IPPlus plc
("IPPlus", the "Company" or the "Group")

Interim Results for the Six Months Ended 31 December 2015

IPPlus today announces its audited interim results for the six months ended 31 December 2015.

These statements are presented to show the continuing activities of the Group and the discontinued activities of the Ancora Solutions division which was disposed of on 31 December 2014. Comparative data is for the six month period to 31 December 2014 ("H1 2014").

Financial Highlights

	6 months ended 31 December 2015 (unaudited) £	Restated 6 months ended 31 December 2014 (unaudited) £	12 months ended 30 June 2015 (audited) £
Revenue			
Continuing activities	**4,055,716**	3,374,240	6,486,941
Discontinued activities	**-**	362,703	362,803
Revenue	**4,055,716**	3,736,943	6,849,744
Profit/(loss) after taxation			
Continuing activities	**130,385**	(116,917)	(538,022)
Discontinued activities	**86,040**	(46,723)	(53,856)
Profit/(loss) after taxation	**216,425**	(163,640)	(591,878)
Basic and diluted earnings per share (EPS)			
From continuing activities	**0.42p**	(0.37)p	(1.71)p
From discontinued activities	**0.27p**	(0.15)p	(0.17)p
Basic and diluted earnings per share (EPS)	**0.69p**	(0.52)p	(1.88)p

Commercial Highlights

- Continuing businesses revenue increased by £681,476 (20%) compared to the first half of last year
  - Ansaback revenues increased by £813,639 (29%) against to the comparative period, due to a significant new client
  - CallScripter revenue fell by £132,163 (24%) against the comparative period
  - PCI-PAL revenues increased by 80% when compared to the prior period
  - Transaction volumes increased by 165% over prior year
  - PCI-PAL secured a Proof of Concept for a major UK utility business following the year end

- Long term clients and recurring revenues increased to £2.6m: 64% of total turnover (December 2014: £2.3m, 68%)

- Profit after tax of £216,425 (H1 2014: loss of £163,640), of which £130,385 was generated by continuing operations (H1 2014: loss of £116,917)

- Closing cash and cash equivalents at 31 December 2015: £845,541 (31 December 2014: £352,492)

Chris Fielding, Non-Executive Chairman, commented:

"*Despite macroeconomic conditions remaining volatile, with the EU referendum set to cause turbulence and disruption, the Board is pleased with the turn around and is confident that the Group's long term strategy is appropriate. IPPlus has a solid quality client base within Ansaback and we are confident that PCI-PAL will provide exciting growth prospects in the 'Fintech' (Financial Technology) space.*"

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Chairman's statement

Financial Summary

It is my pleasure to report a significantly improved result with a good second half expected.

Overall the Group generated a profit before taxation for the six months to December 2015 of £116,993 (December 2014: loss of £116,917). This was achieved on an increased revenue of £4,055,700 (December 2014: £3,374,240), reflecting the improved trading in Ansaback, which won a substantial contract, and PCI-PAL.

As we have previously reported, in the prior year a large utility contract came to its end, but this has been succeeded in October 2015 with the win for Ansaback in the retail sector. The Board remains confident that the Group's diverse range of high quality service businesses with their differing drivers, our capacity for growth and our strong balance sheet, mean that we are well placed to continue growing profitably going forwards.

The Group's cash position at 31 December 2015 was £845,541 (December 2014: £352,492).

Business Summary

The Group has two principal businesses namely Ansaback, which includes PCI-PAL, and CallScripter.

Ansaback is a 24 hours a day, seven days a week bureau telephony service providing overflow and out of hours call handling, emergency cover, dedicated phone resources, as well as disaster recovery lines and facilities, and other ancillary telecommunication services.

PCI-PAL is a hosted, Level 1 compliant, credit card solution designed to minimise fraud by preventing credit card data being stored at a client's premises. PCI-PAL also handles the telephony services arm of Ansaback and provides a range of network level interactive call services including non-geographic, low call and Freephone telephone facilities.

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

Review of Operations

Ansaback

Revenue grew by 29% in the six months to 31 December 2015. This reversed much of the decrease from the previous year, which was due to a large utility client taking its business in house when their existing contract finished.

