IPPLUS PLC

Annual Report and Accounts

for the year ended 30 June 2009

Welcome to IPPLUS PLC

IPPlus PLC is a British company based in Ipswich, Suffolk, just over an hour from London by train and a short trip from London's Stansted airport. The company runs three distinct brands: Ansaback, a 24/7 bureau contact centre operation, CallScripter, a software house producing software tools for the contact centre industry and IP3 Telecom a Network Solution provider.

Vision

Our client portfolio is extremely prestigious and we go to considerable lengths to preserve their anonymity which also helps prevent casual solicitation. We aim to increase the client base without losing the individual client relationships. A key to our growth has been offering excellent client relationship management and as the business expands we will strengthen this activity. The software division has a product which works well on an International basis and our goal is to become a market leader in delivering the best product in our market niche. Achieving this via multi channel activity with a more recent emphasis in SaaS (Software as a Service) model is eminently achievable.

Approach

Recruiting and retaining high calibre staff to achieve the group's objectives and giving young innovative employees direct access to directors and managers who actually realise they are in the technology revolution and must move forward embracing the developments be they hardware software mobile devices or the latest channel mediums.

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INVESTOR IN PEOPLE

Operational Highlights

- Turnover fractionally up at £3,972,725 in a turbulent trading period
- Half year position recovered to produce an annual profit
- Measures implemented in December resulted in second half stability
- Profit before tax of £10,846 in the year compared to a previous year profit of £392,202
- Closing cash at 30 June 2009 of £421,119
- Company name changed to IPPlus PLC on 29 September 2008

Working for you . . .

The company runs three distinct brands:

Ansaback, a 24/7 bureau contact centre operation. An exemplary discreet service for discerning clients who wish to overflow and outsource certain calls when required.

CallScripter, a software house producing Customer Interaction Management (CIM) software tools for the contact centre market. Currently installed both within the UK in major call centres and Internationally through multi channel delivery partners.

IP3 Telecom, a networked telephony solution providing resilient and intelligent call handling.

Chairman's Statement

Financial Summary

The board is pleased to report that the measures outlined in the December 2008 Interim Statement have had the required effect, stabilising the business, recovering the first half loss and producing a small profit for the year in what has been widely described as unprecedented difficult economic conditions. Our markets remain incredibly tough, with fierce competition for all business regardless of size of contract, while our call centre partner's overflow traffic has reduced as a consequence of their own telephony traffic falling back. However the business has performed well in the second half and we are pleased to report that in June 2009 Ansaback billable minutes were higher than June 2008. This strong performance continued into July 2009.

The group profit before taxation for the year to June 2009 is £10,846 (June 2008: £392,202), achieved on turnover of £3,972,725 (June 2008: £3,947,385).

Risks

The risks to the CallScripter division continue to be in the ability of our sales team and the partner resellers to achieve market penetration. Channels to market are a fierce battleground for all the suppliers keen that their product is seen as pre-eminent in the line up of products offered from consolidators bundling call handling solutions.

The main risk within Ansaback is the exposure to the failure of a major client, as approximately 10% of the clients account for 75% of the recent turnover. Care is taken within the credit control methods to minimise this exposure, with bad debts remaining at a low level in the year.

Additional risks include the technology utilised in the call centre and as such we have installed a 'state of the art' modern telephone switch. This new switch includes fail-over systems to further increase our business continuity/disaster recovery readiness whilst also enabling us to offer additional services to clients. Looking at other risks, to lower our susceptibility to power outages, we have a standby generator in case of power cuts, while our main computer systems have been upgraded to improve their resilience and minimise any down-time should a problem arise.

Name Change

At the Annual General Meeting on 29 September 2008 it was agreed to rename the company as IPPlus PLC.

Dividend

The company will not be declaring a dividend.

Outlook

While the media may be reporting green shoots of recovery in certain sectors, there are difficult trading times ahead. We continue to press on with determination in each of our divisions to build sales, and improve profitability.

Last year we welcomed Stephen Allen as a non-executive director of the group and we can now report that Peter Brown, current non-executive director and a previous Chairman of the group, will be stepping down at the Annual General Meeting. Peter has served the company for over 9 years and has seen it transform from an unquoted fledgling internet business to the AIM quoted business of today. The board would like to thank Peter for his assistance, direction and tremendous support over the years and wish him well for the future.

I would also like to take this opportunity to thank the staff for their commitment and efforts in the last year. During the difficult period around the interim accounts the staff were asked to consider rebalancing their working practices to assist the company and this was enthusiastically accepted. This allowed the company to navigate the uncertainty whilst still retaining the skill sets ready for when our fortunes change. As such we are now well positioned to cope with increased business.

Whilst the outlook remains challenging, the directors remain confident about the future prospects for the group.

Philip Dayer
13 August 2009

Business Review

Business Summary

IPPlus PLC operates through two principal subsidiaries, IPPlus (UK) Limited and CallScripter Limited.

The group trades under three trading styles namely CallScripter, Ansaback and IP3 Telecom.

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 and advanced reporting software into their organisation. The software facilitates the rapid set-up, handling and reporting of sophisticated inbound, outbound and email campaigns.

Ansaback is a 24 hours a day, 7 days a week bureau telephony service providing overflow and 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 ancillary telecommunication services.

IP3 Telecom is the telephony services arm of the Ansaback business providing a range of network level interactive call services. With options for self-sufficiency or fully managed services, the platform gives the user the ability to run a professional call handling operation without the necessity for expensive hardware, installation, and on-going maintenance costs. Clients can route their required services through our web portal, allowing them to monitor their call traffic in real time or have reports sent periodically by email, fax or text.

The platform allows for fast and efficient configuration of services, with most functions available to go live at the push of a button. Web access also allows remote management from anywhere in the world, without any proprietary software requirement. We have triple redundancy in place covering location, infrastructure and service providers. This minimises the chance of any client down time and is key to the resilience of the platform.

Key performance indicators

The group performance is monitored using the following key financial performance indicators which are measured against budget and forecasts:

	2009	2008
	£	£
Revenue	**3,972,725**	3,947,385
Profit before taxation	**10,846**	392,202
Cash and cash equivalents	**421,119**	309,514

The Market

Despite the unprecedented turbulence both in the UK economy and more widely in the international market place, call centres remain an important characteristic of the modern business enterprise. Call centre technology continues to evolve at pace and a bewildering array of options are now available to the managers of these modern day workplaces.

Clients and prospective clients looking at cost savings in these difficult times explore exhaustively outsourcing some or all of their work to call centres. Quoting for this business can be time consuming requiring meetings and then submission of lengthy documentation. Similarly the call centres looking to improve their performance must justify expenditure on upgrading the kit they purchase and therefore the tender process can become quite lengthy with a string of hoops: Request for information (RFI), Pre-Qualification Questionnaire (PQQ), Request for proposal (RFP), Invitation to Tender (ITT), web demonstrations, live demonstrations, quotations and then final order.

