually by the Remuneration Committee. Under normal circumstances, a bonus will not be payable if targets are not met.

Executive Directors' remuneration

The remuneration package of the Executive Directors includes the following elements:

Basic salary

Salaries are normally reviewed annually taking into account inflation and salaries paid to Directors of comparable companies. Pay reviews also take into account Group and personal performance.

Additional benefits

The Executive Directors receive an annual car allowance, personal health insurance and a contribution to their pension scheme of 10% of their basic salary paid annually in advance.

Long Term Incentive Plan

Long Term Incentives will continue to be set under the 2012 Long Term Incentive Plan ("LTIP"). The key elements of this LTIP are as follows:

- The Group will review its medium and long term strategy on an annual basis, towards the end of each financial year. The output of this annual review will be an updated set of actions to implement or modify existing or new strategic imperatives, and an updated financial plan rolling forward three years, with the current financial year as Year 1.
- Designated executives will participate in the LTIP. At the start of each financial year the Remuneration Committee will agree the participants for the upcoming cycle. Using the rolling three year plan as input, the Remuneration Committee will grant a number of share options to participants which will vest after the end of Year 3, depending on the level of performance against the three year key performance indicators.
- In order to align shareholder and executives' interests, the remaining vested options from any cycle may only be realised (i.e. sold) if the Board announces, as part of the release of the Year 3 financial results, that it will return funds to shareholders by means of either a dividend payment or a share buyback. The level of any dividend or share buyback will depend upon the overall financial status of the Group at that point in time and will be at a level appropriate to that status. If no dividend or share buyback is announced, executives will be required to hold the remaining vested options until the next dividend or share buyback is announced.

Options that may be granted under the LTIP are capped at 20% of the Group's equity.

The LTIP cycle covering July 2012 - June 2016 has now concluded. The targets were not met, and therefore no options will be issued.

The service contracts and letters of appointment of the Directors include the following terms:

Executive Directors	**Date of appointment**	**Notice period**
W A Catchpole	27 October 1999	12 months
R S M Gordon	13 April 2000	12 months
G Forsyth	27 November 1999	12 months
James Barham	3 October 2016	12 months
Andrew Francombe	3 October 2016	6 months
Non-Executive Directors		
Christopher M Fielding	1 September 2014	Annual Service Contract
Jason S Starr	1 January 2015	Annual Service Contract

Note 3 of the Directors' Report sets out the detailed remuneration and share options granted to each Director who served during the year.

Jason S Starr
22 November 2016

DIRECTORS and ADVISERS

Company registration number:	03869545
Registered office:	7 Gamma Terrace Ransomes Europark Ipswich Suffolk IP3 9FF
Telephone:	+44 (0)844 544 6800
Directors:	Christopher Michael Fielding Jason Stuart Starr William Alexander Catchpole Geoffrey Forsyth James Christopher Barham (appointed 3 October 2016) Andrew Kevin Francombe (appointed 3 October 2016) Robert Stuart McWhinnie Gordon (resigned 30 September 2016)
Secretary:	Andrew Francombe
Bankers:	National Westminster Bank PLC Barclays Bank PLC
Auditors:	Grant Thornton UK LLP
Nominated Adviser and Broker:	N+1 Singer
Registrars: Telephone:	Capita Asset Services (UK): 0871 664 0300 (Overseas): +44 (0) 208 639 3399
Lawyers:	Shepherd and Wedderburn LLP
Financial statements are available at:	www.ipplusplc.com

DIRECTORS' REPORT

The directors present their report together with the financial statements for the year to 30 June 2016.

1. Principal activities

The Company (Company number 03869545) operates principally as a holding company. During the year the main subsidiary was engaged in the provision of a 24 hours a day, 7 days a week out of hours and overflow telephony service, PCI solutions and the development and sale of contract management software.

2. Results, dividends, future prospects

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

	2016	**2015**
	£	**£**
Revenue	8,265,955	6,486,941
Profit/(loss) before taxation	21,163	(258,244)

The directors recommend payment of a dividend of nil pence per share (2015: 0.15 pence per share).

3. Directors

The membership of the Board is set out on page 9.

The beneficial and other interests of the directors and their families in the shares of the Company at 30 June 2016 and 1 July 2015 were as follows:

	30 June 2016 Ordinary shares of 1p each	**1 July 2015 Ordinary shares of 1p each**
W A Catchpole	2,742,884	2,742,884
G Forsyth	1,077,098	1,077,098
R S M Gordon	1,045,688	1,045,688
C M Fielding (non-executive)	-	-
J S Starr (non-executive)	-	-

The above interests include 33,220 (2015: 33,220) ordinary shares held by or on behalf of W. A. Catchpole's wife.

The director's remuneration was as follows:

2015/16	Salary £	Benefits £	Total £	Pension £
W A Catchpole	173,881	5,605	179,486	7,552
R S M Gordon	124,297	3,258	127,555	11,507
G Forsyth	111,568	3,537	115,105	10,196
C M Fielding (non-executive)	35,000	-	35,000	-
J S Starr (non-executive)	25,000	-	25,000	-

2014/15	Salary £	Benefits £	Total £	Pension £
W A Catchpole	156,940	5,502	162,442	14,734
R S M Gordon	121,496	3,204	124,700	11,191
G Forsyth	109,050	3,488	112,538	9,946
C M Fielding (non-executive)	29,301	-	29,301	-
J S Starr (non-executive)	12,500	-	12,500	-
P J Dayer (non-executive)	18,000	-	18,000	-
B J Waldron (non-executive)	6,750	-	6,750	-

On 4 November 2013, directors were granted options to subscribe for ordinary shares in the Company as follows:

	Number of shares	Exercise price (pence)
W A Catchpole	100,000	1.00
R S M Gordon	100,000	1.00
G Forsyth	100,000	1.00

The LTIP cycle covering July 2012 - June 2016 has now concluded. The targets were not met, and therefore no options will be issued.

4. Share price and substantial shareholdings

During the year, the share price fluctuated between 16 pence and 12.5 pence and closed at 12.5 pence on 30 June 2016.

The beneficial and other interests of other substantial shareholders and their families in the shares of the Company at 30 June 2016 and 1 July 2015 were as follows:

	30 June 2016 Ordinary shares of 1p each	**1 July 2015** Ordinary shares of 1p each
P Wildey	5,500,000	5,500,000
A Catchpole	2,860,000	2,860,000
P M Brown	1,601,000	1,601,000
R Clement	1,930,435	1,930,435
D Hamilton	975,000	950,5000

5. Directors' responsibilities for the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' 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 Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs") and have elected to prepare Company financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit and loss of the Company and the Group for that period. In preparing these 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 applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions, 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 2006. 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all 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 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.

6. Qualifying third party indemnity provision

During the financial year, a qualifying third party indemnity provision for the benefit of the directors was in force.

7. Research and development

The Group continued to develop CallScripter until the business was sold on 30 September 2016, a web based workflow management software suite for modern contact centres. See note 29.

