COUNTY CONTACT CENTRES PLC

ANNUAL REPORT AND ACCOUNTS 2006

www.countycontactcentres.com

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Company Information

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

COUNTY CONTACT CENTRES PLC

Chairman's Statement FOR THE YEAR ENDED 30 JUNE 2006

HIGHLIGHTS

- Turnover increased by 11% to £2,921,879
- Profit of £171,417 compared with a previous year loss of £114,757
- Increase in cash of £179,551 compared with a previous year decrease of £144,886
- Closing cash balance of £299,892
- New record billable minutes in May 2006
- EasyScripter available from June 2006

STATEMENT

The year has seen significant progress with continued growth in sales, our first full year's profit and a positive cash flow on the back of an improving operational base.

The board decided that it was now appropriate to reinstate the share price listing in the Financial Times, which appears as "CCC" under the AIM Companies — Industrials Category.

THE MARKET

There is a growing recognition by corporate clients of UK-based call centres and we are well positioned to take advantage of that trend.

NatWest have recently publicly stated that they only have UK call centres as customers continued to berate the poor quality provided by some offshore services providers, and more recently there has been the case of a Powergen decision to repatriate certain elements of their work resulting in 1,000 jobs returning to the UK.

We will continue to promote our strategy of providing a bespoke service to discerning clients needing a bureau facility that is able to respond quickly to changing circumstances.

Our CallScripter software has broadened its channels to market and has raised its profile by being consistently at the forefront of demonstrations and trials. The lead-time on buying decisions remains fickle, with larger companies wanting to run trial projects to determine a realistic return on investment before making their investment in the product.

EasyScripter, the Interactive Intelligence branded offering of CallScripter, was released on worldwide general availability in June 2006. We anticipate a promising year ahead for the division.

PEOPLE

In October Philip Dayer joined the board as a non-executive director. Philip is a qualified Chartered Accountant with a wealth of experience in the city previously working as an advisory director for Barclays De Zoete Wedd Limited and more latterly for Hoare Govett. Currently Chairman of Baltic Oil Terminals PLC and a non-executive director of Dana Petroleum PLC and Arden Partners PLC, he will add valuable experience to the board.

As we now have two non-executive directors, the board has strengthened the Remuneration Committee on which we both now sit. This committee is responsible for approving all reviews and changes to executive directors' remuneration packages, options or other benefits.

During the year Valerie Riley was appointed Client Services Director of the Ansaback subsidiary business, a post that is increasingly active in managing the client's objectives, while on 1 July 2006 Kevin Ellis and Kenneth Tracy were appointed as directors of the CallScripter subsidiary business. This emphasises the positive management practice of promoting from within.

The group has passed a significant profitability milestone and with this in mind I plan to step down as Chairman after the AGM, handing the reins to Philip Dayer but at my colleagues' invitation will continue to serve as a non-executive director through this exciting period.

PROSPECTS

Our two lines of business are in markets that are real and growing. Both are subject to continuous technical development and share an infrastructure that provides efficiencies and synergies. With our profitability and ongoing sustainable cash balance, we are alert to opportunities to enhance shareholder value in each of these areas through organic growth, acquisition and partnerships.

The group will, as before, be holding its AGM at the Ipswich offices and I look forward to seeing you then.

Peter M Brown
Chairman
8 August 2006

Business Review FOR THE YEAR ENDED 30 JUNE 2006

ANSABACK

Steady progress has seen turnover rise and costs diligently controlled.

With key account wins, billable minutes have risen and 15 other call centres now use Ansaback for overflow, weekend, business continuity and disaster recovery plans. We have confidentiality agreements with these clients and, with our integrity to act on their behalf, they can rest easy at night secure in the knowledge that their calls are being handled professionally and effectively.

The ability of modern telephone technology to switch calls seamlessly within the network provides both our and other call centres' clients with the option of having more than one call centre working for them. This process of maximising the returns and responsiveness to media advertising remains a strong driving force, as a client advertising on a television shopping channel will be looking for an answering response rate as near to 100% as possible. This high level can only be achieved by using modern systems, as well as multiple call centres, hence the reason why other call centres use Ansaback to augment their capacity and cope with the spikes created by advertising.

This "call centres' call centre" business is likely to grow as other call centres seek to maximise profits by cutting operational expense on shifts which are simply not cost-effective or by overflowing during spikes rather than having to run inefficient staffing rotas.