Our call centre, operating a 24/7 bureau service, is well placed as it has a broad range of clients requiring different services which provides a degree of insulation from sector specific influences. The diversity of clients using CallScripter software both domestically and internationally also provides a cushion from being sector specific.

IP3 Telecom now has 53 clients on its network platform which offers the ability to set up sophisticated call ringing plans which can route client's network level calls from office to office, and then if needed to field workers, with some calls being diverted to home workers and ultimately an outsourced call centre such as Ansaback. In addition services such as IVR (Interactive Voice Response) and call recording enhance the sticky nature of the service. Whilst the market for this type of service is quite mature the key to winning clients is quality and ease of the service provision.

Business Review continued

Review of Operations

CallScripter

This division sells our software to other call and contact centres both domestically and internationally on a direct basis and through various re-seller channels.

As reported in the Interim Report, on the strength of the previous year's performance the board implemented an expansion programme. The cost of new staff, coupled to annual pay reviews carried out in June 2008, substantially increased our monthly overheads whilst expected growth in revenue increases ebbed as the recession started to bite. The board immediately undertook a strategic review and implemented a cost reduction programme to ensure that the company was able to weather the economic downturn without cutting so far that we would have been unable to cope when the economy started to turn around. The first act was to down-size the newly expanded sales and marketing team and consequently 3 new CallScripter positions were cut.

Despite the division's reduced sales team, and the market battening down its purchasing hatches, we have secured new business while a number of the existing client base have increased their licences producing a better than envisaged final outcome. It has been hard fought business as all manner of discounting and promotional techniques have been used by the competitors. In spite of this we increased our turnover in the year.

Whilst it may not be a total recovery there are business opportunities to win and in that regard we have decided to rebook the NEC Call Centre Expo 2009 showing our commitment to the sector. Last year's autumn Call Centre Expo showed the industry putting on a brave face with thin pickings all round in terms of qualitative enquiries. However despite this we have deemed it sufficiently prominent to warrant attendance as it is the principal showcase for suppliers to the call centre trade, and attracts both a domestic and international audience looking for the latest offerings. We followed this up by attending our second Government Contract Expo — GC 2009expo, the leading public sector IT event in the UK, incorporating Information Communications and Technology (ICT). As previously, this show yielded enough positive enquiries to warrant attendance although the lead time between enquiry and order is guaranteed to be frustratingly long despite Governments being anxious to improve departmental efficiencies.

With our increasing number of foreign installations and 27% of CallScripter revenue being foreign we decided to attend Call Centre World in Berlin as a first step to expanding our international channels to market. Time will tell if this move will bear fruit but several collaborative meetings indicate the value of attending this premier European event. One of CallScripter's latest features, specifically designed to assist this international push, is the "Language File" which enables script builders to choose which language they wish to work in. We currently have 5 completed language files covering French, German, Russian, Spanish and Turkish.

Part of the CallScripter channels to market is the network hosted (Application Service Provider) route now commonly referred to as SaaS — Software as a Service. This allows businesses to use the product on a "needs basis" without either complex licences or in house technical support. Clients using this method have access to a low cost entry model which suits a number of customers when their internal IT resource is limited. Internationally this also enables CallScripter to offer a low cost direct channel and like many other software vendors we anticipate further growth via this channel in the coming years.

In the second half of the year we concluded an agreement with Nixxis Group SA to integrate CallScripter within the Nixxis Interaction platform (a modern switch). Whilst this is still in its infancy Nixxis have already purchased 1,500 licences and have many high profile clients throughout Europe and North Africa.

Last year we reported on two prestigious orders, a Cypriot bank and a substantial world theme park operator. Both of these installations have now been rolled out and produce ongoing revenues, whilst one of the companies has already ordered additional licences for their German operation and commissioned extensive bespoke work. This year we also won our first NHS Trust licensing agreement for 20 seats which we plan to promote as a beacon of excellence.

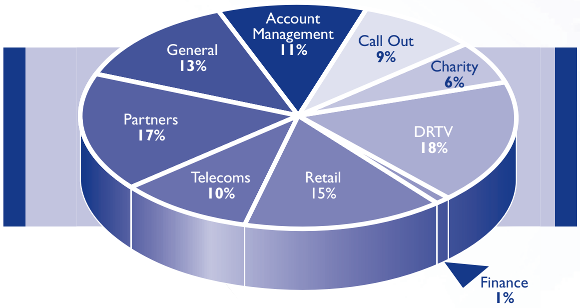
Despite market jitters the outlook for our call centre software remains positive as contact centres look to their software solution providers for increasing agent performance and maximisation of profits. The sales pipeline has several encouraging prospects, both domestically and internationally, with one particular existing council client, managed by Voicetec, planning to roll out throughout Holland.

Ansaback

Turnover has remained fairly stable, with continued client loyalty and new clients adding minutes in the second half, combined with our costs being diligently controlled, assisting the return to the group's profitability.

The credit crunch struck hard in the retail sector, as witnessed by the demise of several well known high street brands. We felt the chill wind of this sector's difficulties and as a result saw a significant drop in call minutes in the run up to Christmas. In addition our call centre partners (partners below) were able to handle more calls themselves and as such we ended up with less overflow traffic. The majority of the call centre partners continue using Ansaback for overflow, weekend, business continuity and disaster recovery plans.

Market Sectors



Our figures show that despite ongoing difficult economic conditions, we have been able to recover lost minutes and maintain call volumes in our market.

At the same time, the current recession has forced most clients to examine costs and demand increased value from their services with us. We have been able to respond by increasing agent performance for orders and up-sells, which in turn should increase client retention and provide better opportunities to win further business from referrals in these competitive sectors.

The outlook for new contracts remains good enabling us to continue building the business. These contracts, along with the retention of our Blue Chip client base, are key to the continued profitable progress of this division. It would appear that the drop in interest rates and the generally brighter outlook has prevented a full scale downward slide with call volumes rallying to end with a very un-characteristic all time high in June and July 2009.

Our client services team take responsibility in ensuring smooth flow of data and day to day account management with their respective client counterparts as we view this close co-operation to be pivotal in retaining major clients. Price may be important but for some clients quality of service is always going to be the deciding factor. We have steered away from the high volume, churn and burn, philosophy and whilst at peak periods of the day our agents may talk for 45 minutes in the hour, the average is somewhat less, resulting in lower than average staffing metrics within the call centre. This ultimately benefits our clients who know the workforce is knowledgeable and stable. We provide detailed data in a variety of mediums to our clients regarding call duration and call outcome, and whilst some clients are anxious not to have long calls, which obviously cost them money as we charge per minute, our prime concern is the quality of the call and the accuracy of the data collected.