This year's substantial increase is principally due to an important new retail sector client, together with growth from other retail and utility businesses and an increase in outbound revenues.

Bureau minute traffic has advanced further with longer call durations, a consequence of more complex client and customer service demands.

High employment has challenged our employee churn rates and the call centre continues to focus on retaining its highly skilled staff. The challenges of the living wage, and its knock-on effect to the clients, have been addressed and so far most of the clients appear to have accepted the call cost rises we have been passing on. The call centre has expanded by a further 66 seats whilst an additional 30 seats have been added at our business continuity facility in Martlesham, which is now able to offer 90 disaster recovery seats.

We have recently joined a European call centre group, as one of the founding members, the goal of which is to increase multi-lingual services which some of our clients are seeking. The partners in this alliance are all of similar scale and offer both bureau and fixed seat business.

The Ansaback sales team remain focussed on offering the emerging omni-channel (multi contact tying together mail/Facebook/Twitter/live chat and social media platforms) for new and existing clients and also continue our efforts on the Insurance and FNOL (First Notification of Loss) sectors.

PCI-PAL

PCI-PAL incorporates what we previously reported as IP3 Telecom, the telecommunications division of Ansaback. The division has made excellent progress in the first half of the year with revenue and transaction volumes increasing by 80% and 165% respectively, when compared with the same period last year. PCI-PAL is a cloud based suite of solutions designed to minimise credit card fraud by preventing credit card data being stored at a client's premises. The concern of organisations being subjected to data hacks and cyber piracy continues to push many businesses towards finding a secure credit card solution. PCI-PAL has full Payment Card Industry ("PCI") Level 1 Accreditation, being compliant with the very latest card scheme standards, and is a solution which helps to prevent credit card fraud.

The continued growth of the PCI-PAL channel network is supporting pipeline growth as well as further strengthening the brand as a market leader, with the support of key industry specific partners. Although new competitors are emerging, we have a degree of first mover advantage and an excellent brand which is easily understood. As a result, we are particularly excited by the prospects for PCI-PAL.

Our existing PCI-PAL client portfolio consists primarily of blue chip household names. They have chosen our solution after having evaluated the various competing solutions. They are, in many cases, happy to be reference sites and provide testimonials to our new prospective clients. The number of transactions and the values passing through our secure network are growing rapidly.

The new PCI-PAL clients signed in the last six months include an increasing number of multinational clients and institutions who are in the process of becoming PCI compliant. By ridding their premises of sensitive data they reduce the potential impact of a data hack and file loss which would result in fines and reputational damage. However new larger clients which have signed for the service are taking longer than anticipated to "go live".

CallScripter

CallScripter has had a challenging six months with delays in customer decision making processes resulting in a lower than expected turnover. However our effort remains to build on the partner channel as this offers the best avenue to market. We continue to follow our partner strategy to align with the market leaders, however with the rise in organisations looking for Cloud Contact Centre solutions we have recently added 3 new partners from this space who offer the chance to build monthly revenues from subscription based models in different markets to our traditional partners.

Our latest major upgrade to the CallScripter application, CallScripter Synergy, is now publically available and currently undergoing Proof of Concept in two large overseas organisations from the Finance and Outsourcing sectors. If successful we expect to see initial revenues from this new market in the second half.

We have also moved our own hosted offering to the Amazon Web Services ("AWS") platform. This offers increased scalability and geographic coverage, enabling us to offer a hosted solution in any location worldwide as demand arises. The AWS pay per use model also provides us with some cost savings over our existing supplier.

Outlook

Whilst the economy has improved somewhat, the macroeconomic conditions remain volatile, with the EU referendum set to cause turbulence and disruption. Staffing and pay will also remain an issue as businesses compete for the talent pool. The Board has therefore resolved not to pay an interim dividend.

The Board is pleased with the turn around and is confident that the Group's long term strategy is appropriate. IPPlus has a solid quality client base within Ansaback and we are confident that PCI-PAL will provide exciting growth prospects in the 'Fintech' (Financial Technology) space.

