




IPPLUS PLC

INTELLIGENT PROFESSIONAL SOLUTIONS

ANNUAL REPORT & ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015
AIM STOCK CODE: IPP






CONTENTS

FINANCIAL HIGHLIGHTS

- Successful sale of Ancora Solutions division in December 2014 for £500,000
- Ansaback divisional revenues reduced to £5,441,094 (2014: £7,292,026)
- Ansaback divisional revenues (excluding the terminated major utility client) grew by 8.5% to £4,668,472 (2014: £4,301,171)
- Ansaback divisional operating profit of £424,508 (2014: £1,262,185)
- CallScripter revenues slightly down to £1,045,847 (2014: £1,099,867), but operating loss reduced by over 95% to £31,466 (2014: £678,653)
- Group loss before taxation on continuing activities of £258,244 (2014: profit of £297,189)
- Deferred tax asset of £280,000 written off as the utilisation of the asset unlikely in the near future due to R&D tax credits
- Group loss after taxation on continuing activities of £538,022 (2014: profit of £301,890)
- Closing cash and cash equivalents balance of £1,040,822 (2014: £459,693)
- Dividend proposed of 0.15 pence per share for the year ended 30 June 2015 (subject to shareholder approval)

OPERATIONAL HIGHLIGHTS

- Long term clients and recurring revenues increased to 74% (2014: 51%) of total continuing turnover
- New Chairman and non-executive Director
- PCI-PAL wins two prestigious international contracts post year end
- Significant new Ansaback contract won from major UK retailer post year end

CHAIRMAN'S STATEMENT

Financial Summary

The Board is disappointed to report that the Group has not been successful in attracting sufficient new revenue to compensate for the utility contract which substantially concluded last year. As a result, the Group generated a loss on continuing activities before tax of £258,244 (2014: profit of £297,189) on continuing revenue of £6,486,941 (2014: £8,391,893).

The Board appreciates the importance of an established business delivering a profit and has therefore been pleased to announce in recent weeks that, since the year end, PCI-PAL, our compliant credit card solution, has won two prestigious international contracts within the Jewellery and Logistics sectors. In addition, the Ansaback call centre has also secured a significant contract with one of London's most prestigious department stores. Revenue from this contract is expected to be substantial in the coming year.

An increase in revenues from recurring and long-term clients from 51% to 74% in the year, combined with these new business wins and an attractive pipeline of further opportunities gives the Board confidence that the Group will again generate a positive return to shareholders in the coming year.

Disposal

As stated in the 2014 Annual Report and Accounts, the Board had been actively reviewing the Ancora Solutions division and concluded that it was non-core to the Group's business operations and that, as it was relatively small in scale, an owner with a stronger presence in its sector could potentially derive more value from the business. On 31 December 2014 Restore PLC purchased the entire fixed assets, payroll and existing contracts of Ancora Solutions for a cash consideration of £500,000.

In the 6 months to 31 December 2014, Ancora Solutions reported revenues of £362,803 and a loss on discontinued activities of £53,856. This loss comprised a trading loss of £36,387, reorganisation costs of £100,166, onerous lease provisions (estimated outstanding lease costs on warehouse rentals) of £121,000 and a profit on disposal of £203,697. The net book value of the assets disposed of at 31 December 2014 was £286,313.

Group Overview

Subsequent to the disposal of Ancora Solutions the Group operates through two divisional segments, namely Ansaback (which includes IP3 Telecom, PCI-PAL and Suffolk Disaster Recovery) and CallScripter.

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, as well as disaster recovery lines and facilities, and other ancillary telecommunication services.

IP3 Telecom provides a range of network level interactive call services including non-geographic and Freephone telephone facilities. 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. PCI-PAL is a hosted telephony Level 1 compliant credit card solution designed to prevent card fraud by eliminating credit card data being handled or stored at a clients' premises.

Suffolk Disaster Recovery is the Group's disaster recovery unit, access to which is also sold to clients and third parties. Its capacity increased from 60 seats to 90 seats during the year.

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

Review of Operations

Ansaback Division

Ansaback call centre

The Ansaback call centre had an extremely testing year and suffered some difficulties with the adjustments required after its largest client substantially ended its contract in August 2014. This contract ending created more upheaval than originally envisaged, which was compounded by tough economic concerns forcing another client to take nearly half of its business back in-house. A team of 350 temporary call handlers was stood down and managers were made redundant or redeployed elsewhere within the business.

IP3 Telecom (including PCI-PAL)

IP3 Telecom had a strong year winning some excellent new clients and expanding its various Payment Card Industry ("PCI") services, and the Directors believe that the potential of this business continues to be exciting on both a domestic and international basis. Our existing PCI-PAL client portfolio primarily comprises blue chip household names that have chosen our package after evaluating various competing solutions. These clients, for the most part, are happy to be reference sites and provide testimonials to our new prospective clients. The number of transactions and the values passing through our secure network is now growing dramatically.

Although new PCI-PAL competitors are emerging, the Directors believe that the Group has a degree of first mover advantage and an excellent brand which is easily understood by the target market. As a result, we continue to be particularly excited by the prospects for PCI-PAL.

CallScripter Division

CallScripter, despite significantly reducing its segmental loss by 95% at the end of the financial year, fell slightly short of reaching divisional profitability by £31,466, on a similar turnover to the prior year. The new 4.6 version release of its software is anticipated at the Call Centre Expo in September 2015.

Dividend

Each year the Board decides whether to declare a dividend, return capital to shareholders or purchase shares in the market to be held as treasury stock. This decision is taken principally in the light of: the Group's present and future expected performance; its net cash balance; and its future working capital requirements taking into account its investment plans for the future development of the Group.

Taking these factors into consideration, although the Group had a disappointing year, Ancora Solutions was successfully disposed of providing an uplift in cash, and with the positive expectations for the coming year on the back of the recently announced new business, the Board is proposing to maintain the payment of a dividend of 0.15 pence per share in respect of the year ended 30 June 2015.

Board Changes

On 1 January 2015 I took over the role of Chairman from Philip Dayer, who stepped down from the Board on 31 December 2014, and, on 1 January 2015, the Group appointed Jason Starr as a non-executive Director, replacing Bernard Waldron who stepped down from the Board on 30 September 2014. Jason is Chief Executive Officer of Dillistone Group plc, the AIM quoted International supplier of software and services for the recruitment sector.

The Board wishes to thank both Philip and Bernard for their wise counsel and significant contribution to the Group.

People

I would like to thank each of the Directors and employees for all of their efforts during the past year. Their commitment, loyalty and support are appreciated in what transpired to be a testing year.

Outlook

The Group has worked hard during the year to compensate for the loss of the utility contract. However new business was not sufficient to deliver a profit. The Board recognises the fundamental importance of profit in an established business and is encouraged by the new business won since the year end. It is also pleased to report that the Group has, since the year end traded at broadly breakeven, whereas at this point last year it was in loss, therefore providing tangible evidence of the fruits of its efforts coming to bear.

The Board therefore looks forward to producing much better results in the first half of the coming year.

Chris Fielding
Non-Executive Chairman
26 August 2015

STRATEGIC REVIEW

Business Summary

Subsequent to the disposal of Ancora Solutions the IPPlus PLC Group operates two divisions, namely Ansaback (which also includes IP3 Telecom, PCI-PAL and Suffolk Disaster Recovery) and CallScripter.

Ansaback division

The Ansaback call centre 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 resource, non-geographic, low call and Freephone telephone facilities as well as disaster recovery lines and other ancillary telecommunication services.