Within Ansaback our Eco Repair Services department continues to remain at the forefront of out of hours fault repair logging. There has been some consolidation in this space with the mergers and takeovers resulting in a slight drop in overall total clients.

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

As reported last year we made a significant investment in new infrastructure. With the network upgraded and the new telephony switch fully commissioned the call centre can genuinely be called "modern" although we will continue to examine its rich features.

Business Review continued

IP3Telecom

IP3 Telecom is the telecommunications section of the Ansaback division. We currently provide a range of network based interactive call services to 53 clients. With our platform you can manage to route your required services through our web portal. You also have the ability to monitor call traffic real time or have periodic reports sent via email. Our web portal allows fast and efficient configuration of services with detailed logging for reviewing changes. Our services are hosted across resilient platforms with triple redundancy for location, infrastructure and service providers. Web access allows remote management from anywhere in the world, without any proprietary software requirement. The business appears to be on a firm footing and we expect continued growth from this niche service.

Social Responsibilities

The company employees support a designated charity throughout the year and raised £1,328 for MacMillan Cancer Support.

In conjunction with a Government initiative and the Reed Employment Group we have taken on 6 long term unemployed for training which has resulted in 3 recruits holding down positions for over 6 months. We also received a Rotary Exchange visitor from the Philippines interested in how a UK call centre works.

Looking ahead

Our businesses are all fortunate to be in sectors which, whilst affected by the recession, have been able to regain lost ground and are now ready to push forward after returning to sustained profitability.

CallScripter will continue to target new revenue streams with reselling partners and other software manufacturers as well as increasing the existing revenue streams from both the OEM (Original Equipment Manufacturer) and direct sales, whilst Ansaback will continue to focus on the development of key sectors where we have a strong understanding and presence in the sector.

In May 2010 we reach the end of our 10 year lease on the building and are currently considering the best options for the future of the business.

William A Catchpole
13 August 2009

Directors and Advisers

Company registration number:	3869545
Registered office:	Melford Court The Havens Ransomes Europark Ipswich Suffolk IP3 9SJ
Directors:	Philip John Dayer Peter Michael Brown William Alexander Catchpole Geoffrey Forsyth Robert Stuart McWhinnie Gordon Stephen John Allen (appointed 1 February 2008)
Secretary:	Robert Stuart McWhinnie Gordon BA FCMA
Bankers:	Barclays Bank PLC National Westminster Bank PLC
Solicitors:	Fasken Martineau LLP
Auditors:	Grant Thornton UK LLP
Nominated Advisers and Brokers:	Brewin Dolphin Limited
Registrars:	Equiniti Limited

Financial statements available at www.ipplusplc.com

Directors' Report

The directors present their report together with the financial statements for the year to 30 June 2009.

1. Principal activity

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 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:

	2009 £	2008 £
Revenue	**3,972,725**	3,947,385
Profit before taxation	**10,846**	392,202

The Chairman's Statement and Business Review contain a full explanation of developments during the year, key performance indicators, principal risks and uncertainties and the group's future prospects, which are requirements of the Directors' Report.

The directors do not recommend payment of a dividend (2008: £nil).

3. Directors

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

The beneficial and other interests of the directors and their families in the shares of the company at 30 June 2009 and 1 July 2008 were as follows:

	30 June 2009 Ordinary shares of 1p each	1 July 2008 Ordinary shares of 1p each
P M Brown (non-executive)	**2,129,779**	2,129,779
W A Catchpole	**1,486,145**	1,436,145
R S M Gordon	**659,122**	659,122
G Forsyth	**658,824**	587,908
P J Dayer (non-executive)	**293,619**	293,619
S J Allen (non-executive)	**—**	—

The above interests include 33,220 (2008: 33,220) ordinary shares held by or on behalf of Mr Catchpole's wife.

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

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

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

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

During the year, the share price fluctuated between 11.5 pence and 5.75 pence and closed at 7.25 pence on 30 June 2009.

4. Substantial shareholdings

The beneficial and other interests of other substantial shareholders and their families in the shares of the company at 30 June 2009 and 1 July 2008 were as follows:

	30 June 2009 Ordinary shares of 1p each	1 July 2008 Ordinary shares of 1p each
P Wildey	**5,075,000**	4,565,000

5. Directors' responsibilities for the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and company financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally

Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of 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 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 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.

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

6. Research and development

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

7. Payment practice

It is the company'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. Trade payables at the year-end amount to 71 days (2008: 66 days) of average supplies for the year.

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 company recognises the requirement for high standards of corporate governance but is restricted by having a small board of directors, 50% of which are non-executive directors.

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

Internal financial control

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

The full board meets on 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 meet 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.

Directors' Report continued

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

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

Remuneration committee
The Remuneration Committee consists of Peter Brown and Philip Dayer. Peter Brown is Chairman of Independent Remuneration Solutions Limited, an independent company, which advises on and helps implement executive directors' packages, annual and long term incentives and independent directors' fees to corporate bodies. He will be replaced by Stephen Allen when he steps down in September 2009.

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

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

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

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

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

Audit committee
Whilst the Audit Committee formally consists of Philip Dayer and Stephen Allen, due to the size of the group, any business relating to the audit has been considered by the full board.

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

10. Financial risk management

The financial risk management policies and objectives are disclosed in note 20, along with information regarding exposure to credit risk, interest rate risk and liquidity risk.

11. Qualifying third party indemnity provision

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

12. Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

13. Auditors

Grant Thornton UK LLP have 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 29 September 2009.

BY ORDER OF THE BOARD

R S M Gordon
Secretary
13 August 2009

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

Independent Auditor's Report
to the members of IPPlus PLC

We have audited the group and parent company financial statements of IPPlus PLC for the year ended 30 June 2009 which comprise the consolidated income statement, the consolidated and parent company balance sheets, the consolidated cash flow statement, the consolidated statement of changes in equity, notes 1 to 24 for the group and 1 to 9 for the parent company. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) 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).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, 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 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/UKNP.

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 2009 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRS 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 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:

Under the Companies Act 2006 we are required 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.

Nigel Savory
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Ipswich
13 August 2009

Consolidated Income Statement
for the year ended 30 June 2009

	note	2009 £	2008 £
Continuing Operations			
Revenue		3,972,725	3,947,385
Cost of sales		(2,201,305)	(1,970,925)
Gross profit		1,771,420	1,976,460
Administrative expenses		(1,768,348)	(1,600,486)
Operating profit		3,072	375,974
Finance income	6	9,028	22,426
Finance expenditure	7	(1,254)	(6,198)
Profit before taxation	5	10,846	392,202
Taxation (charge)/credit	11	(6,067)	180,566
Profit for the year		4,779	572,768
Attributable to:			
Equity holders of the parent company		4,779	572,768
Basic and diluted earnings per share	10	0.02p	1.92p

All activities of the group are classed as continuing.

