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Directors and advisers

Executive Directors

D R Montgomery, Chief Executive Officer
A B Moug C.A., Chief Financial Officer

Non-Executive Directors

M C Rose, Chairman
M A Rowse
N W Kirton

Company Secretary

A B Moug C.A.

Registered Office

8100 Alec Issigonis Way
Oxford
OX4 2HU

Auditor

Highlights

- Issued 7.9 million new shares in June 2015 raising £9.1m after costs.
- The Group is debt free.
- Gross revenues up 2% to £14.6m (2014: £14.4m).
- Gross profit up 150% to £4.0m (2014: £1.6m).
- Pre-tax loss halved to £1.9m (2014: £4.0m).
- EBITDA improved to loss of £0.8m (2014: loss of £3.6m).
- Gross profit calculated after Research & Development spend of £2.5m (2014: £2.7m).
- Loss per share 11.28p (2014: 42.77p).
- Cash and cash equivalents at year end of £2.1m (2014: overdraft of £1.7m).
- Cash outflow from operations £2.6m (2014: £0.5m).
- BioOne contract with PCG renewed to the end of 2019.
- Significant restructure in the second half, reducing year-on-year costs by £1.5m.

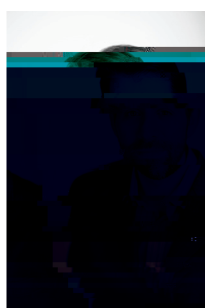
N W Kirton
Non Executive Director

M C Rose
Non Executive Chairman

M A Rowse
Non Executive Director

D R Montgomery
CEO

A B Moug
CFO



Publishing Technology plc

Annual Report

for the year ended 31 December 2015

Rebrand

The business will be rebranded as Ingenta on 31 March 2016, with all subsidiary trading companies renamed on that date. This Annual Report reflects the new branding and naming conventions.

The Group will trade as Ingenta from April 2016. Publishing Technology plc remains the name of the holding company and will only change to Ingenta plc if approved by shareholders at the AGM to be held in early May 2016.

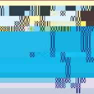
The decision to rename the Company has been made for

Product Map

VISTA

PRODUCT MANAGER

RIGHTS



CRM platform

Publishing Technology plc

Commercial

Publishing Technology plc

Advertising

Ingenta Advertising, is a complete, browser-based multimedia advertising, CRM and sales management platform for content providers. With the ability to sell and track digital and print ads in a single system, Publishers can maximise the value of their audience with streamlined ad sales, packaged ad buys and multi-channel campaigns, generating new revenues from previously untapped sources.

Ingenta Advertising manages

- Bookings
- Packages and bundles
- Inventory management
- Finance/credit control
- CRM

User features

- Account de-duplication
- Contact management
- Reporting and dashboard
- Free text, combined and advanced searching
- Traffic and ad copy tracking
- Third-party CRM integration

Ingenta Service Divisions

PCG

Global Sales Representation
Telemarketing
Market Research
Customer Service
Strategic Consulting

PCG (Publishers Communication Group), is an internationally recognised sales and marketing consultancy with a presence in the US, Europe, China, India and Latin America, providing a range of services which drive publisher•s sales.

Vista

Chairman•s statement

2015 developments

The most significant event in 2015 was the decision to raise equity finance to pay down all debt and provide working capital to the business. I am pleased that this was achieved in June with the issue of 7.9 million new shares at a price of 120p per share raising £9.5m before costs.

This was a natural time for us to raise additional funding as we neared the end of a significant investment cycle and looked forward to building the Group•s revenues by investing in sales and marketing to reach •the majority• of customers.

The raising has transformed the Company•s balance sheet, paying down all debt and providing working capital to complete the roll-out of the new product range.

2015 has seen further changes to the management team with Michael Cairns leaving the business in September 2015 and the promotion of David Montgomery to the position of CEO. The Board believes that David, with his extensive technology background, software track record and experience of working closely with our customers, is the right choice to take the Group forward.

Results

The audited results for the year ended 31 December 2015 reflect an improving picture albeit at a slower rate of revenue growth

Group strategic report

During 2015 the Company undertook an organisational restructuring program, partly in July and partly in the last quarter of the year to 31 December 2015. The business now reflects a traditional software company, with a focus on operations and business development. This replaces the previous structure, which was focused on product silos.

Business structure

David Montgomery became the CEO in September 2015 and pushed forward with the cost reduction exercise. The change of CEO and subsequent staff changes have inevitably had an effect on the smooth-running of the business in 2015, but they were necessary to ensure we had the right strategy for the future and the right skills to effect change.

The Board believes that the Group was carrying significant operational costs that were not aligned with the business needs (in both capacity and skills). Therefore, during the last quarter of 2015, £1.5m of annualised cost reductions were made. At the same time the Group built offshore capacity in India. The offshore team enables us to flex resource, extend capacity and introduce the skills required for each project.

Product strategy

The Board believes the Group was overly reliant on large enterprise sales, with an average sales cycle of more than 12 months. These sales engagements were costly and time consuming for all departments and also made it very difficult to predict revenue and resourcing requirements.

It was clear that the Group needed to introduce new products that could be s 6(bly 24(oup)-y 2g2)-4-7(1(we)-4(r)- mo)-o s4(ate)m-1(e)-4(t-4

- To establish platform-based products that will allow other software vendors to consume the Group’s products, white label or redistribute
- To ‘soften’ the products and enable them for use in other industry verticals
- To make the products cloud friendly, reduce third-party costs and improve hosting margins
- To introduce more third-party services (such as analytics), particularly for the hosted solutions, making the offering more appealing and enabling a progressive sales/up-sales approach
- To focus on quality, drive down maintenance and project work, and focus on true intellectual property
- To improve product deployment and reduce implementation costs
- To remove expensive third-party components over time, such as Oracle

Operating results

Management use a number of financial and non-financial measures and key performance indicators to monitor the health of the Group and the individual trading divisions. All elements of the Group forecast project developments, engineering works, headcount, revenue, costs, and cash flow on a monthly basis. Revenue streams are forecast in detail with all recurring revenue contracts individually listed and ranked by probability from firm to prospect.