8. Employee policy

The Group operates a policy of non-discrimination in respect of ethnicity, sexual orientation, gender, religion 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. Corporate governance

The Group 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 do not comply with the UK Corporate Governance Code, but we do acknowledge the overall importance of the guidelines and apply as many of the principles therein as appropriate to a Group 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 at 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 Chief Executive 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.

Audit Committee

Whilst the Audit Committee formally consists of Chris Fielding and Jason Starr, due to the size of the Group, any business relating to the audit has been considered by the full board.

Our auditors 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.

Remuneration Committee

The Remuneration Committee consists of Jason Starr and Chris Fielding.

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.

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.

10. Financial Risk Management Objectives

The principal financial instruments used by the Group, from which financial risk arises, are trade receivables, cash at bank and trade and other payables. The Group has no significant net foreign currency monetary assets or liabilities nor any hedged transactions or positions. The Board has overall responsibility for the determination of the Group's financial risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing, operating and reporting thereof to the Group's finance function. The overall objective is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk: Credit risk is the risk of financial loss to the Group if a customer or a counter party to a financial instrument fails to meets it contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy to assess the credit risk of new customers before entering into contracts and it has a frequent and proactive collections process. The concentration of credit risk is limited due to the large and unrelated customer base comprising mainly blue chip companies and public sector organisations. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. At the year-end the Group's cash at bank was held with two major UK clearing banks.

Market risk: The directors consider that exposure to market risk, arising from the Group's use of interest-bearing and foreign currency financial instruments, is not significant. This is assessed in note 21 to these financial statements.

Liquidity risk: Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The directors review an annual 12 month cash flow projection as well as information regarding cash balances on a monthly basis.

Operational risks: To reduce the operational risks we have multiple Data Centres. These back up facilities have independent telephone lines, phone switch and computer data systems synchronised to the main data centre that can automatically fail-over in the event of a major incident occurring.

11. Treasury shares

The Group holds a total of 167,229 ordinary shares as treasury shares.

12. Going concern

After making enquiries and preparing forecasts, which take a balanced view of the future growth prospects, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis in preparing the accounts.

13. Auditors

Grant Thornton UK LLP has expressed willingness to continue in office. In accordance with S489 (4) of the Companies Act 2006, a resolution to reappoint Grant Thornton UK LLP as auditors will be proposed at the Annual General Meeting to be held on 16 December 2016.

7 Gamma Terrace
Ransomes Europark
Ipswich, Suffolk
IP3 9FF

BY ORDER OF THE BOARD

A K Francombe
Secretary
22 November 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PCI-PAL PLC

We have audited the financial statements of PCI-PAL PLC for the year ended 30 June 2016 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated and company statement of cash flows, the consolidated and company statement of changes in equity, the company balance sheet, and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRS's) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 ''The Financial Reporting Standard applicable in the UK and Republic of Ireland''.

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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 12, 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 (FRC'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 30 June 2016 and of the Group's profit 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 United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

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.

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.

DAVID NEWSTEAD
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountant
IPSWICH
22 November 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 £	2015 £
Revenue		**8,265,955**	**6,486,941**
Cost of sales		(6,382,528)	(4,955,327)
Gross profit		1,883,427	1,531,614
Administrative expenses		(1,832,745)	(1,751,157)
Operating profit/(loss)		50,682	(219,543)
Finance income	6	2,892	2,323
Finance expenditure	7	(32,411)	(41,024)
Profit/(loss) before taxation	5	21,163	(258,244)
Taxation	11	99,432	(279,778)
Profit/(loss) for year from continuing activities		**120,595**	**(538,022)**
Profit/(loss) for the period from discontinued activities	28	36,460	(53,856)
Profit/(loss) and total comprehensive income attributable to equity holders of the parent company		**157,055**	**(591,878)**
Basic and diluted earnings per share	10	0.50p	(1.88)p

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Note	2016	2015
		£	£
ASSETS			
Non-current assets			
Land and buildings	14	1,600,600	1,653,304
Plant and equipment	13	251,852	224,333
Intangible assets	12	-	-
Deferred taxation	18	-	-
Non-current assets		1,852,452	1,877,637
Current assets			
Trade and other receivables	15	1,483,382	1,199,628
Current tax assets		-	-
Cash and cash equivalents		895,422	1,040,822
Current assets	21	2,378,804	2,240,450
Total assets		4,231,256	4,118,087
LIABILITIES			
Current liabilities			
Trade and other payables	16	(1,000,074)	(1,042,266)
Current portion of long-term borrowings	16	(62,198)	(51,762)
Current liabilities	21	(1,062,272)	(1,094,028)
Non-current liabilities			
Long term borrowings	17	(1,147,020)	(1,111,818)
Non-current liabilities		(1,147,020)	(1,111,818)
Total liabilities		(2,209,292)	(2,205,846)
Net assets		**2,021,964**	**1,912,241**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Note	2016	2015
		£	£
EQUITY			
Equity attributable to equity holders of the parent			
Share capital	20	317,212	317,212
Share premium		89,396	89,396
Other reserves		18,396	18,396
Profit and loss account		1,596,960	1,487,237
Total equity		**2,021,964**	**1,912,241**

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

The Board of Directors approved and authorised the issue of the financial statements on 22 November 2016.

W A Catchpole **Director**

A K Francombe **Director**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit/(loss) after taxation	157,055	(591,878)
Adjustments for:		
Depreciation	206,580	209,722
Interest income	(2,892)	(2,323)
Interest expense	28,771	35,974
Interest element of finance leases	3,640	4,490
Other interest	-	560
Income taxes	-	(222)
Deferred tax write off	-	280,000
Loss on sale of plant and equipment	210	-
Profit on sale of Ancora Solutions	-	(203,697)
Decrease/(increase) in trade and other receivables	(294,153)	611,157
Decrease in trade and other payables	(27,698)	26,235
Cash generated from continuing operations	**71,513**	**370,018**
Dividend paid	(47,332)	(47,332)
Income taxes received	99,432	33,214
Interest element of finance leases	(3,640)	(4,490)
Interest paid	(28,771)	(35,974)
Net cash from continuing operating activities	**91,202**	**315,436**
Net cash used from discontinued operations	-	(115,906)
Net cash from operating activities	**91,202**	**199,530**
Cash flows from investing activities		
Consideration for sale of Ancora division	-	500,000
Deferred consideration from sale of Commercial Finance Brokers (UK) Limited	-	13,000
Purchase of land, buildings, plant and equipment	(181,605)	(73,304)
Interest received	2,892	2,323
Net cash (used)/generated in investing activities in continuing activities	**(178,713)**	**442,019**
Net cash used in investing activities in discontinued activities	-	(2,000)
Net cash (used)/generated in investing activities	**(178,713)**	**440,019**