Chris Fielding
Chairman

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

	Note	**6 months ended 31 December 2015 (unaudited) £**	Restated 6 months ended 31 December 2014 (unaudited) £	12 months ended 30 June 2015 (audited) £
Revenue	3	**4,055,716**	3,374,240	6,486,941
Cost of sales		**(2,680,709)**	(2,068,693)	(4,077,461)
Gross profit		**1,375,007**	1,305,547	2,409,480
Administrative expenses		**(1,328,375)**	(1,404,588)	(2,629,023)
Operating profit/(loss)	3	**46,632**	(99,041)	(219,543)
Finance income		**1,481**	1,210	2,323
Finance costs		**(17,160)**	(19,086)	(41,024)
Profit/(loss) before taxation		**30,953**	(116,917)	(258,244)
Income tax credit/(charge)	4	**99,432**	-	(279,778)
Profit/(loss) for year from continuing operations		**130,385**	(116,917)	(538,022)
Profit/(loss) for the period from discontinued activities		**86,040**	(46,723)	(53,856)
Profit/(loss) and total comprehensive income attributable to equity holders of the parent company		**216,425**	(163,640)	(591,878)
Basic and diluted earnings per share				
From continuing activities		**0.42 p**	(0.37) p	(1.71) p
From discontinued activities		**0.27 p**	(0.15) p	(0.17) p
Basic and diluted earnings per share	5	**0.69 p**	(0.52) p	(1.88) p

CONSOLIDATED STATEMENT OF **FINANCIAL POSITION**

	31 December 2015 (unaudited) £	31 December 2014 (unaudited) £	30 June 2015 (audited) £
Assets			
Non-current assets			
Land and Buildings	**1,626,922**	1,671,303	1,653,304
Plant and equipment	**298,332**	249,257	224,333
Deferred tax assets	**-**	280,000	-
Non-current assets	**1,925,254**	2,200,560	1,877,637
Current assets			
Trade and other receivables	**1,832,188**	1,969,661	1,199,628
Cash and cash equivalents	**845,541**	352,492	1,040,822
Current assets	**2,677,729**	2,322,153	2,240,450
Total assets	**4,602,983**	4,522,713	4,118,087
Liabilities			
Current liabilities			
Trade and other payables	**(1,224,138)**	(919,041)	(1,042,266)
Current portion of long-term borrowings	**(78,411)**	(115,219)	(51,762)
Current liabilities	**(1,302,549)**	(1,034,260)	(1,094,028)
Non-current liabilities			
Long-term borrowings	**(1,219,101)**	(1,147,974)	(1,111,818)
Non-current liabilities	**(1,219,101)**	(1,147,974)	(1,111,818)
Total liabilities	**(2,521,650)**	(2,182,234)	(2,205,846)
Net assets	**2,081,333**	2,340,479	1,912,241
Equity			
Equity attributable to shareholders of the parent			
Share capital	**317,212**	317,212	317,212
Share premium	**89,396**	89,396	89,396
Other reserves	**18,396**	18,396	18,396
Profit and Loss Account	**1,656,329**	1,915,475	1,487,237
Total equity	**2,081,333**	2,340,479	1,912,241