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

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

Consolidated Balance Sheet
as at 30 June 2009

	note	2009 £	2008 £
ASSETS			
Non-current assets			
Intangible assets	12	240,910	222,252
Plant and equipment	13	215,542	259,715
Deferred taxation	17	280,000	280,000
Non-current assets		736,452	761,967
Current assets			
Trade and other receivables	14	851,155	943,826
Cash and cash equivalents		421,119	309,514
Current assets		1,272,274	1,253,340
Total assets		2,008,726	2,015,307
LIABILITIES			
Non-current liabilities			
Long-term borrowings	16	—	(3,781)
Deferred taxation	17	(64,227)	(58,160)
Non-current liabilities		(64,227)	(61,941)
Current liabilities			
Trade and other payables	15	(628,149)	(614,793)
Current portion of long-term borrowings	15	(3,781)	(30,783)
Current liabilities		(631,930)	(645,576)
Total liabilities		(696,157)	(707,517)
Net assets		1,312,569	1,307,790
EQUITY			
Equity attributable to equity holders of the parent			
Share capital	19	297,908	297,908
Other reserves		18,396	18,396
Profit and loss account		996,265	991,486
Total equity		1,312,569	1,307,790

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 13 August 2009.

W A Catchpole Director
R S M Gordon Director

IPPLUS PLC

Consolidated Cash Flow Statement
for the year ended 30 June 2009

	2009 £	2008 £
Cash flows from operating activities		
Profit for the year	4,779	572,768
Adjustments for:		
Interest income	(9,028)	(22,426)
Interest expense	298	3,802
Interest element of finance leases	956	2,396
Deferred tax provision	6,067	(180,566)
Depreciation	55,412	40,222
Amortisation of intangible assets	103,151	83,677
Decrease/(increase) in trade and other receivables	92,671	(283,583)
Increase/(decrease) in trade and other payables	92,640	(9,727)
Cash generated from operations	346,946	206,563
Interest paid	(298)	(3,802)
Interest element of finance leases	(956)	(2,396)
Net cash generated from operating activities	345,692	200,365
Cash flows from investing activities		
Interest received	9,028	22,426
Capitalisation of development costs	(121,809)	(108,121)
Customer contracts purchased	—	(15,038)
Purchase of property, plant and equipment	(90,523)	(148,769)
Net cash used in investing activities	(203,304)	(249,502)
Cash flows from financing activities		
Repayment of borrowings	(15,000)	(46,667)
Capital element of finance leases	(15,783)	(8,572)
Net cash used in financing activities	(30,783)	(55,239)
Net increase/(decrease) in cash	111,605	(104,376)
Cash at beginning of year	309,514	413,890
Net increase/(decrease) in cash	111,605	(104,376)
Cash at end of year	421,119	309,514

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

Consolidated Statement of Changes in Equity
for the year ended 30 June 2009

	Share Capital £	Share Premium £	Other Reserves £	Profit and loss account £	**Total Equity £**
Balance at 1 July 2007	297,908	6,045,563	18,396	(5,626,845)	**735,022**
Profit for the period	—	—	—	572,768	**572,768**
Total recognised income and expense for the period	—	—	—	572,768	**572,768**
Capital reorganisation	—	(6,045,563)	—	6,045,563	—
Balance at 30 June 2008	297,908	—	18,396	991,486	**1,307,790**
Profit for the period	—	—	—	4,779	**4,779**
Total recognised income and expense for the period	—	—	—	4,779	**4,779**
Balance at 30 June 2009	297,908	—	18,396	996,265	**1,312,569**

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 2009

1. AUTHORISATION OF FINANCIAL STATEMENTS

The group's consolidated financial statements (the "financial statements") of IPPlus PLC (the "company") and its subsidiaries (together the "group") for the year ended 30 June 2009 were authorised for issue by the board of directors on 13 August 2009 and the managing director, William Catchpole and the financial director, R. Stuart Gordon signed the balance sheet.

2. NATURE OF OPERATIONS AND GENERAL INFORMATION

IPPlus PLC is the group's ultimate parent company. It is a public limited company incorporated and domiciled in the United Kingdom. IPPlus PLC's shares are quoted and publicly traded on the AIM division of the London Stock Exchange. The address of IPPlus 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 and the development and sale of call centre contact relationship management software.

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.

As of 30 June 2009, the following Standards and Interpretations are in issue but not yet effective and have not been adopted early by the group:

- IAS 1 Presentation of Financial Statements (revised 2007) (effective 1 January 2009)
- IAS 23 Borrowing Costs (revised 2007) (effective 1 January 2009)
- Amendment to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements — Puttable Financial Instruments and Obligations Arising on Liquidation (effective 1 January 2009)
- IAS 27 Consolidated and Separate Financial Statements (Revised 2008) (effective 1 July 2009)
- Amendment to IFRS 2 Share-based Payment — Vesting Conditions and Cancellations (effective 1 January 2009)
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements — Costs of Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective 1 January 2009)
- Amendment to IAS 39 Financial Instruments: Recognition and Measurement — Eligible Hedged Items (effective 1 July 2009)
- Group Cash-settled Share-based Payment Transactions — Amendment to IFRS 2 (effective 1 January 2010)
- Amendment to IFRS 7 Financial Instruments: Disclosures — Improving Disclosures About Financial Instruments (effective 1 January 2009)
- Improvements to IFRSs 2008 (effective 1 January 2009 other than certain amendments effective 1 July 2009)
- Improvements to IFRSs 2009 (various effective dates, earliest of which is 1 July 2009, but mostly 2010)
- IFRS 3 Business Combinations (Revised 2008) (effective 1 July 2009)

3. STATEMENT OF COMPLIANCE WITH IFRS continued

- IFRS 8 Operating Segments (effective 1 January 2009)
- IFRIC 15 Agreements for the Construction of Real Estate (effective 1 January 2009)
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation (effective 1 October 2008)
- IFRIC 17 Distributions of Non-cash Assets to Owners (effective 1 July 2009)
- IFRIC 18 Transfers of Assets from Customers (effective prospectively for transfers on or after 1 July 2009)

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, except for additional disclosures and amendment to presentation as required by IAS 1.

4. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with the accounting policies set out below. These are based on the International Financial Reporting Standards issued by the International Reporting Accounting Standards Board ("IFRS") in issue as adopted by the European Union (EU).

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 18) drawn up to 30 June 2009. A subsidiary is a company controlled directly by the group and all of the subsidiaries are 100% owned by the group. Control is achieved where the group has the power to govern the financial and operating policies of the investee entity to obtain benefits from its activities.

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 goods supplied and services provided, excluding VAT and trade discounts. Revenue is recognised upon the performance of services or the transfer of risk to the customer.

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

Software turnover is recognised at the point of sale for contracts sold in perpetuity, as it is at this point that the group has performed all of its obligations. Turnover from annual software licences and maintenance contracts may be received in a single amount or in monthly instalments. Such turnover is recognised over the period to which it relates, reflecting the fact that customers could cancel the maintenance contract if there were any disputes.