We provide detailed data to the clients regarding call duration and call outcome, and whilst some clients are anxious not to have long calls, which obviously cost them money, our prime concern is the quality of the call and the accuracy of the data collected. We use our in-house developed CallScripter software package, which enables our agents to handle the vast array of calls presented. Scripts have a client graphic or picture on the front screen providing an auto-cognitive focus helping to put the agent into the client's business activity mindset. Ansaback is monitored and controlled on the actual and predicted billable minutes and this Key Performance Indicator is reviewed on a daily basis to ensure the correct levels of staff and efficiencies within the call centre. We also scrutinise our Grade of Service and Percentage of Calls Answered to maintain our contracted Service Level Agreements of answering 80% of calls presented within 20 seconds.

During the year we won some significant fixed seat contract work for two clients and for these contracts temporary staff were trained on a bespoke script, which ran both in Ipswich and in the clients' offices. This may become a more regular item although, due to seasonality, may be limited to a short time frame.

We were able to manage this additional business within the Ipswich office although we required the use of 10 seats of one of our call centre partners in another office. This work was outside of the normal bureau environment and did not affect the standard call centre operation. This helped boost the gross profit to 26% above the 2005 level.

Looking at risks, over and above the normal client churn, that may adversely affect our billable minutes in the year ahead, by supplying our services to other call centres we provide them with the flexibility to build their own business on the back of ours, allowing them to take on extra shifts as these become commercially viable for them. However, this is currently a useful additional business stream, which utilises available assets, and a similar issue can arise with larger clients who can also decide to set up their own in-house operation if they perceive they can operate effectively their own facility.

CALLSCRIPTER

This division sells our award-winning software to other call centres, and whilst as its name suggests it provides a scripting tool 'par excellence' it is a far more comprehensive Customer Interaction Management package — the trade vernacular for the service that the software encompasses.

In September 2005 we attended our fifth Call Centre Expo, the principal showcase for suppliers to the call centre trade, which attracts both a domestic and international audience looking for the latest offerings. The time lapse from an initial meeting to placing an order is not easy to gauge, and has been anything from weeks to some which are still ongoing several years later, whilst a recent order concluded a contract that had been simmering for some 2 years.

As previously reported, in March 2005 we concluded a commercial contract with Interactive Intelligence Inc (ININ), a NASDAQ quoted US telephone switch manufacturer. This deal offers CallScripter, under the brand of EasyScripter, access to over 1,000 existing ININ clients as well as all new prospective clients, and under the terms of the deal, ININ's Customer Interaction Center® (CIC) contact centre software is now available with a connector to the EasyScripter scripting software tool.

We were invited as guests to the ININ EMEA conference held in Prague and presented the latest EasyScripter version to the delegates who came from as far afield as South Africa and Sweden. This was a very successful event and allowed the presentation to an audience that would have been difficult to address without the partnership.

Business Review FOR THE YEAR ENDED 30 JUNE 2006

Whilst a prototype version of EasyScripter has been available for some time, it was only in June 2006 that General Availability (GA) of the EasyScripter module was announced. This delay is due to detailed work undertaken to ensure that the system was simple to install with little or no disruption to the call centres. To coincide with this launch we have created an EasyScripter website (www.easyscripter.com) allowing prospective clients to view the module features.

The effect of ININ giving General Availability in June has meant that little benefit has been gained this financial year, although one EasyScripter contract was issued in June and we anticipate reporting a much stronger performance in the coming six months.

We continue to place emphasis on sales via our channel partners and a second contract has recently been won in Australia. The main website (www.CallScripter.com) has now been overhauled, has a comprehensive introduction in five European languages and includes a large selection of example scripts in video format available for download to prospective clients.

CallScripter is often part of a bigger package presented to a client, which may include a new telephony switch, call recording, monitoring software, telephony scripting and headset. At the time of writing several exciting prestigious projects, which we are a component part of, are close to being finalised.

While the risks to the division revolve around the ability of our resellers and internal sales team to achieve penetration and turnover within the new markets, the outlook for our call centre software remains very positive.

LOOKING AHEAD

The prospects for further rapid development of our existing businesses are evident and we have strengthened the Ansaback sales team to capitalise on this position. We continue to develop the software and our next software release, CallScripter V4, will contain a variety of new and innovative features to keep it at the forefront of the scripting market. The outlook is positive and, having set realistic targets, we expect to perform well in the coming year.