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	£	£
Cash flows from financing activities		
Repayment of borrowings	(22,228)	(22,971)
Capital element of finance lease rentals	(35,661)	(35,449)
Net cash used in financing activities	**(57,889)**	**(58,420)**
Net (decrease)/increase in cash	**(145,400)**	**581,129**
Cash and cash equivalents at beginning of year	**1,040,822**	**459,693**
Net (decrease)/increase in cash	(145,400)	581,129
Cash and cash equivalents at end of year	**895,422**	**1,040,822**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Share capital £	Share premium £	Other reserves £	Profit and loss account £	Total Equity £
Balance at 1 July 2014	**317,212**	**89,396**	**18,396**	**2,126,447**	**2,551,451**
Dividend paid	-	-	-	(47,332)	**(47,332)**
Transactions with owners	-	-	-	(47,332)	**(47,332)**
Loss and total comprehensive loss for the year	-	-	-	(591,878)	**(591,878)**
Balance at 30 June 2015	**317,212**	**89,396**	**18,396**	**1,487,237**	**1,912,241**
Dividend paid	-	-	-	(47,332)	**(47,332)**
Transactions with owners	-	-	-	(47,332)	**(47,332)**
Profit and total comprehensive income for the year	-	-	-	157,055	**157,055**
Balance at 30 June 2016	**317,212**	**89,396**	**18,396**	**1,596,960**	**2,021,964**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1. AUTHORISATION OF FINANCIAL STATEMENTS

The Group's consolidated financial statements (the "financial statements") of PCI-PAL PLC (the "Company") and its subsidiaries (together the "Group") for the year ended 30 June 2016 were authorised for issue by the Board of Directors on 22 November 2016 and the Chief Executive, William Catchpole, and the Chief Financial Officer, Andrew Francombe, signed the balance sheet.

2. NATURE OF OPERATIONS AND GENERAL INFORMATION

PCI-PAL PLC is the Group's ultimate parent company. It is a public limited company incorporated and domiciled in the United Kingdom. PCI-PAL PLC's shares are quoted and publicly traded on the AIM division of the London Stock Exchange. The address of PCI-PAL PLC's registered office is also its principal place of business.

The Company operates principally as a holding company. The main subsidiaries are engaged in the provision of a 24 hours a day, 7 days a week out of hours and overflow telephony service, the development and sale of contact centre contact relationship management software and the provision of secure storage and destruction of documents.

3. STATEMENT OF COMPLIANCE WITH IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The principal accounting policies adopted by the Group are set out in note 4. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these financial statements.

Standards and interpretations in issue, not yet effective

New standards and interpretations currently in issue but not yet effective for accounting periods commencing on 1 July 2015 are:

- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (effective 1 January 2016)
- Amendments to IAS 27: Equity Method in Separate Financial Statements (effective 1 January 2016)
- Disclosure Initiative: Amendments to IAS 1 Presentation of Financial Statements (effective 1 January 2016)
- IFRS15 Revenue from Contracts with Customers (effective date 1 January 2018).
- IFRS16 Leases (not yet effective).
-

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material effect on the financial statements of the Group.

4. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with the accounting policies set out below. These are based on the International Financial Reporting Standards ("IFRS") issued in accordance with the Companies Act 2006 applicable to those companies reporting under IFRS as adopted by the European Union ("EU").

a) Basis of preparation (continued)

The financial statements are presented in pounds sterling (£), which is also the functional currency of the parent company, and under the historical cost convention.

b) Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiary undertakings (see note 19) drawn up to 30 June 2016. A subsidiary is a company controlled directly by the Group and all of the subsidiaries are 100% owned by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

The Group has utilised the exemption (within IFRS 1) not to apply IFRS to pre-transition business combinations. The results of IPPlus (UK) Limited are consolidated using merger accounting principles. All other subsidiaries are accounted for using the acquisition method.

c) Revenue

Revenue is measured by reference to the fair value of consideration received or receivable by the Group for services provided, excluding VAT and trade discounts. Revenue is recognised upon the performance of services or the transfer of risk to the customer.

Contact centre revenue is recognised based on billable minutes in the month, along with standing monthly charges and any specific supplementary service charges.

Software revenue 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. Revenue from annual software licences and maintenance contracts may be received in a single amount or in monthly instalments. Such turnover is recognised evenly over the period to which it relates, reflecting the performance of obligations over time.

Ancora revenue is recognised based on the services provided in the month, along with standing monthly charges and any specific supplementary service charges.

d) Intangible assets

Research and development

Expenditure on research (or the research phase of an internal project) is recognised as an expense in the period in which it is incurred.

Development costs incurred are capitalised when all of the following conditions are satisfied:

- completion of the intangible asset is technically feasible so that it will be available for use or sale

d) Intangible assets (continued)

- the Group intends to complete the intangible asset
- the Group is able to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the expenditure attributable to the intangible asset during the development can be measured reliably

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include development engineer's salary and on-costs incurred on software development. The cost of internally generated software developments are recognised as intangible assets and are subsequently measured in the same way as externally acquired software. However, until completion of the development project, the assets are subject to impairment testing only.

Amortisation commences upon completion of the asset, and is shown within administrative expenses in the statement of comprehensive income. Amortisation is calculated to write down the cost less estimated residual value of all intangible assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

- Development costs 33%

e) Land, building, plant and equipment

Land, buildings, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Leased plant is included in plant and equipment only where it is held under a finance lease.

Disposal of assets

The gain or loss arising on disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation

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

- Land not depreciated
- Buildings 2%
- Motor vehicles 33%
- Fixtures and fittings 20% to 50%
- Plant 20% to 50%
- Computer equipment 33%

Material residual value estimates are updated as required, but at least annually.

f) Impairment testing of goodwill, other intangible assets, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units"). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Goodwill and intangible assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less cost to sell, and value in use based on an internal discounted cash flow evaluation. Any impairment loss is first applied to write down goodwill to nil and then is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised no longer exists.

g) Leased assets

In accordance with IAS 17, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any, to be borne by the lessee. A corresponding amount is recognised as a finance leasing liability.

The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to profit or loss over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to profit or loss on a straight-line basis over the lease term. Lease incentives are spread over the term of the lease.

h) Taxation

Current tax is the tax payable based on the profit for the year, accounted for at the rates enacted at 30 June 2016.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor the initial recognition of an asset or liability, unless the related transaction is a business combination or affects tax or accounting profit. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, accounted for at the rates enacted at 30 June 2016, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the year end.

h) Taxation (continued)

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of comprehensive income, except where they relate to items that are charged or credited to other comprehensive income or directly to equity in which case the related tax charge is also charged or credited directly to other comprehensive income or equity.

i) Dividends

Dividend distributions payable to equity shareholders are included in “other short term financial liabilities” when the dividends are approved in general meeting prior to the year end. Interim dividends are recognised when paid.

j) Financial assets and liabilities

The Group’s financial assets comprise cash and trade and other receivables, which under IAS 39 are classed as “loans and receivables”. Financial assets are recognised on inception at fair value plus transaction costs. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in profit or loss in the year.

Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the assets’ carrying amount and the present value of estimated future cash flows.