The necessity for businesses to offer better services around the clock, seven days a week, lends itself to an outsourced model such as Ansaback. Ansaback continues to win prestige accounts which seek a cost effective yet friendly UK customer facing solution. We have increased our dedicated fixed seats and we continue to prospect for larger clients who seek a mix of dedicated and bureau desks. New clients seek ever greater services as the rise in new media channels for customers increase.

We have seen significant movement in the market as clients search for increasingly complex services to ensure customer satisfaction across coordinated new media channels is achieved. Ansaback is investing to meet Omni Channel demand and has signed several notable new clients, reaching 400 clients for the first time in the year.

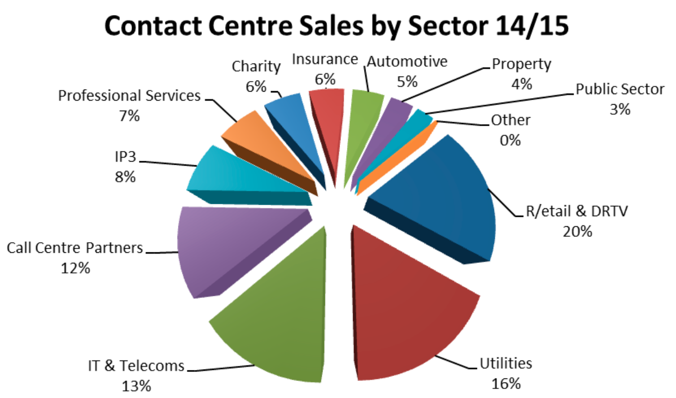
The Omni Channel is the name used to describe multiple channels of communication where people engage via e-mail, web chat, instant messaging and posting on social media. The challenge facing Ansaback is for our call centre agents to open or monitor each of these communiqués, read them, decipher them, and then process them in a prescriptive fashion demanded by the client. We can envisage that in a few years time this will become a key part of a revised outsource contact centre offering, including smart mobile devices which assist the client's customer to participate in this multi channel engagement from wherever and whatever time of day they care to choose.

The rise of Omni-Channel

The Ansaback call centre saw its underlying sales (excluding the fixed term utility contract) and minutes increase year on year by 4.8% and 7.1% respectively. Outbound revenues have started to rise, reflecting the recent investment in this area, whilst Professional Services are now being more aggressively charged for which should result in increased Professional Services revenues in the future.

In addition, post year end, the Ansaback call centre has secured a significant contract with one of London's most prestigious department stores. Revenue from this contract is expected to be substantial in the coming year.

Excluding the major utility contract, our sales mix is predominately unchanged, providing a degree of stability. The split by client type is shown below:



We have recruited new sales and senior sales personnel to focus on our core sectors for both bureau and fixed seat business as well as an outbound manager to assist in pushing this potentially more rapid growth business sector forwards.

The call centre is well positioned for staff transportation and we have two 4 x 4 vehicles for use during extreme adverse weather conditions.

The Ansaback website has been updated and re-launched with the aim of appealing to corporate business prospects, whilst retaining interest for smaller, potential bureau clients.

The Ansaback division also comprises IP3 Telecom, the telecommunications arm of Ansaback, which is a cutting edge provider of hosted "Cloud" telephony technology, providing bespoke automated IVR (Integrated Voice Response) solutions to the banking and financial sectors, hosted contact centres infrastructure for new businesses, telephone numbers, campaign response, call recording, reporting and lone worker staff lines. The triple sited network ensures a robust infrastructure capable of handling high volumes and peaks in call traffic, within one of the most reliable intelligent telephony networks in the UK.

IP3 Telecom (including PCI-PAL)

The IP3 Telecom business has experienced significant growth in the period, with sales increasing by 48% year on year. The business has been successful in increasing existing account revenues, as well as significant new accounts wins through both our Cloud Contact Centre and payment services.

PCI-PAL, part of IP3 Telecom, offers a PCI solution which allows call centres and telephone agents to take payments in a PCI compliant fashion with customer service unaffected and existing operational processes maintained. PCI-PAL makes contact centre payment collection easy and secure, de-scoping the operation from the requirements of PCI DSS (Data Security Standard).

The PCI market is starting to emerge as a new area for many businesses driven by compliance facing a risk of being fined heavily for a data breach. The operational risk is that companies lose their payment processing contracts and are then forced to pay large premiums to become compliant by the main credit card processors. There are some recent examples of high profile data losses which all lead companies handling credit card data to review their payment processes.

Having completed our third full year of Level 1 accreditation to the Payment Card Industry Data Security Standard (PCI DSS), which helps prevent credit card fraud, PCI-PAL has grown strongly with transaction volumes increasing by 204% year on year.

The PCI-PAL client base includes a growing number of international, blue chip organisations for whom we are providing payment services not only in the UK, but also from users across the globe. The PCI-PAL brand remains one of the strongest in the space due to our longevity of involvement and in-house expertise around the relevant security standards. We are committed to the contact centre payments space, and invest significant efforts to differentiate ourselves by offering truly cloud, on-demand solutions to the PCI challenge faced by many contact centres globally. The PCI-PAL network comprises multi-redundant telephony systems housed in secure cloud data centres. Utilising multiple telephony and data feeds, the network infrastructure is designed to handle many multiples of the present call volume traffic enabling the handling of hundreds of thousands of payments per day.

PCI-PAL enters the new financial year with a strong developed pipeline of large corporate and blue chip business opportunities as organisations feel greater pressure to become compliant with the PCI DSS due to the increased coverage of data loss in the media, growing public knowledge of data risk, and increased pressure from third party stakeholders.

Additionally, since the year end, PCI-PAL, has won two prestigious international contracts within the Jewellery and Logistics sectors. The Directors believe that these contract wins demonstrate the strong and growing demand for our PCI DSS compliant payment solutions. The new contracts are expected to generate revenue in the 2015/16 financial year, supporting growth within this trading division and helping to elevate our prominence in this sector.

It is worth noting that, whilst our solution is tried and tested and does not require significant capital expenditure, the time taken from decision to activation for a large business or enterprise remains significant.

Our growing network of business partners across the payments, applications, and telecommunication space, will support our goals to continue to grow the PCI-PAL business stream, maintaining footholds in the UK and newly developing global contact centre payments markets.

Suffolk Disaster Recovery

Suffolk Disaster Recovery, the final business within the Ansaback division, provides physical workstations to a number of businesses in the Ipswich area from its two locations. The facilities have their own generators and are available on a 24 hour basis, 7 days a week. The Ipswich region is poorly served with Disaster Recovery providers and with our call centre and telephony knowledge we are well placed to assist those companies that need to have a backup facility in place. This facility has 90 seats and with the new space in the main building provides a total of 150 seats ready and available. A significant new client has been signed to this service in July with a go live date of September 2015.

Overall the Ansaback division made a segmental profit of £424,508 (2014: £1,262,185), being adversely affected by the substantial conclusion of the utility contract. Whilst agent heads have been reduced, new business could not be won in time to replace such a large reduction. However the prospects going into the new year are encouraging.

CallScripter division

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 organisations. The software facilitates the rapid set-up, handling and reporting of sophisticated inbound calls, outbound calls and e-mail campaigns.

The CallScripter market is not limited to the UK, with 62% of our business now conducted abroad, mainly in the United States.

In the latter stages of the year ended June 2014, CallScripter dramatically reduced costs without reducing capacity. Revenues in the year were £1,045,847 (2014: £1,099,867). This is, in part, as a result of our OEM (Original Equipment Manufacturer) partnership with Interactive Intelligence Inc. which has extended our relationship to allow CallScripter to be offered within their Communications as a Service platform ("CaaS"). This provides CallScripter with increased opportunities within their growing hosted customer base, whilst building an ongoing monthly revenue stream via a subscription pricing model.