Notes to the Consolidated Financial Statements continued
for the year ended 30 June 2009

4. PRINCIPAL ACCOUNTING POLICIES continued

d) Significant judgements and estimates

The group makes estimates and assumptions 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.

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.

e) Intangible assets

Customer contracts

Customer contracts are included at cost and cost less estimated residual amount is amortised on a straight-line basis over their useful economic lives. The amortisation charge is shown within administrative expenses. The rate generally applicable is:

- Customer Contracts 20%

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
- 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 costs 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 Income Statement. 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%

4. PRINCIPAL ACCOUNTING POLICIES continued

f) Plant and equipment

Plant and equipment is 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 the income statement.

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:

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

Material residual value estimates are updated as required, but at least annually, whether or not the asset is revalued.

g) Impairment testing of 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.

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 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.

h) Leased assets

In accordance with IAS17, 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 the income statement over the period of the lease.

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

Notes to the Consolidated Financial Statements continued
for the year ended 30 June 2009

4. PRINCIPAL ACCOUNTING POLICIES continued

i) Taxation

Current tax is the tax payable based on the profit for the year.

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, 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 balance sheet date.

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

j) 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 balance sheet date.

k) Financial assets and liabilities

The group's financial assets comprise cash and trade and other receivables, which under IAS39 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 liabilities and 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 the income statement.

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 asset's carrying amount and the present value of estimated future cash flows.

As the group has not entered into any derivative contracts it does not have any financial liabilities, which are carried at fair value through profit or loss. The group has a number of financial liabilities including trade and other payables and bank borrowings. These are classed as "other financial liabilities" in IAS39. 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.

l) Cash and cash equivalents

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

4. PRINCIPAL ACCOUNTING POLICIES continued

m) Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares
- "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 reserve" represents retained profits

n) 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.

o) 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 balance sheet date.

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 income statement in the period in which they arise.

p) Share options

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

All equity-settled share-based payments are ultimately recognised as an expense in the income statement with a corresponding credit to "other reserves".

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

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

The fair value of the share options granted after 7 November 2002 and not vested at 1 July 2006 has been assessed in accordance with IFRS 2 — Share-based Payments. The directors do not consider that the amounts involved are material and therefore no charge has been recognised.

q) Capital management

The capital structure of the group consists of debt, cash 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.

Notes to the Consolidated Financial Statements continued
for the year ended 30 June 2009

5. PROFIT BEFORE TAXATION

Profit on ordinary activities is stated after:

	2009 £	2008 £
Auditors' remuneration		
Fees payable to the company's auditors for the audit of the company's annual accounts	5,800	5,800
Fees payable to the group's auditors for other services:		
The audit of the company's subsidiaries pursuant to legislation	9,550	9,550
Taxation services	3,970	3,200
All other services	3,850	9,675
Depreciation and amortisation		
Intangible assets	103,151	83,677
Plant and equipment — owned	41,184	22,616
Plant and equipment — leased	14,228	17,606
Rents payable	103,773	106,838

6. FINANCE INCOME

	2009 £	2008 £
Bank interest receivable	9,028	22,426

7. FINANCE EXPENDITURE

	2009 £	2008 £
Interest on bank borrowings	298	3,802
Finance charges in respect of finance leases	956	2,396
	1,254	6,198

8. DIRECTORS AND EMPLOYEES

	2009 £	2008 £
Staff costs of the group, including the directors who are considered to be key management personnel, during the year were as follows:		
Wages and salaries	2,794,104	2,442,456
Social security costs	245,701	209,963
Other pension costs	25,895	28,639
	3,065,700	2,681,058

	2009 Heads	2008 Heads
Average number of employees during the year was	181	175

Remuneration in respect of directors was as follows:

	2009 £	2008 £
Emoluments	406,157	393,554
Pension contributions to money purchase pension schemes	27,088	28,988
	433,245	422,542

During the year 3 (2008: 3) directors participated in money purchase pension schemes.

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

	2009 £	2008 £
Emoluments	134,569	124,647
Pension contributions to money purchase pension schemes	10,878	12,157

Notes to the Consolidated Financial Statements continued
for the year ended 30 June 2009

9. SEGMENTAL INFORMATION

IPPlus PLC operates two business sectors, Ansaback and CallScripter. These divisions are the basis on which the group reports its primary segment information. 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 and liabilities comprise items such as cash and cash equivalents, taxation and borrowings. 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.

2009	Ansaback £	CallScripter £	Unallocated £	Total £
Revenue	3,203,315	769,410	—	3,972,725
Segment result	40,757	(37,685)	—	3,072
Finance income				9,028
Finance costs				(1,254)
Profit before taxation				10,846
Taxation				(6,067)
Profit for the year from continuing operations				4,779
Segment assets	882,507	389,714	736,505	2,008,726
Segment liabilities	(497,115)	(133,063)	(65,979)	(696,157)
Other segment items:				
Capital expenditure				
— Plant and equipment	51,625	—	—	51,625
— Prior year credit note (note 13)	(40,386)	—	—	(40,386)
— Intangible assets	—	121,809	—	121,809
Depreciation (note 13)	(55,290)	(122)	—	(55,412)
Amortisation of intangible assets (note 12)	(3,008)	(100,143)	—	(103,151)

2008	Ansaback £	CallScripter £	Unallocated £	Total £
Revenue	3,244,122	703,263	—	3,947,385
Segment result	359,722	16,252	—	375,974
Finance income				22,426
Finance costs				(6,198)
Profit before taxation				392,202
Taxation				180,566
Profit for the year from continuing operations				572,768
Segment assets	863,306	539,957	612,044	2,015,307
Segment liabilities	(480,982)	(163,265)	(63,270)	(707,517)
Other segment items:				
Capital expenditure				
— Plant and equipment	215,849	4,361	—	220,210
— Intangible assets	15,038	108,121	—	123,159
Depreciation (note 13)	(39,717)	(505)	—	(40,222)
Amortisation of intangible assets (note 12)	(501)	(83,176)	—	(83,677)

9. SEGMENTAL INFORMATION continued

Revenue can be split by location of customers into the following geographical segments:

	2009 £	2008 £
Ansaback		
United Kingdom	3,078,874	3,105,373
North America	75,101	73,299
Europe	49,340	65,450
	3,203,315	3,244,122
CallScripter		
United Kingdom	557,638	545,744
North America	58,015	76,295
Europe	124,936	55,138
Australia	28,112	26,086
Asia	709	—
	769,410	703,263
	3,972,725	3,947,385

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. No diluted profit per share is shown because all options are non-dilutive. Details of potential share options are disclosed in note 19.