The Group has a number of financial liabilities including trade and other payables and bank borrowings. These are classed as “financial liabilities measured at amortised cost” in IAS 39. These financial liabilities are carried on inception at fair value net of transaction costs, and are thereafter carried at amortised cost under the effective interest method.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term highly liquid investments with maturities of three months or less from inception that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

l) Equity

Equity comprises the following:

- “Share capital” represents the nominal value of equity shares
- “Share premium” represents the difference between the nominal and issued share price
- “Other reserves” represents the Merger Reserve resulting from the demerger from KDM International PLC in November 1999 and represents the difference between the value of the shares acquired (nominal value plus related share premium) and the nominal value of shares issued
- “Profit and loss account” represents retained profits
- “Treasury shares” represents ordinary shares owned by the company and the cost of treasury shares are deducted from the profit and loss account in reserves.

m) 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.

n) 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 of exchange ruling at the year end.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the profit or loss in the period in which they arise.

o) Significant judgements and estimates

The Group makes estimates concerning the future in assessing the carrying amounts of capitalised development costs. To substantiate the carrying amount the directors have applied the criteria of IAS 38 and considered the future economic benefit likely as a result of the investment. In the prior year the directors fully impaired the carrying value of the CallScripter intangible asset.

Careful judgement by the directors is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the information available at each balance sheet date. In addition, all internal activities related to the research and development of new software products are continuously monitored by the directors. No costs are considered to meet the criteria in the current year.

The calculation of the deferred tax asset involved the estimation of future taxable profits. In the year ended 30 June 2015, the directors assessed the carrying value of the Deferred Tax asset and decided to write off the balance, as the utilisation of the assets was unlikely in the near future due to Research and Development tax credits. The directors have reached the same conclusion for this accounting period and so no asset has been recognised.

5. PROFIT BEFORE TAXATION

Profit on ordinary activities is stated after:

	2016	2015
	£	£
Auditor's remuneration		
Fees payable to the Company's auditors for the audit of the Company's annual accounts	9,000	9,000
Fees payable to the Group's auditors for other services		
The audit of the company's subsidiaries pursuant to legislation	13,600	13,500
Taxation services	25,950	5,000
All other services	-	1,680
Depreciation and amortisation – charged in administrative expenses		
Buildings	52,704	49,743
Plant and equipment – owned	113,130	121,122
Plant and equipment – leased	40,747	38,856
Rents payable	38,590	216,775
Foreign exchange gain	11,784	829
Loss on sale of fixed asset	98	-
Amounts of research and development written off	138,164	136,128

6. FINANCE INCOME

	2016	2015
	£	£
Bank interest receivable	2,892	2,323

7. FINANCE EXPENDITURE

	2016	2015
	£	£
Interest on bank borrowings	28,771	35,974
Finance charges in respect of finance leases	3,640	4,490
Other	-	560
	32,411	41,024

8. DIRECTORS AND EMPLOYEES

Staff costs of the Group, including the directors who are considered to be part of the key management personnel, during the year were as follows:

	2016	2015
	£	£
Wages and salaries	5,460,139	4,694,213
Social security costs	412,603	361,326
Other pension costs	87,623	90,533
	5,960,365	5,146,072

	2016	2015
	Heads	Heads
Average number of employees during the year	329	255

Remuneration in respect of directors was as follows:

	2016	2015
	£	£
Emoluments	482,145	466,231
Pension contributions to money purchase pension schemes	29,255	35,871
	511,400	502,102

During the year 3 (2015: 3) directors participated in money purchase pension schemes.

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

	2016	2015
	£	£
Emoluments	179,486	162,442
Pension contributions to money purchase pension schemes	7,552	14,734

A detailed breakdown of the Directors' Emoluments, in line with the AIM rules, appears in the Directors' Report.

Key management compensation:

	2016	2015
	£	£
Short term employee benefits	650,593	721,095
Post employment benefits	36,380	52,996
	686,973	806,049

9. SEGMENTAL INFORMATION

PCI-PAL PLC operates three business sectors, Ansaback, CallScripter and Ancora Solutions (the discontinued activity). These divisions are the basis on which the Group reports its segment information. IP3 Telecom and PCI-PAL are part of the Ansaback division. The results of these two activities are not reported separately to management and are not treated as separate segments. The inter-segment sales are insignificant. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated assets comprise items such as cash and cash equivalents, taxation and borrowings. All liabilities, other than the bank loan, are unallocated. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one period.

	Ansaback	**CallScripter**	**Central**	**Continuing Activities**	**Discontinued Activities**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
2016						
Revenue	7,592,621	673,334	-	8,265,955	(311)	8,265,644
Segment result	1,006,743	(229,631)	(726,430)	50,682	36,460	87,142
Finance income	-	-	2,892	2,892	-	2,892
Finance costs	-	-	(32,411)	(32,411)	-	(32,411)
Profit/(loss) before tax	1,006,743	(229,631)	(755,949)	21,163	36,460	57,623
Segment assets	[illegible]	153,893	931,114	4,231,273	-	4,231,273
Segment liabilities	(1,115,256)	-	(1,094,036)	(2,209,292)	-	(2,209,292)
Other segment items:						
Capital Expenditure						
- Plant and Equipment	179,875	1,730	-	181,605	-	181,605
Depreciation (note 13)	143,277	10,600	-	153,877	-	153,877
Depreciation of Buildings (note 14)	52,704	-	-	52,704	-	52,704

9. SEGMENTAL INFORMATION (continued)

	Ansaback	CallScripter	Central	Continuing Activities	Discontinued Activities	Total
	£	£	£	£	£	£
2015						
Revenue	5,441,094	1,045,847	-	6,486,941	362,803	6,849,744
Segment result	424,508	(31,466)	(612,585)	(219,543)	(53,856)	(273,399)
Finance income	-	-	2,323	2,323	-	2,323
Finance costs	-	-	(41,024)	(41,024)	-	(41,024)
Profit/(loss) before ta	424,508	(31,466)	(651,286)	(258,244)	(53,856)	(312,100)
Segment assets	2,715,970	256,894	1,145,223	4,118,087	-	4,118,087
Segment liabilities	(1,189,246)	-	(1,016,600)	(2,205,846)	-	(2,205,846)
Other segment items						
Capital Expenditure						
- Plant and Equipment	58,443	962	-	59,405	3,784	63,189
Depreciation (note 13)	146,696	13,282	-	159,978	20,674	180,652
Amortisation of intangible assets (note 12)	-	-	-	-	14,150	14,150
Depreciation of Buildings (note 14)	49,743	-	-	49,743	-	49,743

9. SEGMENTAL INFORMATION (continued)

Revenue can be split by location of customers as follows:

	2016	2015
	£	£
Continuing activities		
Ansaback division		
United Kingdom	7,466,994	5,396,625
Denmark	66,260	3,129
Australia	36,549	27,428
France	7,140	4,779
Greece	5,980	-
Ireland	4,877	3,129
United States	2,501	2,793
Netherlands	2,093	-
Other countries	227	3,211
	7,592,621	5,441,094
CallScripter division		
United Kingdom	300,200	404,313
United States	294,666	522,941
Australia	34,001	47,500
Ireland	20,607	6,109
Luxembourg	15,938	-
Greece	7,922	-
Netherlands	-	36,838
Belgium	-	12,136
Denmark	-	7,637
Cyprus	-	4,838
France	-	3,535
	673,334	1,045,847
Continuing activities	**8,265,955**	**6,486,941**
Discontinued activities		
Ancora Solutions division		
United Kingdom	(311)	362,803
	8,265,644	**6,849,744**

One single external customer generates 22% - £1,651,961 (2015: 14% - £772,622) of the Ansaback division's revenues.