As a result of the 2014 restructuring, the division was able to reduce its segmental loss to £31,466 (2014: loss of £678,653 including £322,974 of intangible asset impairment).

The division also underwent a successful rebrand in advance of the imminent release of a new and improved CallScripter solution. The new version has been specifically redeveloped to deliver functionality and scalability improvements to enable us to better support new and existing Channel partners. We believe this will enable us to continue to be one of the leading agent scripting tools and increase our sales teams' ability to secure new business in the coming financial year.

Risks

Principal business risks and uncertainties

The principal risks facing the Group relate broadly to its intellectual property, its technology, the market place and competitive environment, dependence on key people, information technology and its acquisition strategy.

Intellectual property rights ('IPR'): The Group is reliant on IPR surrounding its internally generated and licensed-in software. Whilst it relies upon IPR protections including patents, copyrights, trademarks and contractual provisions it may be possible for third parties to obtain and use the Group's intellectual property without its authorisation. Third parties may also challenge the validity and/or enforceability of the Group's IPR, although the directors do not envisage this risk to be significant. In addition, the directors are aware of the supply risk of losing key software partners. As these are not a significant part of the core products, this would only have a short-term impact on the Group as it sought to identify and then train staff in alternative products.

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

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

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

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

Acquisitions: The Group's strategy includes seeking acquisitions of companies or businesses that are complementary to its businesses. As a consequence there is a risk that management's attention may be diverted and the Group's ongoing business may be disrupted or the Group may fail to retain key acquired personnel, or encounter difficulties in integrating acquired operations. The directors remain aware of this disruption and plan to ensure that the main business is not affected.

Financial risk management objectives and policies

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

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

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

Liquidity risk: Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The directors review an annual 12 month cash flow projection as well as information regarding cash balances on a monthly basis. At the balance sheet date, liquidity risk was considered to be low given the fact the Group is cash generative and cash and cash equivalents are thought to be at acceptable levels.

Additional risks include the technology utilised in the contact centre and we have a modern telephone switch. This switch includes fail-over systems to further increase our business continuity/disaster recovery readiness whilst also enabling us to offer additional services to clients. It is also split across two locations to further reduce the risk of failure.

To reduce the operational risks we have a Disaster Recovery and Data Centre facility at an office 5 miles away from the main building. This office has independent telephone lines, phone switch and computer data systems synchronised to the main building that can automatically fail-over in the event of a major incident occurring. Looking at other risks within the contact centre, 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.

Key performance indicators

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

- Cash on a daily basis
- Call centre billable minutes on a daily basis
- Dedicated desk margins on a daily basis
- Divisional sales and results against budget on a monthly basis
- Divisional sales pipeline on a monthly basis

Employee Relations and Social Responsibilities

The Group continues to advocate a healthy staff policy via its participation in Investors in People together with pursuing a Health and Well-being policy for encouraging healthy practices. The IT team is actively engaged with Carbon Champions for its ecological and green initiatives regarding technology and we have policies including a Low Carbon and Environmental Purchasing Policy, while the Group continues to encourage car sharing, bus usage and the cycle to work initiative.

The Group's employees support a designated charity each year and raised £2,711.

NVQ Qualification and apprentices

After 17 of our employees successfully completed NVQ qualifications last year it was an easy decision to repeat this offering again. We have 12 employees studying for level 3 customer services NVQ, which has been designed around our Call Centre. This supports our commitment to our employees to ensure that they are equipped with the relevant skills required to make them confident within their job roles. We are working in partnership with Catch 22 a national charity which works with young people who find themselves in difficult situations, helping them to stay healthy, find opportunities to learn, earn a living, and find a safe place to live and to give something back to their community.

Summary and outlook

The Group has worked hard during the year to compensate for the loss of the utility contract. However new business was not sufficient to deliver a profit. The Board recognises the fundamental importance of profit in an established business and is encouraged by the new business won since the year end. It is also pleased to report that the Group has, since the year end, traded at broadly breakeven, whereas at this point last year it was in loss, providing tangible evidence of the fruits of our efforts coming to bear.

The Board therefore looks forward to producing much better results in the first half of the coming year.

William A Catchpole

26 August 2015

REMUNERATION COMMITTEE REPORT

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

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

Annual Performance Bonus
For Board executives, a bonus will be paid dependant on the level of achievement against annual key performance indicators for the group, which will be set annually by the Remuneration Committee, with achievement assessed at the end of the year. Any bonus will be paid as cash, company shares or a combination of the two, also to be decided annually by the Remuneration Committee. Under normal circumstances, a bonus will not be payable if targets are not met.

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

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

Additional benefits
The Executive Directors receive an annual car allowance, personal health insurance and a contribution to their pension scheme of 10% of their basic salary paid annually in advance. There are also two performance related pay schemes. One of these is based on performance in the year, while one is designed to reward longer term performance.

Annual Bonus Scheme
The Executive Directors participate in an annual bonus scheme which is based upon the achievement of certain quantifiable profit and commercial targets for the Group, as appropriate.

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

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

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

For the last LTIP cycle covering July 2013 - June 2016, conditional options were issued at an option price of 1 pence to executives and management over 2% of the Group's equity.

The LTIP cycle covering July 2012 - June 2015 has now concluded. The targets were not met, and therefore no options will be issued.

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

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

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

Jason S Starr
26 August 2015

DIRECTORS and ADVISORS

Company registration number:	03869545
Registered office:	Melford Court The Havens Ransomes Europark Ipswich Suffolk IP3 9SJ
Telephone:	+44 (0) 1473 321800
Directors:	Christopher Michael Fielding Jason Stuart Starr William Alexander Catchpole Geoffrey Forsyth Robert Stuart McWhinnie Gordon
Secretary:	Robert Stuart McWhinnie Gordon BA FCMA CGMA
Bankers:	National Westminster Bank PLC Barclays Bank PLC
Auditors:	Grant Thornton UK LLP
Nominated advisers and brokers:	N+1 Singer
Registrars: **Telephone:**	Capita Asset Services (UK): 0871 664 0300 (Overseas): +44 (0) 208 639 3399
Lawyers:	Shepherd and Wedderburn LLP
Financial statements are available at:	www.ipplusplc.com

DIRECTOR'S REPORT

The directors present their report together with the financial statements for the year to 30 June 2015.

1. Principal activities

The Company (company number 03869545) 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, PCI solutions, the development and sale of contact centre call relationship management software and the provision of secure storage and destruction of documents.

2. Results, dividends, future prospects

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

	2015	2014
	£	£
Revenue on continuing activities	**6,486,941**	8,391,893
(Loss)/profit before taxation on continuing activities	**(258,244)**	297,189

The Strategic Report contains the financial risk management objectives and policies of the Group due to their strategic significance.

The directors recommend payment of a dividend of 0.15 pence per share (2014: 0.15 pence per share).

3. Directors

The membership of the Board is set out below.

The beneficial and other interests of the directors and their families in the shares of the Company at 30 June 2015 and 1 July 2014 were as follows:

	30 June 2015	1 July 2014
	Ordinary shares of 1p each	Ordinary shares of 1p each
W A Catchpole	**2,742,884**	2,585,838
G Forsyth	**1,077,098**	991,456
R S M Gordon	**1,045,688**	968,180
C M Fielding (non-executive) (appointed 1 September 2014)	**-**	-
J S Starr (non-executive) (appointed 1 January 2015)	**-**	-
P J Dayer (non-executive) (resigned 31 December 2014)	**293,619**	293,619
B J Waldron (non-executive) (resigned 30 September 2014)	**-**	-

The above interests include 33,220 (2014: 33,220) ordinary shares held by or on behalf of W. A. Catchpole's wife.