William A Catchpole
8 August 2006

Directors' Report

The directors present their report together with the financial statements for the year to 30 June 2006.

1. PRINCIPAL ACTIVITY

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

2. RESULTS, DIVIDENDS, FUTURE PROSPECTS

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

	2006 £	2005 £
Turnover	**2,921,879**	2,619,343
Profit/(loss) on ordinary activities before taxation	**171,417**	(114,757)

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

The directors do not recommend payment of a dividend (2005: £nil).

3. DIRECTORS

The present membership of the Board who, apart from Philip Dayer, served through the year is set out below.

The beneficial and other interests of the directors and their families in the shares of the company at 30 June 2006 and 1 July 2005, as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows:

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

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

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

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

During the year the share price fluctuated between 13.5 pence and 7.5 pence and closed at 12 pence on 30 June 2006.

	30 June 2006 Ordinary shares of 1p each	1 July 2005 Ordinary shares of 1p each
P M Brown (non-executive)	**1,408,351**	1,408,351
W A Catchpole	**1,396,989**	1,384,989
R S M Gordon	**548,000**	406,802
G Forsyth	**481,427**	339,672
P J Dayer (non-executive) appointed 1 October 2005	**115,047**	10,000

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

Directors' Report

4. DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

— select suitable accounting policies and then apply them consistently
— make judgements and 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
— prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

— there is no relevant audit information of which the auditors are unaware:

and

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

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

Web Site

The maintenance and integrity of the web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the information contained in the financial statements since they were initially presented on the web site.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports differs from legislation in other jurisdictions.

5. RESEARCH AND DEVELOPMENT

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

6. PAYMENT PRACTICE

It is the group's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction, to ensure that suppliers are aware of the terms and to abide by them. Group trade creditors at the year end amount to 36 days (2005: 50 days) of average supplies for the year.

7. EMPLOYEE POLICY

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

8. INTERNATIONAL FINANCIAL REPORTING STANDARDS

The International Financial Reporting Standards become applicable to AIM companies in respect of financial years commencing after 1 January 2007. The directors continue to monitor the requirements for implementation and will provide further indications of the impact in next year's report.

9. CORPORATE GOVERNANCE

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

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

Internal Financial Control

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

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

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

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

Remuneration Committee

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

The committee is responsible for setting the terms and conditions of employment for executive directors and non-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 will occasionally review group performance and arising from this review may determine performance related bonuses.

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

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

Audit Committee

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

10. FINANCIAL RISK MANAGEMENT

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

11. AUDITORS

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

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

BY ORDER OF THE BOARD

R S M Gordon
Secretary
8 August 2006

Report of the Independent Auditors

TO THE MEMBERS OF COUNTY CONTACT CENTRES PLC

We have audited the group and parent company financial statements (the "financial statements") of County Contact Centres PLC for the year ended 30 June 2006, which comprise the principal accounting policies, the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement and notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the chairman's statement, business review and directors' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF OPINION

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

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

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 30th June 2006 and of the group profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information in the directors' report is consistent with the financial statements for the year ended 30 June 2006.

Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
Ipswich
8 August 2006

Principal Accounting Policies

1. BASIS OF PREPARATION

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

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

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

2. BASIS OF CONSOLIDATION

   The group financial statements consolidate those of the company and its subsidiary undertakings (see note 9) drawn up to 30 June 2006. Profits and losses on intra-group transactions are eliminated in full.

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

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

3. TURNOVER

   Turnover is the total amount receivable by the group for goods supplied and services provided, excluding VAT and trade discounts. Call centre turnover is recognised on the basis of billable minutes in the month. Software maintenance contracts and annual licences are recognised over the period to which they relate. Software turnover is recognised at the point of sale for contracts sold in perpetuity.

4. TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Motor vehicles	33%
Fixtures and fittings	20% to 50%
Computer equipment	33% to 100%

5. DEFERRED TAXATION

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

6. CONTRIBUTION TO DEFINED CONTRIBUTION PENSION SCHEMES

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

7 LEASED ASSETS

   Operating lease agreements

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

   Finance lease agreements

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

8. SHARE OPTIONS

   In accordance with UITF 17, any excess of the market value of shares over the exercise price at the date of grant of options is charged to the profit and loss account.