All non-current assets are located in the United Kingdom.

10. EARNINGS PER SHARE

The calculation of the earnings per share is based on the profit after taxation added to reserves divided by the weighted average number of ordinary shares in issue during the relevant period as adjusted for treasury shares. No diluted profit per share is shown because all options are non-dilutive as the vesting conditions were not met at the year ended 30 June 2015 and the options had expired by 30 June 2016. Details of potential share options are disclosed in note 20.

	12 months ended 30 June 2016	[illegible] ended [illegible] 2015
Profit/(loss) after taxation added to reserves	157,055	(591,878)
Weighted average number of ordinary shares in issue during the period	31,553,949	31,553,949
Basic and diluted earnings per share	0.50p	[illegible]

11. TAXATION

	2016 £	2015 £
Analysis of charge in the year		
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 20% (2015: 20.75%)	-	222
Adjustments in respect of prior periods	99,432	-
Total current tax credited	99,432	222
Movement on recognition of tax losses	-	(280,000)
Total deferred tax charged	-	(280,000)
Credit/(charge)	99,432	(279,778)

11. TAXATION (continued)

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year was lower than the standard rate of corporation tax in the UK of 20% (2015: 20.75%).

	2016	2015
	£	£
Profit/(loss) on ordinary activities before tax	21,163	(258,244)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.75%)	11,525	(64,762)
Expenses not deductible for tax purposes	3,090	3,462
Depreciation (less than)/in excess of capital allowances for the year	28,538	23,177
Utilisation of tax losses	(50,341)	-
Unrelieved tax losses	-	33,547
Other	7,188	4,576
Research and Development claim	-	-
Movement on deferred tax timing differences	-	(280,000)
Prior year adjustment	99,432	222
Total tax credit/(charge) for the year	99,432	(279,778)

The company has unrecognised tax losses carried forward of £1.8 million (2015: £2.0 million).

During the year to 30 June 2016 the Group submitted a Research and Development claim to HMRC relating to the year ended 30 June 2015 and a payment was received of £99,432. This credit was recognised in the Income Statement.

12. INTANGIBLE ASSETS

In calculating the value in use of the capitalised internal salaries in the CallScripter division, management make judgements and estimates of future cash flows. In the previous year, due to these negative cash flow forecasts, the directors fully impaired the Intangible Assets in this division.

2016 Cost	Goodwill £	Purchased intangibles £	Capitalised development costs £	Total £
Goodwill	-		-	-
Ancora brand	-	-	-	-
Ancora client relationships	-		-	-
CallScripter internal salaries	-		1,083,711	1,083,711
Cost at 1 July 2015	-		1,083,711	1,083,711
Goodwill	-		-	
Ancora brand	-		-	
Ancora client relationships	-		-	
CallScripter internal salaries	-		1,083,711	1,083,711
Cost at 30 June 2016	**-**		1,083,711	1,083,711

12. INTANGIBLE ASSETS (continued)

2016	**Goodwill**	**Purchased intangibles**	**Capitalised development costs**	
	£	**£**	**£**	
Amortisation and impairment (included within administrative expenses):				
Goodwill		-	-	-
Ancora brand		-	-	-
Ancora client relationships		-	-	-
CallScripter internal salaries		-	1,083,711	1,083,711
Amortisation at 1 July 2015		-	1,083,711	1,083,711
Goodwill		-	-	-
Ancora brand		-	-	-
Ancora client relationships		-	-	-
CallScripter internal salaries		-	1,083,711	1,083,711
Amortisation at 30 June 2016		**-**	1,083,711	1,083,711
Net book amount				
Goodwill			-	-
Ancora brand			-	-
Ancora client relationships			-	-
CallScripter internal salaries			-	-
Net book amount at 30 June 2016			-	-

12. INTANGIBLE ASSETS (continued)

2015	Goodwill	Purchased intangibles	Capitalised development costs	
	£	£	£	£
Cost				
Goodwill	32,500		-	32,500
Ancora brand		3,000	-	3,000
Ancora client relationships		280,000	-	280,000
CallScripter internal salaries			1,083,711	1,083,711
Cost at 1 July 2014	32,500	283,000	1,083,711	1,399,211
Goodwill	(32,500)		-	(32,500)
Ancora brand		(3,000)	-	(3,000)
Ancora client relationships		(280,000)	-	(280,000)
CallScripter internal salaries			-	-
	-	-		
Disposals	(32,500)	(283,000)	-	(315,500)
	-	-		
Goodwill			-	-
Ancora brand			-	-
Ancora client relationships			-	-
CallScripter internal salaries			1,083,711	1,083,711
Cost at 30 June 2015			1,083,711	1,083,711

12. INTANGIBLE ASSETS (continued)

2015	Goodwill	Purchased intangibles	Capitalised development costs	Total
	£	£	£	£
Amortisation (included within administrative expenses):				
Goodwill				
Ancora brand		700		700
Ancora client relationships		93,633		93,633
CallScripter internal salaries			1,083,711	1,083,711
Amortisation at 1 July 2014		94,333	1,083,711	1,178,044
Goodwill				
Ancora brand		150		150
Ancora client relationships		14,000		14,000
CallScripter internal salaries				
Charge for the year		14,150		14,150
Goodwill			-	-
Ancora brand		(850)		(850)
Ancora client relationships		(107,633)		(107,633)
CallScripter internal salaries				-
	-	-	-	
Written out in the year		(108,483)		(108,483)
	-	-	-	
Goodwill				
Ancora brand				
Ancora client relationships				
CallScripter internal salaries			1,083,711	1,083,711
Amortisation at 30 June 2015			1,083,711	1,083,711
Goodwill				
Ancora brand				
Ancora client relationships				
CallScripter internal salaries				
Net book amount at 30 June 2015				

13. PLANT AND EQUIPMENT

2016	Plant	Motor Vehicles	Fixtures and Fittings	Computer Equipment	Total
	£	£	£	£	£
Cost:					
At 1 July 2015	25,154	59,108	423,430	511,102	1,018,794
Additions	-	-	19,922	161,683	181,605
Disposals	-	-	(33,381)	(62,193)	(95,574)
At 30 June 2016	**25,154**	**59,108**	**409,971**	**610,592**	**1,104,825**
Depreciation (included within administrative expenses):					
At 1 July 2015	10,204	47,028	369,802	367,427	794,461
Charge for the year	3,526	4,999	33,971	111,381	153,877
Disposals	-	-	(33,172)	(62,193)	(95,365)
At 30 June 2016	**13,730**	**52,027**	**370,601**	**416,615**	**852,973**
Net book amount at 30 June 2016	**11,424**	**7,081**	**39,370**	**193,977**	**251,852**

2015	Plant	Motor Vehicles	Fixtures and Fittings	Computer Equipment	Total
	£	£	£	£	£
At 1 July 2014	172,502	62,108	447,218	606,529	1,288,357
Additions	3,784	-	2,846	56,559	63,189
Disposals	(151,132)	(3,000)	(26,634)	(151,986)	(332,752)
At 30 June 2015	**25,154**	**59,108**	**423,430**	**511,102**	**1,018,794**
Depreciation (included within administrative expenses):					
At 1 July 2013	85,200	42,577	358,170	381,154	867,101
Charge for the year	18,698	7,451	37,640	116,863	180,652
Disposals	(93,694)	(3,000)	(26,008)	(130,590)	(253,292)
At 30 June 2015	**10,204**	**47,028**	**369,802**	**367,427**	**794,461**
Net book amount at 30 June 2015	**14,950**	**12,080**	**53,628**	**143,675**	**224,333**

13. PLANT AND EQUIPMENT (continued)

Included within the net book amount of £251,852 (2015: £224,333) is £97,929 (2015: £36,015) relating to assets held under finance leases. The depreciation charged to the financial statements in the year in respect of such assets amounted to £40,747 (2015: £42,863).