The director's remuneration was as follows:

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

2013/14	Salary £	Benefits £	Total £	Pension £
W A Catchpole	157,207	5,772	162,979	14,734
R S M Gordon	121,496	3,112	124,608	11,191
G Forsyth	109,049	2,929	111,978	9,946
P J Dayer (non-executive)	35,500	-	35,500	-
B J Waldron (non-executive)	26,000	-	26,000	-

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

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

Options are conditional on certain vesting criteria including an annual Group Profit before tax target for the year ended 30 June 2016.

4. Share price and substantial shareholdings

During the year, the share price fluctuated between 20 pence and 14 pence and closed at 15 pence on 30 June 2015.

The beneficial and other interests of other substantial shareholders and their families in the shares of the Company at 30 June 2015 and 1 July 2014 were as follows:

	30 June 2015 Ordinary shares of 1p each	1 July 2014 Ordinary shares of 1p each
P Wildey	**5,500,000**	5,650,000
A Catchpole	**2,860,000**	2,860,000
P M Brown	**1,601,000**	1,701,000
R Clement	**1,930,435**	1,930,435
D Hamilton	**975,000**	1,000,000

5. Directors' responsibilities for the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs") and have elected to prepare Company financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit and loss of the Company and the Group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

6. Qualifying third party indemnity provision

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

7. Research and development

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

8. Employee policy

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

9. Corporate governance

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

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

Internal financial control

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

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

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

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

Audit Committee

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

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

Remuneration Committee

The Remuneration Committee consists of Jason Starr and Chris Fielding.

The Committee is responsible for setting the terms and conditions of employment for the executive directors and met on two occasions during the year. The current policy is to set remuneration in accordance with market conditions in order to attract, retain and motivate the executive board. The Committee reviews Group performance and, arising from those reviews, may determine performance related bonuses.

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

10. Financial risk management

The financial risk management policies and objectives are disclosed in the Strategic Report and in note 21, along with information regarding exposure to credit risk, interest rate risk and liquidity risk.

11. Treasury shares

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

12. Going concern

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

13. Auditors

Grant Thornton UK LLP 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 15 October 2015.

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

BY ORDER OF THE BOARD

R S M Gordon
Secretary
26 August 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IPPLUS PLC

We have audited the financial statements of IPPlus plc for the year ended 30 June 2015 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity, the company balance sheet, and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRS's) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's (FRC's) website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 June 2015 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

David Newstead
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP

MILTON KEYNES

26 August 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2015 £	2014 £
Revenue		**6,486,941**	8,391,893
Cost of sales		**(4,077,461)**	(5,152,692)
Gross profit		**2,409,480**	3,239,201
Impairment of intangible assets	12	-	(322,974)
Profit on lease surrender	5	-	352,367
Trading administrative expenses		**(2,629,023)**	(2,926,123)
Administrative expenses		**(2,629,023)**	(2,896,730)
Administrative expenses		**(2,629,023)**	(2,896,730)
Operating (loss)/profit		**(219,543)**	342,471
Finance income	6	**2,323**	3,439
Finance expenditure	7	**(41,024)**	(48,721)
(Loss)/profit before taxation	5	**(258,244)**	297,189
Taxation	11	**(279,778)**	4,701
(Loss)/profit for year from continuing activities		**(538,022)**	301,890
Loss for the period from discontinued activities	28	**(53,856)**	(84,706)
(Loss)/profit and total comprehensive income attributable to equity holders of the parent company		**(591,878)**	217,184
Basic and diluted earnings per share	10	**(1.88)p**	0.69p

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

	Note	2015 £	2014 £
ASSETS			
Non-current assets			
Land and buildings	14	**1,653,304**	1,692,769
Plant and equipment	13	**224,333**	421,256
Intangible assets	12	**-**	221,167
Deferred taxation	18	**-**	280,000
Non-current assets		**1,877,637**	2,615,192
Current assets			
Trade and other receivables	15	**1,199,628**	1,678,166
Current tax assets		**-**	30,131
Cash and cash equivalents		**1,040,822**	459,693
Current assets	21	**2,240,450**	2,167,990
Total assets		**4,118,087**	4,783,182
LIABILITIES			
Current liabilities			
Trade and other payables	16	**(1,042,266)**	(994,272)
Current portion of long-term borrowings	16	**(51,762)**	(85,274)
Current liabilities	21	**(1,094,028)**	(1,079,546)
Non-current liabilities			
Long term borrowings	17	**(1,111,818)**	(1,152,185)
Non-current liabilities		**(1,111,818)**	(1,152,185)
Total liabilities		**(2,205,846)**	(2,231,731)
Net assets		**1,912,241**	2,551,451

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

	Note	2015 £	2014 £
EQUITY			
Equity attributable to equity holders of the parent			
Share capital	20	**317,212**	317,212
Share premium		**89,396**	89,396
Other reserves		**18,396**	18,396
Profit and loss account		**1,487,237**	2,126,447
Total equity		**1,912,241**	2,551,451

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 26 August 2015.

W A Catchpole
Director

R S M Gordon
Director

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	2015 £	2014 £
Cash flows from operating activities		
(Loss)/profit after taxation	**(591,878)**	217,184
Adjustments for:		
Depreciation	**209,722**	235,990
Amortisation of intangible assets	**-**	134,074
Impairment of intangible assets	**-**	322,974
Interest income	**(2,323)**	(3,439)
Interest expense	**35,974**	38,674
Interest element of finance leases	**4,490**	6,675
Other interest	**560**	3,372
Income taxes	**(222)**	(32,701)
Deferred tax write off	**280,000**	28,000
Loss on sale of plant and equipment	**-**	1,625
Profit on Sales of Ancora Solutions	**(203,697)**	-
Decrease/(increase) in trade and other receivables	**611,157**	(113,531)
Increase/decrease in trade and other payables	**26,235**	113,338
Cash generated from continuing operations	**370,018**	952,235
Dividend paid	**(47,332)**	(94,661)
Income taxes received	**33,214**	20,474
Interest element of finance leases	**(4,490)**	(6,675)
Interest paid	**(35,974)**	(38,674)
Net cash from continuing operating activities	**315,436**	832,699
Net cash (used)/generated from discontinued operations	**(115,906)**	87,237
Net cash from operating activities	**199,530**	919,936
Cash flows from investing activities		
Consideration for sale of Ancora division	**500,000**	-
Deferred consideration from sale of Commercial Finance Brokers (UK) Limited	**13,000**	16,000
Purchase of land, buildings, plant and equipment	**(73,304)**	(1,883,666)
Capitalisation of development costs	**-**	(157,687)
Interest received	**2,323**	3,439
Net cash generated/ (used) in investing activities in continuing activities	**442,019**	(2,021,914)
Net cash used in investing activities in discontinued activities	**(2,000)**	(24,000)
Net cash generated/(used) in investing activities	**440,019**	(2,045,914)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended 30 June 2015

	2015 £	2014 £
Cash flows from financing activities		
Loan received	**-**	1,192,500
Repayments of borrowings	**(22,971)**	(61,212)
Buy-back of Treasury shares	**-**	(29,750)
Capital element of finance lease rentals	**(35,449)**	(75,441)
Net cash (used)/generated in financing activities	**(58,420)**	1,026,097
Net increase/(decrease)in cash	**581,129**	(99,881)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	2015 £	2014 £
Cash and cash equivalents at beginning of year	**459,693**	559,574
Net increase/(decrease) in cash	**581,129**	(99,881)
Cash and cash equivalents at end of year	**1,040,822**	459,693

	Share capital £	Share premium £	Other reserves £	Profit and loss account £	Total equity £
Balance at 1 July 2013	**317,212**	**89,396**	**18,396**	**2,033,674**	**2,458,678**
Shares placed into Treasury	-	-	-	(29,750)	**(29,750)**
Dividend paid	-	-	-	(94,661)	**(94,661)**
Transactions with owners	-	-	-	(124,411)	**(124,411)**
Profit and total recognised income and expense for the year	-	-	-	217,184	**217,184**
Balance at 30 June 2014	**317,212**	**89,396**	**18,396**	**2,126,447**	**2,551,451**
Dividend paid	-	-	-	(47,332)	**(47,332)**
Transactions with owners	-	-	-	(47,332)	**(47,332)**
Loss and total recognised income and expense for the year	-		-	(591,878)	**(591,878)**
Balance at 30 June 2015	**317,212**	**89,396**	**18,396**	**1,487,237**	**1,912,241**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 2015 were authorised for issue by the Board of Directors on 26 August 2015 and the Chief Executive, William Catchpole, and the Chief Financial Officer, 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, the development and sale of contact centre contact relationship management software and the provision of secure storage and destruction of documents.