	12 months ended 30 June 2009	12 months ended 30 June 2008
Profit after taxation added to reserves	£4,779	£572,768
Weighted average number of ordinary shares in issue during the period	29,790,743	29,790,743
Basic earnings per share	0.02p	1.92p

Notes to the Consolidated Financial Statements continued
for the year ended 30 June 2009

11. TAXATION

Analysis of charge/(credit) in the year	2009 £	2008 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 28% (2008: 29.5%)	—	—
Total current tax	—	—
Deferred tax:		
Origination and reversal of temporary differences	—	(204,000)
Liability on capitalised intangibles	**6,067**	23,434
Charge/(credit)	**6,067**	(180,566)

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008: 29.5%).

	2009 £	2008 £
Profit on ordinary activities before tax	**10,846**	392,202
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008: 29.5%)	**3,037**	115,700
Expenses not deductible for tax purposes	**1,859**	8,153
Capital allowances in excess of depreciation for the year	**(31,059)**	(68,079)
Losses carried forward	**26,163**	5,986
Losses utilised	—	(43,200)
Other	—	(18,560)
Liability on capitalised intangibles	**6,067**	23,434
Provision in respect of tax losses	—	(204,000)
Total tax charge/(credit) for the year	**6,067**	(180,566)

12. INTANGIBLE ASSETS

2009

Cost	Customer contracts £	Internally generated R&D £	Total £
Customer contracts	15,038	—	15,038
CallScripter V3.5	—	79,190	79,190
CallScripter V4	—	117,545	117,545
CallScripter (Dialler/Hosted)	—	105,580	105,580
CallScripter (EasyScripter Inbound)	—	54,367	54,367
CallScripter (Service Pack)	—	—	—
Cost at 1 July 2008	15,038	356,682	371,720
Customer contracts	—	—	—
CallScripter V3.5	—	—	—
CallScripter V4	—	—	—
CallScripter (Dialler/Hosted)	—	—	—
CallScripter (EasyScripter Inbound)	—	60,685	60,685
CallScripter (Service Pack)	—	61,124	61,124
Additions	—	121,809	121,809
Customer contracts	—	—	—
CallScripter V3.5	—	—	—
CallScripter V4	—	—	—
CallScripter (Dialler/Hosted)	—	—	—
CallScripter (EasyScripter Inbound)	—	—	—
CallScripter (Service Pack)	—	—	—
Disposals	—	—	—
Customer contracts	15,038	—	15,038
CallScripter V3.5	—	79,190	79,190
CallScripter V4	—	117,545	117,545
CallScripter (Dialler/Hosted)	—	105,580	105,580
CallScripter (EasyScripter Inbound)	—	115,052	115,052
CallScripter (Service Pack)	—	61,124	61,124
Cost at 30 June 2009	15,038	478,491	493,529

Notes to the Consolidated Financial Statements continued
for the year ended 30 June 2009

12. INTANGIBLE ASSETS continued

2009 Amortisation (included within administrative expenses):	Customer contracts £	Internally generated R&D £	Total £
Customer contracts	501	—	501
CallScripter V3.5	—	72,597	72,597
CallScripter V4	—	58,773	58,773
CallScripter (Dialler/Hosted)	—	17,597	17,597
CallScripter (EasyScripter Inbound)	—	—	—
CallScripter (Service Pack)	—	—	—
Amortisation at 1 July 2008	501	148,967	149,468
Customer contracts	3,008	—	3,008
CallScripter V3.5	—	6,593	6,593
CallScripter V4	—	39,182	39,182
CallScripter (Dialler/Hosted)	—	35,193	35,193
CallScripter (EasyScripter Inbound)	—	19,175	19,175
CallScripter (Service Pack)	—	—	—
Charge for the year	3,008	100,143	103,151
Customer contracts	—	—	—
CallScripter V3.5	—	—	—
CallScripter V4	—	—	—
CallScripter (Dialler/Hosted)	—	—	—
CallScripter (EasyScripter Inbound)	—	—	—
CallScripter (Service Pack)	—	—	—
Disposals	—	—	—
Customer contracts	3,509	—	3,509
CallScripter V3.5	—	79,190	79,190
CallScripter V4	—	97,955	97,955
CallScripter (Dialler/Hosted)	—	52,790	52,790
CallScripter (EasyScripter Inbound)	—	19,175	19,175
CallScripter (Service Pack)	—	—	—
Amortisation at 30 June 2009	3,509	249,110	252,619
Net book amount			
Customer contracts	11,529	—	11,529
CallScripter V3.5	—	—	—
CallScripter V4	—	19,590	19,590
CallScripter (Dialler/Hosted)	—	52,790	52,790
CallScripter (EasyScripter Inbound)	—	95,877	95,877
CallScripter (Service Pack)	—	61,124	61,124
Net book amount at 30 June 2009	11,529	229,381	240,910

12. INTANGIBLE ASSETS continued

2008 Cost	Customer contracts £	Internally generated R&D £	Total £
Customer contracts	—	—	—
CallScripter V3.5	—	79,190	79,190
CallScripter V4	—	117,545	117,545
CallScripter (Dialler/Hosted)	—	51,826	51,826
CallScripter (EasyScripter Inbound)	—	—	—
Cost at 1 July 2007	—	248,561	248,561
Customer contracts	15,038	—	15,038
CallScripter V3.5	—	—	—
CallScripter V4	—	—	—
CallScripter (Dialler/Hosted)	—	53,754	53,754
CallScripter (EasyScripter Inbound)	—	54,367	54,367
Additions	15,038	108,121	123,159
Customer contracts	—	—	—
CallScripter V3.5	—	—	—
CallScripter V4	—	—	—
CallScripter (Dialler/Hosted)	—	—	—
CallScripter (EasyScripter Inbound)	—	—	—
Disposals	—	—	—
Customer contracts	15,038	—	15,038
CallScripter V3.5	—	79,190	79,190
CallScripter V4	—	117,545	117,545
CallScripter (Dialler/Hosted)	—	105,580	105,580
CallScripter (EasyScripter Inbound)	—	54,367	54,367
Cost at 30 June 2008	15,038	356,682	371,720

Notes to the Consolidated Financial Statements continued
for the year ended 30 June 2009