   Employer's national insurance contributions that would be payable if all options were exercised at the period end are accrued based on the market value of the shares at the period end.

Principal Accounting Policies

9. FINANCIAL INSTRUMENTS

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

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

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

10. RESEARCH AND DEVELOPMENT

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

11. FOREIGN CURRENCIES

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

Consolidated Profit and Loss Account FOR THE YEAR ENDED 30 JUNE 2006

	Note	**2006** £	2005 £
Turnover	1	**2,921,879**	2,619,343
Cost of sales		**(1,682,012)**	(1,635,366)
Gross profit		**1,239,867**	983,977
Administrative expenses		**(1,066,953)**	(1,098,070)
Operating profit/(loss)		**172,914**	(114,093)
Other interest receivable and similar income	2	**8,951**	12,090
Interest payable and similar charges	3	**(10,448)**	(12,754)
Profit/(loss) on ordinary activities before taxation	1	**171,417**	(114,757)
Tax on profit/(loss) on ordinary activities	5	**—**	—
Profit/(loss) on ordinary activities after taxation deducted from reserves	15	**171,417**	(114,757)
Basic profit/(loss) per share	6	**0.6p**	(0.4)p

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

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

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

Consolidated Balance Sheet AS AT 30 JUNE 2006

	Note	**2006**	2005
		£	£
Fixed assets			
Tangible assets	8	**40,317**	23,756
		40,317	23,756
Current assets			
Debtors	10	**490,444**	482,955
Cash at bank and in hand		**299,892**	120,341
		790,336	603,296
Creditors: amounts falling due within one year	11	**(492,958)**	(427,685)
Net current assets		**297,378**	175,611
Total assets less current liabilities		**337,695**	199,367
Creditors: amounts falling due after more than one year	12	**(78,578)**	(111,667)
		259,117	87,700
Capital and reserves			
Share capital	14	**297,908**	297,908
Share premium account	15	**6,045,563**	6,045,563
Merger reserve	15	**18,396**	18,396
Profit and loss account	15	**(6,102,750)**	(6,274,167)
Shareholders' funds	16	**259,117**	87,700

The board of directors approved the financial statements on 8 August 2006.

W A Catchpole Director

R S M Gordon Director

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

Company Balance Sheet AS AT 30 JUNE 2006

	Note	**2006**	2005
		£	£
Fixed assets			
Investments	9	**201,609**	201,608
		201,609	201,608
Current assets			
Debtors	10	**128,102**	233,248
		128,102	233,248
Creditors: amounts falling due within one year	11	**(59,400)**	(63,517)
Net current assets		**68,702**	169,731
Total assets less current liabilities		**270,311**	371,339
Creditors: amounts falling due after more than one year	12	**(61,667)**	(111,667)
		208,644	259,672
Capital and reserves			
Share capital	14	**297,908**	297,908
Share premium account	15	**6,045,563**	6,045,563
Profit and loss account	15	**(6,134,827)**	(6,083,799)
Shareholders' funds		**208,644**	259,672

The board of directors approved the financial statements on 8 August 2006.

W A Catchpole Director

R S M Gordon Director

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

Consolidated Cash Flow Statement FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 £	2005 £
Net cash inflow/(outflow) from operating activities	17	**249,915**	(35,646)
Returns on investments and servicing of finance			
Interest received	2	**8,951**	12,090
Interest paid	3	**(9,831)**	(12,754)
Interest element of finance leases	3	**(617)**	—
Net cash outflow from returns on investments and servicing of finance		**(1,497)**	(664)
Taxation		**—**	—
Capital expenditure and financial investment			
Purchase of fixed assets		**(21,681)**	(63,166)
Proceeds from sale of tangible fixed assets		**5,350**	4,590
Net cash outflow from capital expenditure and financial investment		**(16,331)**	(58,576)
Financing			
Repayment of borrowings		**(50,000)**	(50,000)
Capital element of finance leases		**(2,536)**	—
Net cash outflow from financing		**(52,536)**	(50,000)
Increase/(decrease) in cash	18	**179,551**	(144,886)

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

Notes to the Financial Statements FOR THE YEAR ENDED 30 JUNE 2006

1. TURNOVER AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

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

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

Profit/(loss) on ordinary activities is stated after:

	2006	2005
	£	£
Auditors' remuneration		
audit	**16,140**	11,075
non-audit (tax compliance)	**3,950**	3,883
Depreciation and amortisation:		
tangible fixed assets — owned	**30,149**	86,116
tangible fixed assets — leased	**3,378**	—
Rents payable	**95,800**	125,721
Profit on disposal of fixed assets	**(5,350)**	(2,149)
Amounts of research and development written off	**107,483**	97,424

2. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2006	2005
	£	£
Bank interest receivable	**8,951**	12,090

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2006	2005
	£	£
Interest on bank borrowings	**9,831**	12,754
Finance charges in respect of finance leases	**617**	—
	10,448	12,754

4. DIRECTORS AND EMPLOYEES

Staff costs of the group, including the directors, during the year were as follows:

	2006	2005
	£	£
Wages and salaries	**1,826,697**	1,733,214
Social security costs	**150,024**	146,814
Other pension costs	**22,460**	22,502
	1,999,181	1,902,530

Notes to the Financial Statements FOR THE YEAR ENDED 30 JUNE 2006

4. DIRECTORS AND EMPLOYEES (continued)

	2006 **Heads**	2005 Heads
Average number of employees during the year was	**140**	138

Remuneration in respect of directors was as follows:

	2006 **£**	2005 £
Emoluments	**318,798**	276,395
Pension contributions to money purchase pension schemes	**22,460**	20,150
	341,258	296,545

During the year 3 (2005: 3) directors participated in money purchase pension schemes.

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

	2006 **£**	2005 £
Emoluments	**105,589**	96,492
Pension contributions to money purchase pension schemes	**9,138**	7,950

5. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

As illustrated below, there is no tax charge for the period due to the utilisation of losses brought forward. The losses carried forward of £1,900,000 (2005: £2,125,000) are disclosed as an unrecognised deferred tax asset (see note 13).

	2006 **£**	2005 £
Profit/(loss) on ordinary activities before tax	**171,417**	(114,757)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2005: 19%)	**32,569**	(21,804)
Effect of:		
Expenses not deductible for tax purposes	**(1,869)**	3,424
Depreciation in excess of capital allowances for the year	**5,354**	8,622
Losses carried forward	**8,199**	14,508
Losses utilised	**(44,032)**	—
Other	**(221)**	(4,750)
Current tax credit for the period	**—**	—

6. BASIC PROFIT/(LOSS) PER SHARE

The calculation of the basic profit/(loss) per share is based on the profit of £171,417 (2005: loss of £114,757) attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year of 29,790,743 (2005: 29,790,743). No diluted profit/(loss) per share is shown because all options are anti-dilutive.

7. PROFIT/(LOSS) FOR THE FINANCIAL YEAR

The company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The loss for the company for the year was £51,028 (2005: £76,356).

8. TANGIBLE FIXED ASSETS

Group	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost:				
At 1 July 2005	15,700	242,784	350,513	608,997
Additions	8,000	1,749	40,339	50,088
Disposals	(10,500)	(42,765)	(39,323)	(92,588)
At 30 June 2006	13,200	201,768	351,529	566,497
Depreciation:				
At 1 July 2005	15,117	236,843	333,281	585,241
Charge in year	1,694	6,086	25,747	33,527
Disposals	(10,500)	(42,765)	(39,323)	(92,588)
At 30 June 2006	6,311	200,164	319,705	526,180
Net book amount at 30 June 2006	6,889	1,604	31,824	40,317
Net book amount at 30 June 2005	583	5,941	17,232	23,756

Included within the net book value of £40,317 is £25,029 relating to assets held under finance leases. The depreciation charged to the financial statements in the year in respect of such assets amounted to £3,378 (2005: £nil).

There are no tangible fixed assets in the company.