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

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

Standards and interpretations in issue, not yet effective
There are no new standards and interpretations currently in issue (as at 29 July 2015) but not effective, based on EU mandatory effective dates for accounting periods commencing on 1 July 2014.

4. Principal accounting policies

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

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

b) Basis of consolidation
The Group financial statements consolidate those of the Company and its subsidiary undertakings (see note 19) drawn up to 30 June 2015. 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 services provided, excluding VAT and trade discounts. Revenue is recognised upon the performance of services or the transfer of risk to the customer.

Contact centre 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 evenly over the period to which it relates, reflecting the performance of obligations over time.

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

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

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

The calculation of the deferred tax asset involved the estimation of future taxable profits. Directors have assessed the carrying value of the Deferred Tax asset and decided to write off the balance, as the utilisation of the assets is unlikely in the near future due to Research and Development tax credits.

Management applied judgements regarding the profit based performance criteria of the Employee Share Options and do not expect these to vest.

Management applied judgements regarding the sale of the Ancora Solutions division being a discontinued activity in the year.

e) Intangible assets
Goodwill
Goodwill was created on the purchase of Ancora Solutions. This Goodwill is not amortised but is subject to annual impairment review to ensure the value is recoverable.

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 rates applicable are:

- Customer contracts 20%
- Ancora client relationships 10%
- Ancora brand 10%

e) Intangible assets (continued)

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

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

- Development costs 33%

Ancora Customer Relationships

Upon review of the Ancora Solutions' business the directors' opinion was that the Client Sales Relationships, once won, were likely to remain for the long term due to:

- Once the boxes were put into storage and not on view to the client, the services tended to roll along
- A majority of the clients have long term storage requirements (legal and health records) which require documents to be retained and then called out of storage as required
- There are significant costs in moving the boxes to another storage unit. As such customers are more likely to start using an other supplier whilst maintaining the existing operation rather than completely transferring the business

At acquisition, the sales and on-going costs of the existing operation were forecast and were discounted back using the Group's Weighted Average Cost of Capital. This gave a valuation of £280,000, which is amortised over 10 years on a straight-line basis, being the estimated life of these assets. The amortisation charge is shown within administrative expenses.

Ancora Solutions Brand Valuation

The relief from royalty valuation method assumes that if a business did not own the Ancora Solutions' brand it would have to pay a royalty to the owners of the brand for its use. The value of the brand is the capitalised value of the royalties that the owner is relieved from paying as a result of the ownership of the asset. The royalty attributed to the purchase was valued using a similar basis to the Customer Relationships and applying a 0.25% royalty rate. At acquisition this gave a valuation of £3,000, which is amortised over 10 years on a straight-line basis, being the estimated life of these assets. The amortisation charge is shown within administrative expenses.

f) Land, building, plant and equipment

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

Disposal of assets

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

Depreciation

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

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

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

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

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

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

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

h) Leased assets

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

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

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

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 year end.

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

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 year end.

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

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

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

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.

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

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 year end.

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

p) Share options
The directors do not consider that the amounts involved are material and, as the performance criteria are not expected to be met, no charge has been recognised as explained in Note 20.

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

At 30 June 2015 the Group had a closing cash balance of £1,040,822 (2014: £459,693) and an outstanding mortgage of £1,137,484 (2014: £1,160,455).

5. Profit before taxation

Profit on ordinary activities is stated after:

	2015	2014
	£	£
Auditors’ remuneration		
Fees payable to the company’s auditors for the audit of the company’s annual accounts	**9,000**	9,000
Fees payable to the Group’s auditors for other services	**13,500**	-
The audit of the company’s subsidiaries pursuant to legislation	**12,000**	12,000
Taxation services	**5,000**	6,250
All other services	**1,680**	1,100
Depreciation and amortisation – charged in administrative expenses		
Buildings	**49,743**	49,265
Intangible assets - amortisation	**-**	162,374
Intangible assets - impairment	**-**	322,974
Plant and equipment – owned	**121,122**	126,125
Plant and equipment – leased	**38,856**	53,890
Rents payable	**216,775**	75,483
Foreign exchange gain/(loss)	**829**	(22,403)
Profit on early surrender of lease	**-**	352,367
Profit/(loss) on sale of fixed asset	**-**	(1,625)
Amounts of research and development written off	**136,128**	-

6. Finance income

	2015 £	2014 £
Bank interest receivable	**2,323**	3,439

7. Finance expenditure

	2015 £	2014 £
Interest on bank borrowings	**35,974**	38,674
Finance charges in respect of finance leases	**4,490**	6,675
Other	**560**	3,372
	41,024	48,721

8. Directors and employees

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

	2015 £	2014 £
Wages and salaries	**4,694,213**	6,056,388
Social security costs	**361,326**	473,500
Other pension costs	**90,533**	85,278
	5,146,072	6,615,166

	2015 Heads	2014 Heads
Average number of employees during the year	**255**	302

Remuneration in respect of directors was as follows:

	2015 £	2014 £
Emoluments	**466,231**	461,065
Pension contributions to money purchase pension schemes	**35,871**	35,871
	502,102	496,936

During the year 3 (2014: 3) directors participated in money purchase pension schemes.

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

	2015 £	2014 £
Emoluments	**162,442**	**162,979**
Pension contributions to money purchase pension schemes	**14,734**	**14,734**

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

8. Directors and employees (continued)

Key management compensation:

	2015 £	2014 £
Short term employee benefits	**721,095**	754,178
Post employment benefits	**52,996**	51,871
	774,091	806,049

9. Segmental information

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

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

9. Segmental information (continued)

2014	Ansaback £	CallScripter £	Central £	Continuing Activities £	Discontinued Activities £	Total £
Revenue	7,292,026	1,099,867	-	8,391,893	731,494	9,123,387
Segment result*	1,262,185	(678,653)	(241,061)	342,471	(84,706)	257,765
Finance income	-	-	3,439	3,439	-	3,439
Finance costs	-	-	(48,721)	(48,721)	-	(48,721)
Profit/(loss) before tax	1,262,185	(678,653)	(286,343)	297,189	(84,706)	212,483
Segment assets	3,280,204	411,242	257,938	3,949,384	833,798	4,783,182
Segment liabilities	(1,160,455)	-	(1,071,276)	(2,231,731)	-	(2,231,731)
Other segment items:						
Capital Expenditure						
- Plant and Equipment	224,370	2,069	-	226,439	31,181	257,620
- Intangible Assets	-	157,687	-	157,687	-	157,687
Depreciation (note 13)	171,534	8,481	-	180,015	44,782	224,797
Amortisation of intangible assets (note 12)	-	134,074	-	134,074	28,300	162,374
Impairment of intangible assets (note 12)	-	322,974	-	322,974	-	322,974
Depreciation of buildings (note 14)	49,265	-	-	49,265	-	49,265

* included within the segment result of Central is the profit on lease surrender of £352,367 and of CallScripter is the loss on impairment of Intangible Assets of £322,974.