CONSOLIDATED STATEMENT OF **CASH FLOWS**

	6 months ended 31 December 2015 (unaudited) £	6 months ended 31 December 2014 (unaudited) £	12 months ended 30 June 2015 (audited) £
Cash flows from operating activities			
Profit/(loss) after taxation	**216,425**	(163,640)	(591,878)
Adjustments for:			
Depreciation	**98,504**	133,939	209,722
Amortisation of intangible assets	**-**	14,150	-
Interest income	**(1,481)**	(1,210)	(2,323)
Interest expense	**16,435**	16,313	35,974
Interest element of finance leases	**725**	2,213	4,490
Other interest	**-**	560	560
Income taxes received	**(99,432)**	-	(222)
Deferred tax write off	**-**	-	280,000
Profit on sale of Ancora Solutions	**(86,040)**	(82,697)	(203,697)
Decrease/(increase) in trade and other receivables	**(623,914)**	210,975	611,157
(Decrease)/increase in trade and other payables	**326,165**	(150,670)	26,235
Cash (used in)/generated from operations	**(152,613)**	(20,067)	370,018
Dividend paid	**(47,333)**	(47,332)	(47,332)
Income taxes received	**99,432**	33,214	33,214
Interest paid	**(16,435)**	(16,313)	(35,974)
Interest element of finance leases	**(725)**	(2,213)	(4,490)
Net cash (used in)/generated from continuing operating activities	**(117,674)**	(52,711)	315,436
Net cash used in discontinued operations	**-**	-	(115,906)
Net cash (used in)/generated from operating activities	**(117,674)**	(52,711)	199,530
Cash flows from investing activities			
Consideration for sale of Ancora Division	**-**	-	500,000
Purchase of land, buildings, plant and equipment	**(51,830)**	(19,770)	(73,304)
Deferred consideration from sale of Commercial Finance Brokers (UK) Limited	**-**	10,500	13,000
Capitalisation of development costs	**-**	-	2,323
Interest received	**1,481**	1,210	-
Net cash (used in)/generated from investing activities in continuing activities	**(50,349)**	(8,060)	442,019
Net cash used in investing activities in discontinued activities	**-**	(2,000)	(2,000)
Net cash (used in)/generated from investing activities	**(50,349)**	(10,060)	440,019

CONSOLIDATED STATEMENT OF **CASH FLOWS** (continued)

	6 months ended 31 December 2015 (unaudited) £	6 months ended 31 December 2014 (unaudited) £	12 months ended 30 June 2015 (audited) £
Cash flows from financing activities			
Repayment of borrowings	**(9,013)**	(8,981)	(22,971)
Capital element of finance leases	**(18,245)**	(35,449)	(35,449)
Net cash used in financing activities	**(27,258)**	(44,430)	(58,420)
Net increase/(decrease) in cash and cash equivalents	**(195,281)**	(107,201)	581,129
Cash and cash equivalents at beginning of the period	**1,040,822**	459,693	459,693
Cash and cash equivalents at the end of the period	**845,541**	352,492	1,040,822

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

	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 recognised income and expense for the period	-	-	-	(163,640)	**(163,640)**
Balance at 31 December 2014	317,212	89,396	18,396	1,915,473	**2,340,479**
Loss and total recognised income and expense for the period	-	-	-	(428,238)	**(428,238)**
Balance at 30 June 2015	317,212	89,396	18,396	1,487,237	**1,912,241**
Dividend paid	-	-	-	(47,333)	**(47,333)**
Transactions with owners	-	-	-	(47,333)	**(47,333)**
Profit and total recognised income and expense for the period	-	-	-	216,425	**216,425**
Balance at 31 December 2015	317,212	89,396	18,396	1,656,329	**2,081,333**

Notes to the Interim Financial Statements

1. Nature of operations and general information

IPPlus PLC is the Group's ultimate parent company and is a public limited company domiciled in England and Wales (registration number 3869545). The Company's registered office, which is also its principal place of business, is Melford Court, The Havens, Ransomes Europark, Ipswich IP3 9SJ. The Company's ordinary shares are traded on the AIM Market of the London Stock Exchange. The Group's consolidated interim financial statements (the "interim financial statements") for the period ended 31 December 2015 comprise the Company and its subsidiaries (the "Group").

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 call centre contact relationship management software and card payment fraud prevention systems.

The interim financial statements are presented in pounds sterling (£), which is also the functional currency of the parent company.

2. Basis of preparation of financial information

These interim financial statements are for the six months ended 31 December 2015. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2015.

The financial information for the year ended 30 June 2015 set out in these interim financial statements does not constitute statutory accounts as defined by Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 30 June 2015 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under Section 498(2) or Section 498(3) of the Companies Act 2006.

These interim financial statements are based on the recognition and measurement principles of applicable International Financial Reporting Standards in issue as adopted by the European Union and have been prepared under the historical cost convention.