14. LAND AND BUILDINGS

2016	Land	Buildings	Total
	£	£	£
Cost:			
At 1 July 2015	428,347	1,250,520	1,678,867
Additions	-	-	-
Disposals	-	-	-
At 30 June 2016	**428,347**	**1,250,520**	**1,678,867**
Depreciation (Included within administrative expenses):			
At 1 July 2015	-	25,563	25,563
Charge for the year	-	52,704	52,704
Disposals	-	-	-
At 30 June 2016	**-**	**78,267**	**78,267**
Net book amount at 30 June 2016	**428,347**	**1,172,253**	**1,600,600**

2015	Land	Buildings	Total
	£	£	£
Cost:			
At 1 July 2014	428,347	1,313,687	1,742,034
Additions		1,500	1,500
Disposals		(64,667)	(64,667)
At 30 June 2015	**428,347**	**1,250,520**	**1,678,867**
Depreciation (Included within administrative expenses):			
At 1 July 2014	-	49,265	49,265
Charge for the year		49,743	49,743
Disposals		(73,445)	(73,445)
At 30 June 2015		**25,563**	**25,563**
Net book amount at 30 June 2015	**428,347**	**1,224,957**	**1,653,304**

15. TRADE AND OTHER RECEIVABLES

	2016	2015
	£	£
Trade receivables	1,265,861	950,449
Other receivables	500	504
Prepayments and accrued income	217,021	248,675
Trade and other receivables	1,483,382	1,199,628

All amounts fall due within one year and therefore the fair value is considered to be approximately equal to the carrying value. All of the Group's trade and other receivables are denominated in pounds sterling. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group holds £12,934 (2015: £14,618) of deposits as security against certain accounts.

Trade receivables have been reviewed for indicators of impairment and a provision has been recorded as follows:

	2016	**2015**
	£	**£**
Opening provision	12,900	17,000
Charged/(released) to income	10,200	(4,100)
Closing provision at 30 June	23,100	12,900

All of the impaired trade receivables are past due at the reporting dates. In addition, some of the non-impaired trade receivables are past due at the reporting date:

	2016	**2015**
	£	**£**
0-30 days past due	32,599	16,312
30-60 days past due	2,292	22,700
Over 60 days past due	1,293	2,630
	36,184	41,642

Amounts which are not impaired, whether past due or not, are considered to be recoverable at their carrying value. Factors taken into consideration are past experience of collecting debts from those customers, plus evidence of post year end collection.

16. CURRENT LIABILITIES

	2016	2015
	£	£
Trade payables	289,284	276,415
Social security and other taxes	406,833	319,878
Other payables	303,957	445,973
Trade and other payables	1,000,074	1,042,266
Bank loans (note 17)	35,661	32,766
Amounts due under finance leases (note 17)	26,537	18,996
Current portion of long-term borrowings	62,198	51,762
	1,062,272	1,094,028

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

17. NON-CURRENT LIABILITES

	2016	2015
	£	£
Bank loans	1,079,596	1,104,718
Amounts due under finance leases	67,424	7,100
Long term borrowings	1,147,020	1,111,818

Borrowings

Bank loans are repayable as follows:

	2016	2015
	£	£
Within one year	35,661	32,766
After one year and within two years	33,827	33,727
After two years and within five years	145,853	107,231
Over five years	899,916	963,760
	1,115,257	1,137,484

17. NON-CURRENT LIABILITES (continued)

Borrowings (continued)

On 15 January 2016 the Company obtained a loan of £1,145,529, secured over Melford Court, The Havens, Ransomes Europark, Ipswich IP3 9SJ repayable over 25 years with a 5 year fixed rate of 2.4% above the base rate from the NatWest Bank PLC.

Interest on the bank loan falls due as follows:

	2016	**2015**
	£	**£**
Within one year	32,328	32,633
After one year and within two years	31,573	31,672
After two years and within five years	115,744	88,967
Over five years	255,977	298,042
	435,622	451,314

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

The minimum lease payments due under finance leases fall due as follows:

	2016	**2015**
	£	**£**
Within one year	28,863	20,200
After one year and within five years	70,733	7,244
	99,596	27,444

The above table includes interest included within the amounts due under finance leases which falls due as follows:

	2016	**2015**
	£	**£**
Within one year	2,326	1,205
After one year and within five years	3,309	143
	5,635	1,348

The lease agreements are for various fixed assets and include fixed lease payments with a purchase option at the end of the lease terms. The agreements are non-cancellable and do not contain any further restrictions.

18. DEFERRED TAXATION

Deferred taxation is calculated at a rate of 20% (2015: 22.5%).

	Tax losses	Total
	£	£
Opening balance at 1 July 2014	280,000	280,000
(Charged)/credited through the statement of comprehensive income in the year	(280,000)	(280,000)
At 30 June 2015	-	-
Charged through the statement of comprehensive income in the year	-	-
At 30 June 2016	-	-

	2016	2015
	£	£
Unprovided deferred tax assets		
Accelerated capital allowances	36,000	(6,000)
Trading losses	283,500	398,000
	319,500	392,000

In the previous year the deferred tax asset in respect of carried forward tax losses of £280,000 was written off on the basis that the directors believe that it is more than likely not to be realised against future taxable profits of the Group in the foreseeable future, since declared profits have become taxable losses due to Research and Development claims.

The unprovided deferred tax assets are calculated at a rate of 18% (2015: 20%).

19. GROUP UNDERTAKINGS

At 30 June 2016, the Group included 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
IPPlus (UK) Limited	England	Ordinary	100%	Out of hours and overflow telephony services and software company
CallScripter Limited	England	Ordinary	100%	Software reseller
Suffolk Disaster Recovery Limited (previously Ancora Solutions Limited)	England	Ordinary	100%	Dormant
Ansaback Limited	England	Ordinary	100%	Dormant
CallScripter (U.K.) Limited	England	Ordinary	100%	Dormant
EasyScripter Limited	England	Ordinary	100%	Dormant
Fault Solutions 365 Limited	England	Ordinary	100%	Dormant
IP3 Telecom Limited	England	Ordinary	100%	Dormant
PCI-PAL Limited	England	Ordinary	100%	Dormant
The Number Experts Limited	England	Ordinary	100%	Dormant
Vital Contact (UK) Limited	England	Ordinary	100%	Dormant

20. SHARE CAPITAL

Group	2016 Number	2016 £	2015 Number	2015 £
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	31,721,178	317,212	31,721,178	317,212

The Group owns 167,229 (2015: 167,229) shares and these are held as Treasury Shares.