Notes to the Financial Statements FOR THE YEAR ENDED 30 JUNE 2006

9. FIXED ASSETS — INVESTMENTS

Company	**Subsidiary undertaking £**
Cost at 1 July 2005	201,608
Additions	1
Cost at 30 June 2006	201,609
Net book amount at 30 June 2006	201,609
Net book amount at 30 June 2005	201,608

At 30 June 2006 the company held 100% of the allotted share capital of the following subsidiary undertakings, which are included in the consolidated accounts:

Name	**Country of Incorporation**	**Class of Share Capital held**	**Proportion held**	**Nature of business**
County Contact Centres (UK) Limited	England	Ordinary	100%	Out of hours and overflow telephony service and software company
CallScripter Limited	England	Ordinary	100%	Software reseller
Lots Of Jobs Limited	England	Ordinary	100%	Dormant
Ansaback Limited (previously Ansaback Europe Limited)	England	Ordinary	100%	Dormant

The group has incorporated three companies registered in England and Wales to protect the trading names in the United Kingdom. Each company is dormant and is owned by County Contact Nominees Limited. Mr W A Catchpole holds the whole of the issued share capital of County Contact Nominees Limited on behalf of the group.

10. DEBTORS

	Group 2006 £	Group 2005 £	**Company 2006 £**	Company 2005 £
Trade debtors	**333,926**	316,058	**—**	—
Other debtors	**81,075**	81,175	**2,385**	2,310
Amount owed by group undertaking	**—**	—	**120,895**	227,174
Prepayments and accrued income	**63,758**	85,722	**4,822**	3,764
Pension contributions	**11,685**	—	—	—
	490,444	482,955	**128,102**	233,248

Group other debtors of £81,075 (2005: £81,075) relate to a rent deposit which falls due after more than one year. This lease expires in May 2010.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2006 £	Group 2005 £	**Company 2006 £**	Company 2005 £
Bank loans (note 12)	**50,000**	50,000	**50,000**	50,000
Trade creditors	**82,139**	109,944	**5,405**	9,017
Social security and other taxes	**163,184**	113,995	**—**	—
Amounts due under finance leases	**8,960**	—	**—**	—
Other creditors	**9,945**	11,005	**—**	—
Accruals and deferred income	**178,730**	132,691	**3,995**	4,500
Pension contributions	**—**	10,050	**—**	—
	492,958	427,685	**59,400**	63,517

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

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

	Group 2006 £	Group 2005 £	**Company 2006 £**	Company 2005 £
Bank loans	**61,667**	111,667	**61,667**	111,667
Amounts due under finance leases	**16,911**	—	**—**	—
	78,578	111,667	**61,667**	111,667
Borrowings				
Bank loans are repayable as follows:				
Within one year	**50,000**	50,000	**50,000**	50,000
After one year and within two years	**46,666**	50,000	**46,666**	50,000
After two and within three years	**15,001**	61,667	**15,001**	61,667
	111,667	161,667	**111,667**	161,667
Amounts due under finance leases fall due as follows:				
Within one year	**8,960**	—	**—**	—
After one year and within two years	**9,665**	—	**—**	—
After two and within five years	**7,246**	—	**—**	—
	25,871	—	**—**	—

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

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

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

Notes to the Financial Statements FOR THE YEAR ENDED 30 JUNE 2006

13. DEFERRED TAXATION

Unprovided deferred tax assets/(liabilities) are calculated at a rate of 19% (2005: 19%).

	Group 2006 £	Group 2005 £	**Company 2006 £**	Company 2005 £
Accelerated capital allowances	**196,000**	194,000	**—**	—
Trading losses	**359,000**	404,000	**48,000**	40,000
	555,000	598,000	**48,000**	40,000

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

14. SHARE CAPITAL

Group and Company	**2006 Number**	**2006 £**	2005 Number	2005 £
Authorised:				
Ordinary shares of 1p each	**100,000,000**	**1,000,000**	100,000,000	1,000,000
Allotted called up and fully paid:				
Ordinary shares of 1p each	**29,790,743**	**297,908**	29,790,743	297,908

Contingent rights to the allotment of shares

The company has granted the following options, in respect of ordinary shares of 1p each, which were still valid and unexercised at 30 June 2006.

Date of grant	**Number of shares**	**Exercise price**	**Period exercisable**
30 December 1999	50,000	50.00p	From 3 months to 10 years from grant
11 September 2000	1,000	100.00p	From 3 months to 10 years from grant
12 September 2002	3,526,000	12.36p	See below *
1 February 2004	650,000	12.36p	See below *
1 May 2005	500,000	12.36p	See below *
1 July 2005	400,000	12.36p	See below *
1 March 2006	500,000	12.36p	See below *

During the year the share price fluctuated between 7.5 pence and 13.5 pence and closed at 12 pence on 30 June 2006.