9. Segmental information (continued)

Revenue can be split by location of customers as follows:

	2015 £	2014 £
Ansaback division		
United Kingdom	**5,396,625**	7,246,356
United States	**2,793**	5,360
Ireland	**3,129**	5,476
Hong Kong	**2,203**	9,505
France	**4,779**	4,783
Australia	**27,428**	115
Luxembourg	**-**	9,880
Other countries	**4,137**	10,551
	5,441,094	7,292,026
CallScripter division		
United Kingdom	**404,313**	480,270
United States	**522,941**	521,797
Ireland	**6,109**	12,557
Australia	**47,500**	50,817
Belgium	**12,136**	16,857
France	**3,535**	-
Netherlands	**36,838**	3,416
Denmark	**7,637**	8,237
Cyprus	**4,838**	5,916
	1,045,847	1,099,867
Continuing activities	**6,486,941**	8,391,893
Discontinued activities		
Ancora Solutions division		
United Kingdom	**362,803**	731,494
	6,849,744	9,123,387

One single external customer generates 14% - £772,622 (2014: 41% - £2,990,855) of the Ansaback division's revenues.

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

10. Earnings per share

The calculation of the earnings per share is based on the profit after taxation added to reserves divided by the weighted average number of ordinary shares in issue during the relevant period. No diluted profit per share is shown because all options are non-dilutive as the vesting conditions are not met at the year end. Details of potential share options are disclosed in note 20.

	12 months ended 30 June 2015	12 months ended 30 June 2014
(Loss)/profit after taxation added to reserves	**£(591,878)**	£217,184
Weighted average number of ordinary shares in issue during the period	**31,553,949**	31,579,732
Basic and diluted earnings per share	**(1.88)p**	0.69p

11. Taxation

	2015 £	2014 £
Analysis of charge in the year		
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 20.75% (2014:22.5%)	**222**	(222)
Adjustments in respect of prior periods	**-**	32,923
Total current tax credited	**222**	32,701
Deferred tax:		
Origination and reversal of temporary differences	**-**	(28,000)
Movement on capitalised intangibles	**(280,000)**	-
Total deferred tax charged	**(280,000)**	(28,000)
(Charge)/ credit	**(279,778)**	4,701

11. Taxation (continued)

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year was lower than the standard rate of corporation tax in the UK of 20.75% (2014: 22.5%).

	2015 £	2014 £
(Loss)/profit on ordinary activities before tax	**(312,100)**	212,483
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.75% (2014: 22.5%)	**64,762**	(47,809)
Expenses not deductible for tax purposes	**(3,462)**	(11,148)
Depreciation (less than)/ in excess of capital allowances for the year	**(23,177)**	6,155
Utilisation of tax losses	**(34,161)**	(98,600)
Unrelieved tax losses	**614**	-
Other	**(4,576)**	46,304
Research and Development claim	**-**	(33,207)
Movement on deferred tax timing differences	**(280,000)**	(28,000)
Prior year adjustment	**222**	-
Total tax (charge)/credit for the year	**(279,778)**	4,701

During the previous year to 30 June 2014 the Group submitted a Research and Development claim to HMRC relating to the year ended 30 June 2013 of £33,207. This credit was recognised in the Income Statement and included in Debtors.

The company has unrecognised tax losses carried forward of £2 million.

12. Intangible assets

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

2015

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

12. Intangible assets (continued)

2015

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

12. Intangible assets (continued)

2014

Cost	Goodwill £	Purchased intangibles £	Capitalised development costs £	Total £
Goodwill	32,500	-	-	32,500
Ancora brand	-	3,000	-	3,000
Ancora client relationships	-	280,000	-	280,000
CallScripter internal salaries	-	-	926,024	926,024
Cost at 1 July 2013	32,500	283,000	926,024	1,241,524
Goodwill	-	-	-	-
Ancora brand	-	-	-	-
Ancora client relationships	-	-	-	-
CallScripter internal salaries	-	-	157,687	157,687
Additions	-	-	157,687	157,687
Goodwill	-	-	-	-
Ancora brand	-	-	-	-
Ancora client relationships	-	-	-	-
CallScripter internal salaries	-	-	-	-
Disposals	-	-	-	-
Goodwill	32,500	-	-	32,500
Ancora brand	-	3,000	-	3,000
Ancora client relationships	-	280,000	-	280,000
CallScripter internal salaries	-	-	1,083,711	1,083,711
Cost at 30 June 2014	**32,500**	**283,000**	**1,083,711**	**1,399,211**

12. Intangible assets (continued)

2014

Amortisation (included within administrative expenses):	Goodwill £	Purchased intangibles £	Capitalised development costs £	Total £
Goodwill	-	-	-	-
Ancora brand	-	700	-	700
Ancora client relationships	-	65,333	-	65,333
CallScripter internal salaries	-	-	626,663	626,663
Amortisation at 1 July 2013	-	66,033	626,663	692,696
Goodwill	-	-	-	-
Ancora brand	-	-	-	-
Ancora client relationships	-	28,300	-	28,300
CallScripter internal salaries	-	-	134,074	134,074
Charge for the year	-	28,300	134,074	162,374
Goodwill	-	-	-	-
Ancora brand	-	-	-	-
Ancora client relationships	-	-	-	-
CallScripter internal salaries	-	-	322,974	322,974
Written out in the year	-	-	322,974	322,974
Goodwill	-	-	-	-
Ancora brand	-	700	-	700
Ancora client relationships	-	93,633	-	93,633
CallScripter internal salaries - amortisation	-	-	760,737	760,737
CallScripter internal salaries - impairment	-	-	322,974	322,974
Amortisation at 30 June 2014	**-**	**94,333**	**1,083,711**	**1,178,044**
Goodwill	32,500	-	-	32,500
Ancora brand	-	2,300	-	2,300
Ancora client relationships	-	186,367	-	186,367
CallScripter internal salaries	-	-	-	-
Net book amount at 30 June 2014	**32,500**	**188,667**	**-**	**221,167**

13. Plant and equipment

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

2014	Plant £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost:					
At 1 July 2013	135,621	58,113	400,238	448,038	**1,042,010**
Additions	36,881	9,995	51,053	159,691	**257,620**
Disposals	-	(6,000)	(4,073)	(1,200)	**(11,273)**
At 30 June 2014	**172,502**	**62,108**	**447,218**	**606,529**	**1,288,357**
Depreciation (included within administrative expenses):					
At 1 July 2013	56,426	36,003	298,425	261,098	**651,952**
Charge for the year	28,774	11,199	63,568	121,256	**224,797**
Disposals	-	(4,625)	(3,823)	(1,200)	**(9,648)**
At 30 June 2014	**85,200**	**42,577**	**358,170**	**381,154**	**867,101**
Net book amount at 30 June 2014	**87,302**	**19,531**	**89,048**	**225,375**	**421,256**

Included within the net book amount of £224,333 (2014: £421,256) is £36,015 (2014: £109,315) relating to assets held under finance leases. The depreciation charged to the financial statements in the year in respect of such assets amounted to £42,863 (2014: £61,903).