During the year, the share price fluctuated between 16 pence and 12.5 pence and closed at 12.50 pence on 30 June 2016.

Contingent rights to the allotment of shares

No share options are currently exercisable.

	2016 Share Options	2015 Share Options
Amounts in issue at beginning of year	600,000	1,725,000
Granted in period	-	
Expirations in period	(600,000)	(1,125,000)
Amounts in issue at year end	-	600,000

21. FINANCIAL INSTRUMENTS

The Group uses various financial instruments including cash, trade receivables, trade payables, other payables, loans 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 do not consider price risk to be a significant risk. The directors review and agree policies for managing each of these risks, as summarised below, and these remain unchanged from previous years.

Capital Management

The capital structure of the Group consists of debt, cash, loans and equity. The Group's objective when managing capital is to maintain the cash position to protect the future on-going profitable growth which will reflect in shareholder value.

At 30 June 2016 the Group had a closing cash balance of £895,422 (2015: £1,040,822) and an outstanding mortgage of £1,109,256 (2015: £1,137,484).

21. FINANCIAL INSTRUMENTS (continued)

Financial risk management and objectives

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.

Interest rate risk

The total loan balance at 30 June 2016 is £1,109,256 (2015: £1,137,484). Interest is payable at 2.4% above the base rate (2015: at 2.4% above the base rate) (note 17).

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

A 1% increase in interest the interest rate payable would have a negative impact the profit and loss account of £11,052. A 1% decrease in interest the interest rate payable would have a positive impact the profit and loss account of £11,052.

Credit risk

The Group's principal financial assets are cash and trade receivables, with the principal credit risk arising from trade receivables. 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 and Ancora 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.

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.

Trade payables and loans fall due as follows:

	Less than one year £	One to two years £	Two to five years £	Over five years £	Total £
2016					
Trade payables	289,284	-	-	-	289,284
Other payables	303,957	-	-	-	303,957
Lease capital and interest	28,863	28,863	41,870	-	99,596
Loans	67,989	65,400	261,597	1,155,893	1,550,879
At 30 June 2016	690,093	94,263	303,467	1,155,893	2,243,716

	Less than one year £	One to two years £	Two to five years £	Over five years £	Total £
2015					
Trade payables	276,415	-	-	-	276,415
Other payables	445,973	-	-	-	445,973
Lease capital and interest	20,200	7,244	-	-	27,444
Loans	65,399	65,399	196,197	1,261,802	1,588,797
At 30 June 2015	807,987	72,643	196,197	1,261,802	2,338,629

Foreign currencies

During the year exchange gains of £11,784 (2015: charge of £829) have arisen and at the year-end £57,333 (2015: £1,679) was held in foreign currency bank accounts. It is the Group's 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. A 10% decrease in the value of the foreign currency held would result in a negative impact to the profit and loss account of £5,734. A 10% increase in the value of the foreign currency held would result in a positive impact to the profit and loss account of £5,734.

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 year end. At present foreign exchange is minimal and hedging and risk management is not deemed necessary.

Financial assets by category

	Loans and receivables £	Non financial assets £	Total £
2016			
Cash at bank	895,422	-	895,422
Trade receivables – current	1,265,861	-	1,265,861
Other receivables	500	-	500
Prepayments and accrued income	-	217,021	217,021
	2,161,783	217,021	2,378,804

	Loans and receivables £	Non financial assets £	Total £
2015			
Cash at bank	1,040,822	-	1,040,822
Trade receivables – current	950,449	-	950,449
Other receivables	504	-	504
Prepayments and accrued income	-	248,675	248,675
	1,991,775	248,675	2,240,450

21. FINANCIAL INSTRUMENTS (continued)

The fair values of loans and receivables are considered to be approximately equal to the carrying values.

Financial liabilities by category

	Financial liabilities measured at amortised cost £	Non financial liabilities £	Total £
2016			
Trade payables	289,284	-	289,284
Accruals	290,982	-	290,982
Other payables	12,975	-	12,975
VAT and tax payable	-	406,833	406,833
Loans	35,661	-	35,661
Leases	-	26,537	26,537
	628,902	433,370	1,062,272

	Financial liabilities measured at amortised cost £	Non financial liabilities £	Total £
2015			
Trade payables	276,415	-	276,415
Accruals	434,839	-	434,839
Other payables	11,134	-	11,134
VAT and tax payable	-	319,878	319,878
Loans	32,766	-	32,766
Leases	-	18,996	18,996
	755,154	338,874	1,094,028

The fair values of financial liabilities are considered to be approximately equal to the carrying values.

22. CAPITAL COMMITMENTS

The Group has no capital commitments at 30 June 2016 or 30 June 2015.

23. CONTINGENT ASSETS

The Group has no contingent assets at 30 June 2016 or 30 June 2015.

24. CONTINGENT LIABILITIES

The Group has no contingent liabilities at 30 June 2016 or 30 June 2015.

25. OPERATING LEASE COMMITMENTS

	2016	2015
	£	£
Total future lease payments:		
Less than one year	72,072	140,095
After one and within two years	42,432	59,383
After two and within five years	60,586	65,742
	175,090	265,220

Operating lease commitments relate to the following buildings:

London	expires May 2017
Martlesham (Anson Road)	expires March 2019
Martlesham (Unit F)	expires January 2021
Martlesham (Unit G)	expires January 2021

26. TRANSACTIONS WITH DIRECTORS

There were no transactions with directors in the year to June 2016 or June 2015 other than the dividends noted below.

27. DIVIDENDS

The directors have proposed a dividend of nil pence per share (2015: 0.15 pence per share) post year end (subject to shareholder approval). As this was proposed post year end no liability has been recognised in the accounts.

An interim dividend of 3.16 pence per share was declared on 04 November 2016 (2015: nil pence per share).

The following directors received dividend payments during the year to 30 June 2016 as follows:

	Dividend Paid 2016	Dividend Paid 2015
	£	£
W A Catchpole	3,878	3,878
R S M Gordon	1,452	1,452
G Forsyth	1,487	1,487

28. DISPOSAL OF ANCORA SOLUTIONS DIVISION

On 31 December 2014 the Group disposed of the division to Restore PLC. Under the terms of the Disposal, Restore PLC purchased the entire fixed assets, payroll and existing contracts of Ancora in return for a cash consideration of £500,000.

Prior to the disposal, Ancora Solutions was reorganised and removals were ceased with a consequent reduction in staff, including the divisional Managing Director. This gave rise to a total reorganisation cost of £100,166 in the prior year.

Revenues and expenses, gains and losses relating to the discontinuance of this division have been eliminated from the loss from the Group's continuing operations and are shown as a single line item on the face of the Consolidated Statement of Comprehensive Income.