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

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

15. RESERVES

Group	Share premium account £	Merger reserve £	Profit and loss account £
At 1 July 2005	6,045,563	18,396	(6,274,167)
Profit for the year	—	—	171,417
At 30 June 2006	6,045,563	18,396	(6,102,750)

Company	Share premium account £	Profit and loss account £
At 1 July 2005	6,045,563	(6,083,799)
Loss for the year	—	(51,028)
At 30 June 2006	6,045,563	(6,134,827)

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	**2006** £	2005 £
Shareholders' funds at 1 July 2005	**87,700**	202,457
Profit/(loss) for the financial year	**171,417**	(114,757)
Shareholders' funds at 30 June 2006	**259,117**	87,700

17. NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2006 £	2005 £
Operating profit/(loss)	**172,914**	(114,093)
Depreciation	**33,527**	86,116
Profit on disposal of fixed assets	**(5,350)**	(2,149)
Increase in debtors	**(7,489)**	(27,429)
Increase in creditors	**56,313**	21,909
Net cash inflow/(outflow) from operating activities	**249,915**	(35,646)

Notes to the Financial Statements FOR THE YEAR ENDED 30 JUNE 2006

18. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)

	2006	2005
	£	£
Increase/(decrease) in cash in the year	**179,551**	(144,886)
Cash outflow from financing	**50,000**	50,000
Cash outflow from finance leases	**2,536**	—
Change in net funds resulting from cash flows	**232,087**	(94,886)
New finance leases	**(28,407)**	—
Movement in net debt in the period	**203,680**	(94,886)
Net (debt)/funds at 1 July 2005	**(41,326)**	53,560
Movement in net funds in the year	**203,680**	(94,886)
Net funds/(debt) at 30 June 2006	**162,354**	(41,326)

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

	At 1 July 2005	Movement	Other Changes	**At 30 June 2006**
	£	£	£	**£**
Cash at bank and in hand	120,341	179,551	—	**299,892**
Debt	(161,667)	50,000	—	**(111,667)**
Finance leases	—	2,536	(28,407)	**(25,871)**
	(41,326)	232,087	(28,407)	**162,354**

20. FINANCIAL INSTRUMENTS

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

FINANCIAL RISK MANAGEMENT AND OBJECTIVES

The total loan balance outstanding at 30 June 2006 is £111,667. Interest is payable at 2% above the bank's base rate (note 12). The group has an agreed overdraft of £50,000.

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.

20. FINANCIAL INSTRUMENTS (continued)

CREDIT RISK

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

INTEREST RATE RISK

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

LIQUIDITY RISK

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

FOREIGN CURRENCIES

During the previous year the group wound up its operations in Romania, and as a result had receipts and expenses denominated in both euros and Romanian Lei. The group has operated bank accounts in each of these currencies.

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

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

21. CAPITAL COMMITMENTS

The group had no capital commitments at 30 June 2006 and 30 June 2005.

22. CONTINGENT LIABILITIES

During the year ended 30 June 2004 HM Revenue and Customs raised a routine inquiry into certain aspects of the tax computation of the subsidiary, County Contact Centres (UK) Limited, for the year ended 30 June 2002, including the Research and Development tax credits of £51,499 received in respect of that year. The directors are confident of the basis upon which the Research and Development tax credit claim was made, but should the HM Revenue and Customs not accept this basis the amount of £51,499 may be repayable. This inquiry is ongoing. No Research and Development claims made in later years have been settled by HM Revenue and Customs.

There were no other contingent liabilities at 30 June 2006 or 30 June 2005.

Notes to the Financial Statements FOR THE YEAR ENDED 30 JUNE 2006

23. LEASING COMMITMENTS

Operating lease payments amounting to £90,000 (2005: £90,000) are due within one year. The leases to which these amounts relate expire as follows:

	Group 2006 £	Group 2005 £
In two to five years		
Land and buildings	**90,000**	90,000

24. TRANSACTIONS WITH DIRECTORS

During the year, £6,000 (2005: £6,000) was paid to Synergy Holdings Limited, a company controlled by Peter Brown, a director, in respect of rent for the use of his London office.

At 30 June 2006, £nil (2005: £1,000) was outstanding in respect of this agreement.

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The Havens
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Ipswich
Suffolk
IP3 9SJ
UK

t: +44 (0)1473 321800
f: +44 (0)1473 321801
info@countycontactcentres.com

www.countycontactcentres.com