14. Land and buildings

2015

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

2014

	Land £	Buildings £	Total £
Cost:			
At 1 July 2013	54,182	8,300	**62,482**
Additions	374,165	1,305,387	**1,679,552**
At 30 June 2014	**428,347**	**1,313,687**	**1,742,034**
Depreciation (included within administrative expenses):			
At 1 July 2013	-	-	**-**
Charge for the year	-	49,265	**49,265**
At 30 June 2014	**-**	**49,265**	**49,265**
Net book amount at 30 June 2014	**428,347**	**1,264,422**	**1,692,769**

15. Trade and other receivables

	2015 £	2014 £
Trade receivables	**950,449**	1,372,920
Other receivables	**504**	16,595
Prepayments and accrued income	**248,675**	288,651
Trade and other receivables	**1,199,628**	1,678,166

All amounts fall due within one year and therefore the fair value is considered to be approximately equal to the carrying value. All of the Group's trade and other receivables are denominated in pounds sterling. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group holds £14,618 (2014: £27,575) of deposits as security against certain accounts.

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

	2015 £	2014 £
Opening provision at 30 June 2014	**17,000**	12,697
(Released)/Charged to income	**(4,100)**	4,303
Closing provision at 30 June 2015	**12,900**	17,000

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

	2015 £	2014 £
0-30 days past due	**16,312**	43,687
30-60 days past due	**22,700**	15,135
Over 60 days past due	**2,630**	5,311
	41,642	64,133

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

16. Current liabilities

	2015 £	2014 £
Trade payables	**276,415**	286,235
Social security and other taxes	**319,878**	403,656
Other payables	**445,973**	304,381
Trade and other payables	**1,042,266**	994,272
Bank loans (note 17)	**32,766**	33,284
Amounts due under finance leases	**18,996**	51,990
Current portion of long-term borrowings	**51,762**	85,274
	1,094,028	1,079,546

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

17. Non-current liabilities

	2015 £	2014 £
Bank loans	**1,104,718**	1,127,171
Amounts due under finance leases	**7,100**	25,014
Long term borrowings	**1,111,818**	1,152,185

Borrowings
Bank loans are repayable as follows:

	2015 £	2014 £
Within one year	**32,766**	33,284
After one year and within two years	**33,727**	69,695
After two years and within five years	**107,231**	74,084
Over five years	**963,760**	983,392
	1,137,484	1,160,455

On 1 July 2013 the Group obtained a loan of £1,192,500, secured over Melford Court, The Havens, Ransomes Europark, Ipswich IP3 9SJ repayable over 25 years with a 5 year fixed rate of 2.55% above the three month LIBOR rate from the NatWest Bank PLC.

This was remortgaged on 15 January 2015 at a loan of £1,145,529, secured over Melford Court, The Havens, Ransomes Europark, Ipswich IP3 9SJ repayable over 25 years with a 5 year fixed rate of 2.4% above the base rate from the NatWest Bank PLC.

Interest on the bank loan falls due as follows:

	2015 £	2014 £
Within one year	**32,633**	35,106
After one year and within two years	**31,672**	67,084
After two years and within five years	**88,967**	60,173
Over five years	**298,042**	318,631
	451,314	480,994

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

Amounts due under finance leases fall due as follows:

	2015 £	2014 £
Within one year	**20,200**	55,374
After one year and within two years	**7,244**	26,238
	27,444	81,612

The above table includes interest of £1,205 (2014: £3,384) due within one year and £143 (2014: £1,224) due after one year but within two years.

18. Deferred taxation

Deferred taxation is calculated at a rate of 22.5% (2014: 22.5%).

	Tax losses £	Capitalised intangibles £	Total £
Opening balance at 1 July 2014	373,000	(65,000)	308,000
(Charged)/credited through the statement of comprehensive income in the year	(93,000)	65,000	(28,000)
At 30 June 2014	280,000	-	280,000
Charged through the statement of comprehensive income in the year	(280,000)	-	(280,000)
At 30 June 2015	**-**	**-**	**-**

	2015 £	2014 £
Unprovided deferred tax assets		
Accelerated capital allowances	**(6,000)**	4,000
Trading losses	**398,000**	64,000
	392,000	68,000

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

The unprovided deferred tax assets are calculated at a rate of 20% (2014: 20%).

19. Group undertakings

At 30 June 2015, the Group included the following subsidiary undertakings, which are included in the consolidated accounts:

Name	Country of Incorporation	Class of share capital held	Proportion held	Nature of business
IPPlus (UK) Limited	England	Ordinary	100%	Out of hours and overflow telephony services, document storage and destruction and software company
CallScripter Limited	England	Ordinary	100%	Software reseller
Suffolk Disaster Recovery Limited (previously Ancora Solutions Limited)	England	Ordinary	100%	Dormant
Ansaback Limited	England	Ordinary	100%	Dormant
CallScripter (U.K.) Limited	England	Ordinary	100%	Dormant
EasyScripter Limited	England	Ordinary	100%	Dormant
Fault Solutions 365 Limited	England	Ordinary	100%	Dormant
IP3 Telecom Limited	England	Ordinary	100%	Dormant
PCI-PAL Limited	England	Ordinary	100%	Dormant
The Number Experts Limited	England	Ordinary	100%	Dormant
Vital Contact (UK) Limited	England	Ordinary	100%	Dormant

20. Share capital

Group	**2015 Number**	**2015 £**	2014 Number	2014 £
Authorised: Ordinary shares of 1p each	100,000,000	1,000,000	100,000,000	1,000,000
Allotted called up and fully paid: Ordinary shares of 1p each	31,721,178	317,212	31,721,178	317,212

The Group owns 167,229 (2014: 167,229) shares and these are held as Treasury Shares. This value is deducted in the Consolidated Statement of Changes in Equity and is reflected in the weighted average number of shares in issue during the period (Note 10).

During the year, the share price fluctuated between 20 pence and 14 pence and closed at 15 pence on 30 June 2015.

20. Share capital (continued)

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 2015.

Date of grant	Number of shares	Exercise price	Period exercisable
4 November 2013	600,000	1.00p	See below

These options were granted at an exercise price of 1 pence each on 4 November 2013. The options are conditional on certain vesting criteria including an annual Group Profit before Tax target for the year ended 30 June 2016.

The weighted average fair value of the November 2013 LTIP granted during the period, determined using the Black-Scholes valuation model, was 14.12 pence per option. The significant inputs into the model were mid-market share price of 28 pence at the grant date; exercise price shown above; an expected 10 year time to expiry; an annual risk- free interest rate of 0.5%; dividend yield of nil; volatility of share price of nil.

No share options are currently exercisable. The Weighted Average Exercise Price of share options outstanding at 30 June 2015 was 1p, with a weighted average life of 12 months and at 30 June 2014 was 3.6p, with a weighted average life of 17 months.

No share option charge has been recognised during the year because management are of the opinion that the performance conditions will not be met.

	2015 Share options	2014 Share options
Amounts in issue at beginning of year	**1,725,000**	1,884,425
Granted in period	**-**	650,000
Expirations in period	**(1,125,000)**	(809,425)
Amounts in issue at year end	**600,000**	1,725,000

21. Financial instruments

The Group uses various financial instruments including cash, trade receivables, trade payables, other payables, loans and leasing that arise directly from its operations. The main purpose of these financial instruments is to maintain adequate finance for the Group's operations. The existence of these financial instruments exposes the Group to a number of financial risks, which are described in detail below. The directors do not consider price risk to be a significant risk. The directors review and agree policies for managing each of these risks, as summarised below, and these remain unchanged from previous years.

Financial risk management and objectives

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

Interest rate risk

The total loan balance at 30 June 2015 is £1,137,484 (2014: £1,160,455). Interest is payable at 2.4% above the base (2014: at 2.55% above the three month LIBOR rate) (note 17).