The accounting policies adopted are consistent with those utilised in the financial statements for the year ended 30 June 2015 and have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

These interim financial statements have been restated to reflect the disposal of the Ancora Solutions business. The Income Statement has been adjusted to extract the discontinued element of the Ancora Solutions division disposal and the loss from discontinued activities is included as a single line. The other statements and notes have also been adjusted to reflect this policy.

3. Segmental information

IPPlus PLC operates two business sectors, Ansaback and CallScripter, and the discontinued Ancora Solutions division. The revenue and operating profit/(loss) of each business sector is summarised below:

	Ansaback	**CallScripter**	**Central**	**Ancora**	**Group**
	£	£	£	£	£
6 months to December 2015					
Revenue					
Continuing activities	3,645,722	409,994	-	-	4,055,716
Discontinued activities	-	-	-	-	-
Segment revenues	**3,645,722**	**409,994**	**-**	**-**	**4,055,716**

Result

Continuing activities	483,822	(109,699)	(327,491)	-	46,632
Discontinued activities	-	-	-	86,040	86,040
Segment operating profit/(loss)	**483,822**	**(109,699)**	**(327,491)**	**86,040**	**132,672**
12 months to June 2015					
Revenue					
Continuing activities	5,441,094	1,045,847	-	-	6,486,941
Discontinued activities	-	-	-	362,803	362,803
Segment revenues	**5,441,094**	**1,045,847**	**-**	**362,803**	**6,849,744**
Result					
Continuing activities	424,508	(31,466)	(612,585)	-	(219,543)
Discontinued activities	-	-	-	(53,856)	(53,856)
Segment operating profit/(loss)	**424,508**	**(31,466)**	**(612,185)**	**(53,856)**	**(273,399)**
6 months to December 2014					
Revenue					
Continuing activities	2,832,083	542,157	-	-	3,374,240
Discontinued activities	-	-	-	362,703	362,703
Segment revenues	**2,832,083**	**542,157**	**-**	**362,703**	**3,736,943**
Result					
Continuing activities	251,621	(37,201)	(313,461)	-	(99,041)
Discontinued activities	-	-	-	(46,723)	(46,723)
Segment operating profit/(loss)	**251,621**	**(37,201)**	**(313,461)**	**(46,723)**	**(145,764)**

4. Taxation

	6 months ended 31 December 2015 (unaudited) £	6 months ended 31 December 2014 (unaudited) £	12 months ended 30 June 2015 (audited) £
Movement on deferred tax assets	**-**	-	(280,000)
Prior year income tax receipt	**99,432**	-	-
Prior year corporation tax adjustment	**-**	-	222
Tax credit/(charge)	**99,432**	-	(279,778)

Deferred tax

During the prior year period the deferred tax asset of £280,000 was written off, as the utilisation of the asset was unlikely in the near future due to Research and Development tax credits.

Income tax

The current year income tax receipt relates to prior year Research and Development claims repaid by HMRC.

5. Earnings per share

The calculation of the earnings per share is based on the profit after taxation attributable to equity holders of the parent company divided by the weighted average number of ordinary shares in issue during the relevant period. No diluted profit per share is shown because all options are non-dilutive.

	6 months ended 31 December 2015 (unaudited)	6 months ended 31 December 2014 (unaudited)	12 months ended 30 June 2015 (audited)
Profit/(loss) after taxation			
From continuing activities	**£130,385**	£(116,917)	£(538,022)
From discontinued activities	**£86,040**	£(46,723)	£(53,856)
Profit/(loss) after taxation	**£216,425**	£(163,640)	£(591,878)
Weighted average number of ordinary shares in issue during the period	**31,553,949**	31,553,949	31,553,949
Basic and diluted earnings/(loss) per share			
From continuing activities	**0.42 p**	(0.37) p	(1.71) p
From discontinued activities	**0.27 p**	(0.15) p	(0.17) p
Basic and diluted earnings/(loss) per share	**0.69 p**	(0.52) p	(1.88) p

6. Discontinued activities

On 31 December 2014 the Ancora Solutions division was sold and a provision was created to cover the estimated costs of the remaining onerous leases. As the purchaser continued to occupy and pay for these premises the provision was reviewed resulting in a release in the period.