12. INTANGIBLE ASSETS continued

2008 Amortisation (included within administrative expenses):	Customer contracts £	Internally generated R&D £	Total £
Customer contracts	—	—	—
CallScripter V3.5	—	46,200	46,200
CallScripter V4	—	19,591	19,591
CallScripter (Dialler/Hosted)	—	—	—
CallScripter (EasyScripter Inbound)	—	—	—
Amortisation at 1 July 2007	—	65,791	65,791
Customer contracts	501	—	501
CallScripter V3.5	—	26,397	26,397
CallScripter V4	—	39,182	39,182
CallScripter (Dialler/Hosted)	—	17,597	17,597
CallScripter (EasyScripter Inbound)	—	—	—
Charge for the year	501	83,176	83,677
Customer contracts	—	—	—
CallScripter V3.5	—	—	—
CallScripter V4	—	—	—
CallScripter (Dialler/Hosted)	—	—	—
CallScripter (EasyScripter Inbound)	—	—	—
Disposals	—	—	—
Customer contracts	501	—	501
CallScripter V3.5	—	72,597	72,597
CallScripter V4	—	58,773	58,773
CallScripter (Dialler/Hosted)	—	17,597	17,597
CallScripter (EasyScripter Inbound)	—	—	—
Amortisation at 30 June 2008	501	148,967	149,468
Net book amount			
Customer contracts	14,537	—	14,537
CallScripter V3.5	—	6,593	6,593
CallScripter V4	—	58,772	58,772
CallScripter (Dialler/Hosted)	—	87,983	87,983
CallScripter (EasyScripter Inbound)	—	54,367	54,367
Net book amount at 30 June 2008	14,537	207,715	222,252

13. PLANT AND EQUIPMENT

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost:				
At 1 July 2008	22,050	386,039	389,111	797,200
Additions	—	33,563	18,062	51,625
Prior year credit note	—	(40,386)	—	(40,386)
Disposals	—	(114,353)	(42,573)	(156,926)
At 30 June 2009	22,050	264,863	364,600	651,513
Depreciation (included within administrative expenses):				
At 1 July 2008	16,316	204,008	317,161	537,485
Charge in year	4,505	9,370	41,537	55,412
Disposals	—	(114,353)	(42,573)	(156,926)
At 30 June 2009	20,821	99,025	316,125	435,971
Net book amount at 30 June 2009	1,229	165,838	48,475	215,542

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost:				
At 1 July 2007	22,050	208,057	351,509	581,616
Additions	—	177,982	42,228	220,210
Disposals	—	—	(4,626)	(4,626)
At 30 June 2008	22,050	386,039	389,111	797,200
Depreciation (included within administrative expenses):				
At 1 July 2007	10,699	201,617	289,573	501,889
Charge in year	5,617	2,391	32,214	40,222
Disposals	—	—	(4,626)	(4,626)
At 30 June 2008	16,316	204,008	317,161	537,485
Net book amount at 30 June 2008	5,734	182,031	71,950	259,715

Included within the net book amount of £215,542 (2008: £259,715) is £3,391 (2008: £17,619) relating to assets held under finance leases. The depreciation charged to the financial statements in the year in respect of such assets amounted to £14,228 (2008: £17,606).

Prior year credit note — In the previous year certain capital additions relating to the telephone switch and optimiser were later corrected and cancelled by the supplier resulting in a credit note being issued in the current year.

Notes to the Consolidated Financial Statements continued
for the year ended 30 June 2009

14. TRADE AND OTHER RECEIVABLES

	2009 £	2008 £
Trade receivables	628,341	704,828
Other receivables	81,171	81,295
Prepayments and accrued income	141,643	157,703
Trade and other receivables	851,155	943,826

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 fair value of each class of receivables mentioned above. The group holds £11,024 (2008: £11,602) of deposits as security against certain accounts.

Other receivables of £81,171 include £81,075 (2008: £81,075) relating to a rent deposit falling due within one year. This lease expires in May 2010.

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

	2009 £	2008 £
Opening provision at 30 June 2008	6,838	19,900
Credited to income	(6,334)	(13,062)
Closing provision at 30 June 2009	504	6,838

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

	2009 £	2008 £
0-30 days past due	2,689	455
30-60 days past due	569	11,300
Over 60 days past due	27,980	—
	31,238	11,755

Amounts which are past due but not impaired are considered to be recoverable at their carrying value.

15. CURRENT LIABILITIES

	2009 £	2008 £
Trade payables	155,068	242,523
Social security and other taxes	187,006	200,209
Other payables	286,075	172,061
Trade and other payables	628,149	614,793
Bank loans (note 16)	—	15,000
Amounts due under finance leases	3,781	15,783
Current portion of long-term borrowings	3,781	30,783
Current liabilities	631,930	645,576

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

16. NON-CURRENT LIABILITIES

Amounts due under finance leases fall due as follows:

	2009 £	2008 £
Within one year	3,781	15,783
After one and within two years	—	3,781
	3,781	19,564

Interest due under finance leases falls due as follows:

	2009 £	2008 £
Within one year	382	956
After one and within two years	—	83
	382	1,039

Borrowings	2009 £	2008 £
Amounts due under finance leases	—	3,781
Non-current liabilities	—	3,781

	2009 £	2008 £
Bank loans are repayable as follows:		
Within one year	—	15,000
	—	15,000

Notes to the Consolidated Financial Statements continued
for the year ended 30 June 2009

16. NON-CURRENT LIABILITIES continued

On 16 July 2003, through the government's Small Firms Loan Guarantee Scheme, the group obtained a 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 was payable at 2% above the bank base rate. This loan ended in December 2008.

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

Interest on bank loans falls due as follows:

	2009	2008
	£	£
Within one year	—	307
	—	307

17. DEFERRED TAXATION

Deferred taxation is calculated at a rate of 28% (2008: 28%).

	Tax losses	Capitalised intangibles	Total
	£	£	£
Opening balance at 1 July 2007	76,000	(34,726)	41,274
Credited/(charged) through the			
Income Statement in the year	204,000	(23,434)	180,566
At 30 June 2008	280,000	(58,160)	221,840
Credited/(charged) through the			
Income Statement in the year	—	(6,067)	(6,067)
At 30 June 2009	280,000	(64,227)	215,773

	2009	2008
	£	£
Unprovided deferred tax assets		
Accelerated capital allowances	**93,000**	98,000
Trading losses	**307,000**	246,000
	400,000	344,000

The deferred tax asset of £280,000 in respect of carried forward tax losses has been recognised on the basis that the directors believe that it is more likely than not to be realised against future taxable profits of the group.

The unprovided deferred tax assets are calculated at a rate of 28%. The unprovided deferred tax assets attributable to losses should be recoverable against future profits.

18. GROUP UNDERTAKINGS

At 30 June 2009, 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 (formerly 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
CallScripter (UK) Limited	England	Ordinary	100%	Dormant
EasyScripter Limited	England	Ordinary	100%	Dormant
Ansaback Limited	England	Ordinary	100%	Dormant
Eco Repair Services Limited	England	Ordinary	100%	Dormant
Vital Contact (UK) Limited	England	Ordinary	100%	Dormant
County Contact Nominees Limited	England	Ordinary	100%	Dormant
County Contact Centres Limited (formerly IPPlus Limited)	England	Ordinary	100%	Dormant
County Contact Centres (UK) Limited (formerly IPPlus (UK) Limited)	England	Ordinary	100%	Dormant
IP3 Telecom Limited	England	Ordinary	100%	Dormant
Commercial Finance Brokers (UK) Limited	England	Ordinary	100%	Dormant

19. SHARE CAPITAL

Group	2009 Number	2009 £	2008 Number	2008 £
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 group has granted the following share options, in respect of ordinary shares of 1p each, which were still valid and unexercised at 30 June 2009.