Operating losses until the date of disposal are summarised below:

	2016 £	2015 £
Revenue		362,803
Cost of sales		(286,028)
Gross (loss)/profit		76,775
Administrative expenses		(113,162)
Trading profit/(loss)		(36,387)
Reorganisation costs		(100,166)
Provision for onerous leases		(121,000)
Operating loss		(257,553)
Profit on disposal		203,697
Loss for period from discontinued activities		(53,856)

The prior year provision for onerous leases relates to the estimated cost of warehouse leases that the Group would continue to bear once the archiving relocated to the Restore units.

As Restore occupied the premises for longer than anticipated, part of the provision for onerous leases was released in the year. Restore have now fully vacated all of the premises used by Ancora.

28. DISPOSAL OF ANCORA SOLUTIONS DIVISION (continued)

The calculation of the profit on disposal is shown below:

	£
Goodwill and intangible assets	(207,017)
Plant and equipment	(79,296)
Net Assets disposed	(286,313)
Other Items:	
Legal Fees	(8,300)
Other costs	(1,690)
Total net assets and provisions	(296,303)
Cash received	500,000
Profit on disposal	203,697

29. SUBSEQUENT EVENTS

On 30 September 2016 the group disposed of the investment in IPPlus (UK) Limited and CallScripter Limited to Direct Response Contact Centres Group Limited for £6,700,000. This generated a profit on disposal of £6,275,762, subject to agreement with the purchaser on final completion accounts.

COMPANY BALANCE SHEET

AS AT 30 JUNE 2016

	Note	2016	2015
		£	**£**
Fixed assets			
Investments	5	201,609	201,609
		201,609	201,609
Current assets			
Debtors	6	605,037	709,334
Cash at bank and in hand		31,987	8,347
		637,024	717,681
Creditors: amounts falling due within one year	7	(58,887)	(22,162)
Net current assets		578,137	695,519
Total assets less current liabilities		**779,746**	**897,128**
Creditors: amounts falling due after more than one year		-	-
Net Assets		**779,746**	**897,128**
Capital and reserves			
Called up share capital	8	317,212	317,212
Share premium account		89,396	89,396
Profit and loss account		373,138	490,520
Shareholders' Funds		**779,746**	**897,128**

The financial statements were approved by the directors and were authorised for issue on 22 November 2016.

W A Catchpole **Director**

A K Francombe **Director**

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Share capital £	Share premium £	Profit and loss account £	Total Equity £
Balance at 1 July 2014	**317,212**	**89,396**	**531,787**	**938,395**
Dividend paid	-	-	(47,332)	**(47,332)**
Transactions with owners	-	-	(47,332)	**(47,332)**
Profit and total recognised income and expense for the year	-	-	6,065	**6,065**
Balance at 30 June 2015	**317,212**	**89,396**	**490,520**	**897,128**
Dividend paid	-	-	(47,332)	**(47,332)**
Transactions with owners	-	-	(47,332)	**(47,332)**
Loss and total recognised income and expense for the year	-	-	(70,050)	**(70,050)**
Balance at 30 June 2016	**317,212**	**89,396**	**373,138**	**779,746**

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

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	£	£
Cash flows from operating activities		
(Loss)/Profit after taxation	(70,050)	6,065
Adjustments for:		
Depreciation	-	25,923
Interest income	(33,440)	(2,115)
Decrease/(increase) in trade and other receivables	104,297	(409,474)
(Decrease)/Increase in trade and other payables	36,725	(46,639)
Cash generated from and used in continuing operations	**37,532**	**(426,240)**
Dividend paid	(47,332)	(47,332)
Net cash from operating activities	**(9,800)**	**(473,572)**
Cash flows from investing activities		
Sale of land, buildings, plant and equipment	-	1,570,100
Interest received	33,440	2,115
Net generated from investing activities	**33,440**	**1,572,215**
Cash flows from financing activities		
Repayment of borrowings	-	(1,128,671)
Net cash used in financing activities	**-**	**(1,128,671)**
Net increase/(decrease) in cash	**23,640**	**(30,028)**
Cash and cash equivalents at beginning of year	**8,347**	**38,375**
Net (decrease)/increase in cash	**23,640**	**(30,028)**
Cash and cash equivalents at end of year	**31,987**	**8,347**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Company have been prepared in accordance with applicable United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006.

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

Merger relief

The Company is entitled to merger relief offered by the Companies Act, and the shares issued when the subsidiary undertaking, IPPlus (UK) Limited, was acquired are shown at their nominal value.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in future, have occurred by the year end. 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 year end.

Investments

Shares in subsidiary undertakings are included at original cost less any amounts written off for permanent diminution in value.

Land and buildings

Land and buildings are stated at cost, net of depreciation and any provision for impairment.

Related Party Transactions

The Company maintains Group intercompany balances with 100% owned subsidiaries, and therefore has taken advantage of Section 33 of FRS102 which states that transactions between a parent and its 100% owned subsidiaries do not need to be disclosed.

2. PROFIT FOR THE FINANCIAL YEAR

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The loss for the Company for the year was £70,050 (2015: Profit £6,065).

3. PERSONNEL REMUNERATION

The Company has no employees, therefore personnel remuneration was £nil (2015 £nil). All employee costs are borne by the Company's wholly-owned subsidiaries.

4. INTEREST INCOME

The Company received interest from bank deposits and balances with Group Companies of £33,440 (2015 £2,115).

5. FIXED ASSETS

INVESTMENTS

	Subsidiary undertakings	Total
	£	£
Cost at 1 July 2015	201,609	201,609
Additions	-	-
Cost at 30 June 2015	201,609	201,609
Disposals	-	-
Cost at 30 June 2016	201,609	201,609

6. CURRENT ASSETS

	2016	2015
	£	£
Other debtors	16,115	4,213
Amount owed by Group undertaking	583,752	700,441
Prepayments and accrued income	5,170	4,680
	605,037	709,334

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	49,144	16,852
Accruals and deferred income	9,743	5,310
	58,887	22,162

8. SHARE CAPITAL

	2016	2016	2015	2015
	Number	£	Number	£
Allotted called up and fully paid:				
Ordinary shares of 1p each	31,721,178	317,212	31,721,178	317,212

9. DIVIDENDS

The directors have proposed no final dividend of in respect of the year ended 30 June 2016 (2015: 0.15 pence per share).

A special interim dividend of 3.16 pence per share declared on 07 November 2016 (2015: nil pence per share), and is expected to be paid on 9 December 2016. As this was proposed post year end no liability has been recognised in the accounts.

The following directors received dividend payments as follows:

	Dividend 2016 £	Dividend 2015 £
W A Catchpole	3,878	3,878
R S M Gordon	1,452	1,452
G Forsyth	1,487	1,487

10. FINANCIAL ASSETS AND LIABILITIES

	2016 £	2015 £
Financial Assets Measured at amortised cost	599,867	704,654
Financial Liabilities Measured at amortised cost	49,144	16,852

11.FIRST TIME ADOPTION OF FRS102

The company transitioned to FRS 102 on 1 July 2014 and these are the first financial statements that comply with FRS 102. The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.