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

21. Financial instruments (continued)

Credit risk

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

Liquidity risk

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

Trade payables and loans fall due as follows:

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

2014	**Less than one year £**	**One to two years £**	**Two to five years £**	**Over five years £**	**Total £**
Trade payables	286,235	-	-	-	286,235
Other payables	304,381	-	-	-	304,381
Lease capital and interest	55,374	26,238	-	-	81,612
Loans	68,390	136,780	130,047	1,306,142	1,641,359
At 30 June 2014	**714,380**	**163,018**	**130,047**	**1,306,142**	**2,313,587**

21. Financial instruments (continued)

Foreign currencies

During the year exchange gains of £829 (2014: charge of £22,403) have arisen and at the year-end £1,679 (2014: £nil) was held in foreign currency bank accounts. It is the Group's policy to hold limited amounts in foreign currency in order to reduce exposure to currency risk. The Group does not sell or buy any currency forward or enter into any hedging contracts.

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

Financial assets by category

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

2014	Loans and receivables £	Non-financial assets £	Total £
Cash at bank	459,693	-	459,693
Trade receivables - current	1,372,920	-	1,372,920
Other receivables	16,595	-	16,595
Current tax asset	-	30,131	30,131
Prepayments and accrued income	-	288,651	288,651
	1,849,208	**318,782**	**2,167,990**

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

21. Financial instruments (continued)

Financial liabilities by category

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

2014	Financial liabilities measured at amortised cost £	Non-financial liabilities £	Total £
Trade payables	286,235	-	286,235
Accruals	290,247	-	290,247
Other payables	12,134	-	12,134
VAT and tax payable	-	403,656	403,656
Deferred payments	-	2,000	2,000
Loans	33,284	-	33,284
Leases	-	51,990	51,990
	621,900	**457,646**	**1,079,546**

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

22. Capital commitments

The group has no capital commitments at 30 June 2015 or 30 June 2014.

23. Contingent assets

The group has no contingent assets at 30 June 2015 or 30 June 2014.

24. Contingent liabilities

The group has no contingent liabilities at 30 June 2015 or 30 June 2014

25. Operating Lease Commitments

	2015 £	2014 £
Total future lease payments:		
Less than one year	**140,095**	113,296
After one and within two years	**59,383**	107,684
After two and within five years	**65,742**	97,060

Operating lease commitments relate to the following buildings:

Tuddenham		expires December 2015
Martlesham	(Unit G)	expires January 2016
London		expires May 2016
Bentwaters		expires January 2017
Martlesham	(Anson Road)	expires March 2017

26. Transactions with directors

There were no transactions with directors in the year to June 2015 or June 2014 other than the dividends noted below.

27. Dividends

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

The following directors received dividend payments during the year to 30 June 2015 as follows:

	Dividend 2015 £	Dividend 2014 £
W A Catchpole	**3,878**	7,775
RSM Gordon	**1,452**	2,904
G Forsyth	**1,487**	2,974
PJ Dayer	**440**	880

28. Disposal of Ancora Solutions division

Ancora Solutions provided secure document removal, archiving, confidential data destruction and library move services to the medical and scientific industries, as well as industrial and professional sectors.

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

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

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

Operating losses until the date of disposal are summarised below:

	2015 £	2014 £
Revenue	**362,803**	731,494
Cost of Sales	**(286,028)**	(538,705)
Gross profit	**76,775**	192,789
Administrative expenses	**(113,162)**	(277,495)
Trading loss	**(36,387)**	(84,706)
Reorganisation costs	**(100,166)**	-
Provision for onerous leases	**(121,000)**	-
Operating loss	**(257,553)**	(84,706)
Profit on disposal	**203,697**	-
Loss for period from discontinued activities	**(53,856)**	(84,706)

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

28. Disposal of Ancora Solutions division (continued)

The calculation of the profit on disposal is shown below:

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

COMPANY BALANCE SHEET

As at 30 June 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	3	**201,609**	201,609
Tangible fixed assets: land and buildings	3	**-**	1,594,523
		201,609	1,796,132
Current assets			
Debtors	4	**709,334**	299,860
Cash at bank and in hand		**8,347**	38,375
		717,681	338,235
Creditors: amounts falling due within one year	5	**(22,162)**	(68,801)
Net current assets		**695,519**	269,434
Total assets less current liabilities		**897,128**	2,065,566
Creditors: amounts falling due after more than one year	6	**-**	(1,127,171)
Net Assets		**897,128**	938,395
Capital and reserves			
Called up share capital	7	**317,212**	317,212
Share premium account	9	**89,396**	89,396
Profit and loss account	9	**490,520**	531,787
Shareholders' funds	10	**897,128**	938,395

The Board of Directors approved the financial statements on 26 August 2015.

W A Catchpole
Director

R S M Gordon
Director

NOTES TO THE FINANCIAL STATEMENTS

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 and also in accordance with the Companies Act 2006.

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 the Companies Act, and the shares issued when the subsidiary undertaking, IPPlus (UK) Limited, was acquired are shown at their nominal value.

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

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

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.

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

2. Profit for the financial year

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The profit for the Company for the year was £6,065 (2014: £354,130).

3. Fixed assets

Investments

	Subsidiary undertakings £	Total £
Cost at 1 July 2014	201,609	201,609
Additions	-	-
Cost at 30 June 2014	201,609	201,609
Disposals	-	-
Cost at 30 June 2015	201,609	201,609

The Group is exempt from the requirements of FRS 8 to disclose transactions between wholly owned members of the Group.

3. Fixed assets – investments (continued)

2015	**Land £**	**Buildings £**	**Total £**
Cost:			
At 1 July 2014	346,000	1,296,044	1,642,044
Additions	-	1,500	1,500
Transfer to subsidiary	(346,000)	(1,297,544)	(1,643,544)
At 30 June 2015	**-**	**-**	**-**
Depreciation (included within administrative expenses):			
At 1 July 2014	-	47,521	47,521
Charge for year	-	25,923	25,923
Written out in year	-	(73,444)	(73,444)
At 30 June 2015	**-**	**-**	**-**
Net book amount at 30 June 2015	**-**	**-**	**-**
Net book amount at 30 June 2014	**346,00**	**1,248,523**	**1,594,523**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

4. Current assets

	2015 £	2014 £
Other debtors	**4,213**	16,208
Amount owed by Group undertaking	**700,441**	278,741
Prepayments and accrued income	**4,680**	4,911
	709,334	299,860

5. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	**16,852**	15,420
Accruals and deferred income	**5,310**	20,097
Bank loans	**-**	33,284
	22,162	68,801

6. Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Bank loans	**-**	1,127,171
	-	1,127,171

7. Share capital

	2015 Number	2015 £	2014 Number	2014 £
Authorised: Ordinary shares of 1p each	**100,000,000**	**1,000,000**	100,000,000	1,000,000
Allotted called up and fully paid: Ordinary shares of 1p each	**31,721,178**	**317,212**	31,721,178	317,212

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 2015, which are detailed in Group note 20.

8. Dividends
The directors have proposed a dividend of 0.15 pence per share post year end (2014: 0.15 pence per share).

During the year dividends of 0.15 pence per share (2014: 0.30 pence per share) were paid.

The following directors received dividend payments as follows:

	Dividend 2015 £	Dividend 2014 £
W A Catchpole	**3,878**	7,775
RSM Gordon	**1,452**	2,904
G Forsyth	**1,487**	2,974
PJ Dayer	**440**	880

9. Reserves

	Share premium account £	Profit and loss account £
At 1 July 2014	89,396	531,787
Dividend paid	-	(47,332)
Profit for the year	**-**	**6,065**
At 30 June 2015	**89,396**	**490,520**

11. Reconciliation of movement in shareholders funds

	2015 £
At 1 July 2014	**938,395**
Dividend paid	(47,332)
Profit for the year	**6,065**
At 30 June 2015	**897,128**

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