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
12 September 2002	3,526,000	12.36p	See below *
1 February 2004	300,000	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 11.5 pence and 5.75 pence and closed at 7.25 pence on 30 June 2009.

Notes to the Consolidated Financial Statements continued
for the year ended 30 June 2009

19. SHARE CAPITAL continued

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

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

The fair value of the share options granted after 7 November 2002 and not vested at 1 July 2006 has been assessed in accordance with IFRS 2. The directors do not consider that the amounts involved are material and therefore no charge has been recognised.

The Weighted Average Exercise Price of share options outstanding at 30 June 2008 and 30 June 2009 was 12.7p.

	2009 Share options	2008 Share options
Amounts outstanding at beginning	**5,276,000**	5,576,000
Expirations in period	—	(300,000)
Amounts outstanding at year end	**5,276,000**	5,276,000

20. FINANCIAL INSTRUMENTS

The group uses various financial instruments including loans; cash, trade receivables, trade payables, 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.

Financial risk management and objectives

The total loan balance outstanding at 30 June 2009 is £Nil (2008: £15,000). Interest was payable at 2% above the bank's base rate (note 16).

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

Credit risk

The group's principal financial assets are cash and trade 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 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.

20. FINANCIAL INSTRUMENTS contnued

Interest rate risk

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.

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 £	Total £
2009			
Trade payables	155,068	—	155,068
Lease capital and interest	4,163	—	4,163
At 30 June 2009	159,231	—	159,231

	Less than one year £	One to two years £	Total £
2008			
Trade payables	242,523	—	242,523
Lease capital and interest	16,739	3,864	20,603
Bank loan capital and interest	15,307	—	15,307
At 30 June 2008	274,569	3,864	278,433

Foreign currencies

During the year exchange differences of £1,767 (2008: £685) have arisen and at the year-end £Nil (2008: £121) 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.

Notes to the Consolidated Financial Statements continued
for the year ended 30 June 2009

20. FINANCIAL INSTRUMENTS continued

Financial assets by category

2009	Loans and receivables £	Non financial assets £	Balance sheet £
Cash at bank	421,119	—	421,119
Trade receivables — current	709,512	—	709,512
Prepayments	—	141,643	141,643
	1,130,631	141,643	1,272,274
2008			
Cash at bank	309,514	—	309,514
Trade receivables — current	786,123	—	786,123
Prepayments	—	157,703	157,703
	1,095,637	157,703	1,253,340

The fair values of both classes of asset are considered to be approximately equal to the carrying values.

Financial liabilities by category

2009	Other financial liabilities £	Non financial liabilities £	Balance sheet £
Trade payables	155,068	—	155,068
Accruals	286,075	—	286,075
VAT and tax payable	—	187,006	187,006
Finance lease liability — current	—	3,781	3,781
	441,143	190,787	631,930
2008			
Trade payables	242,523	—	242,523
Loans payables — current	15,000	—	15,000
Other liabilities — current	8,472	—	8,472
Accruals	163,589	—	163,589
VAT and tax payable	—	200,209	200,209
Finance lease liability — current	—	15,783	15,783
Finance lease liability — non-current	—	3,781	3,781
	429,584	219,773	649,357

The fair values of both classes of liability are considered to be approximately equal to the carrying values.

21. CAPITAL COMMITMENTS

The group has no capital commitments at 30 June 2009 or 30 June 2008.

22. CONTINGENT LIABILITIES

The group has no other contingent liabilities at 30 June 2009 or 30 June 2008.

23. OPERATING LEASE COMMITMENTS

	2009	2008
	£	£
Total future lease payments:		
Less than one year	79,400	90,000
After one and within two years	—	79,400

Operating lease commitments relate to the lease of the building which expires in May 2010.

24. TRANSACTIONS WITH DIRECTORS

There were no transactions with directors in the year to June 2009 or June 2008.

Company Balance Sheet
as at 30 June 2009

	note	2009 £	2008 £
Fixed assets			
Investments	3	201,609	201,609
		201,609	201,609
Current assets			
Debtors	4	157,905	136,720
Cash at bank and in hand		16,991	104,028
		174,896	240,748
Creditors: amounts falling due within one year	5	(17,643)	(32,334)
Net current assets		157,253	208,414
Total assets less current liabilities		358,862	410,023
		358,862	410,023
Capital and reserves			
Share capital	7	297,908	297,908
Profit and loss account	8	60,954	112,115
Shareholders' funds		358,862	410,023

The board of directors approved the financial statements on 13 August 2009.

W A Catchpole Director
R S M Gordon Director

Notes to the Financial Statements
for the year ended 30 June 2009

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) and under the historical cost convention.

The principal accounting policies of the company 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.

Merger relief
The company is entitled to merger relief offered by Section 131 of the Companies Act 1985, 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 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.

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

Share options
The company policy is the same as the policy detailed in group accounting policies, as IFRS 2 is the same as FRS 20.

2. PROFIT/(LOSS) 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 £51,161 (2008: £37,583).

Notes to the Financial Statements continued
for the year ended 30 June 2009

3. FIXED ASSETS — INVESTMENTS

	Subsidiary undertakings £
Cost at 1 July 2008	201,609
Additions	—
Cost at 30 June 2009	201,609
Net book amount at 30 June 2009	201,609
Net book amount at 30 June 2008	201,609

Details of the shareholdings and investments in subsidiaries are detailed in the group accounts (note 18).

4. CURRENT ASSETS

	2009 £	2008 £
Other debtors	4,335	2,592
Amount owed by group undertaking	151,413	128,713
Prepayments and accrued income	2,157	5,415
	157,905	136,720

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Bank loans	—	15,000
Trade creditors	11,389	11,719
Accruals and deferred income	6,254	5,615
	17,643	32,334

On 16 July 2003, through the government's Small Firms Loan Guarantee Scheme, the company obtained a 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 was payable at 2% above the bank base rate. This loan ended in December 2008.

6. DEFERRED TAXATION

Deferred tax assets are calculated at a rate of 28% (2008: 28%).

	2009 £	2008 £
Provided — trading losses	—	—
Unprovided — trading losses	88,560	80,884
	88,560	80,884

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

7. SHARE CAPITAL

	2009 Number	2009 £	2008 Number	2008 £
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 options, in respect of ordinary shares of 1p each, which were still valid and unexercised at 30 June 2009, which are detailed in group note 19.

8. RESERVES

	Profit and loss account £
At 1 July 2008	112,115
Loss for the year	(51,161)
At 30 June 2009	60,954

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	2009 £
At 1 July 2008	410,023
Loss for the year	(51,161)
At 30 June 2009	358,862

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