At the beginning of each financial year, the Board adopts a budget based on the latest forecast for the coming financial year. During the year, the Board monitors the actual results of the business against budget and prior month forecast, and monitors the latest view for the financial year against budget and prior forecast.

Having reviewed the latest forecast available for reasonableness against prior years with knowledge of expected movements, the Board has concluded that forecast for the period to 31 March 2017 are robust.

The major risks for future trading are converting sales of Ingenta CMS and the Commercial product suite (Ingenta Rights, Royalties, Product Manager and Order to Cash), and generating revenue within PCG. Most of the business costs are fixed in the medium-term, being people and premises costs, and therefore there is a risk to Group profitability of more than the expected margin when budgeted revenue is not delivered as it takes time to make cost reductions. Accurate forecasting of revenue is

Ingenta CMS (previously pub2web)

Ingenta CMS revenue improved by £320K (18%) year-on-year as recurring hosting revenue and implementation revenue grew. The cost base within the Ingenta CMS division reduced by 15% as the Group moved some development offshore and reduced research and development spend. Overall gross contribution to Group costs from Ingenta CMS improved by £0.5m year-on-year producing a 12% gross contribution after research and development costs in the year to 31 December 2015.

Ingenta Connect

Ingenta Connect net revenue (after publisher royalties for pay-per-view sales) for the year to 31 December 2015 remained the same as the prior year at £1.4m, however the cost base was reduced by around 25% to increase contribution to Group costs to 34% in the year to 31 December 2015 (2014: 21%).

Vista

The Vista business remains core to the Group going forward. Revenue in the year to 31 December 2015 was the same as the prior year. Recurring revenue reduced year-on-year as expected with one-off time-based services work bringing annual revenue back above £7m.

Vista revenue has benefitted from an improvement in the US Dollar exchange rate, which has moved from $1.64 / £1 in 2014 to $1.52 / £1 in 2015. This has improved revenue by around £140K.

PCG

PCG revenue for the year to 31 December 2015 remained the same as the prior year at £2m. Costs and therefore Gross Margin before allocation of Group costs also remained in line with the prior year. During the year to 31 December 2015, the PCG divisi

Outlook

Following a difficult year, I believe that we

Directors• report

For the year ended 31 December 2015

The Directors present their report and the audited financial statements for the year ended 31 December 2015.

Going concern

The Directors have prepared the financial statements on the go

Corporate governance statement

Corporate governance statement

The Group is committed to high standards of corporate governance. It has adopted procedures to institute good governance insofar as it is practical and appropriate for an organisation of its size and nature, notwithstanding the fact that companies that have securities traded on the Alternative Investment Market (AIM) are not required to comply with the UK Corporate Governance Code as appended to the Listing Rules issued by the Financial Services Authority.

As the Group grows, it will regularly review the extent of its corporate governance practices and procedures. At its current stage of development, the parent Company does not consider it appropriate to be fully compliant with the UK Corporate Governance Code.

Board of Directors

Board meetings are scheduled to take place every month, with additional meetings to review and approve significant transactions or strategic issues. There were 16 meetings in the year to 31 December 2015. The Board is provided with Board papers where appropriate before each Board meeting. The Company Secretary•s services are available to all members of the Board. If required, the Directors are entitled to take independent advice and if the Board is informed in advance, the Group will reimburse the cost of the advice. The appointment and removal of the Company Secretary is a decision for the Board as a whole.

Non-Executive Directors are appointed on a contract with a three month notice period. One Executive Director is appointed on a contract with a twelve month notice period from the Company and a six month notice period from the Executive Director and one Executive Director is appointed on a contract with a six month notice period from both the Company and from the Executive Director. All Directors are subject to re-election. Each year, one third of the Directors are subject to re-election by rotation. The Group does not combine the role of Chairman and Chief Executive. New Directors are subject to re-election at the first AGM after their appointment.

At the year end, the Board comprised the Non-Executive Chairman, the Chief Executive, the Chief Financial Officer and two other Non-Executive Directors.

Remuneration Committee

The Remuneration Committee is composed of three Non-Executive Directors: M C Rose (Chairman), M A Rowse and N W Kirton. It is responsible for the terms, conditions and remuneration of the Executive Directors and senior management. The Remuneration Committee may consult external agencies when ascertaining market salaries. The Chairman of the Reon,5(o)4(n,5(u Tw -r

The Group operates a comprehensive budgeting and financial repoting system and, as a matter of routine, compares actual results with budgets, which are approved by the Board of Directors.

Management accounts are prepared for the Group on a monthly basis. Material variances from budget are thoroughly investigated. In addition, an updated forecast is prepared monthly, to reflect actual performance and the revised outlook for the year.

The Board considered the usefulness of establishing an internal audit function and decided in view of the size of the Group it was not cost-effective to establish. This will be kept under review.

Functional reporting and risk management

The Directors and management have considered the risks facing the business and these are assessed on an ongoing basis. The key risks are discussed in note 25. Other risks which come under the direct control of the Directors include treasury management, capital expenditure, insurance, health and safety and regulatory compliance. Risk assessment includes the review of potential mitigations. The accounting policies cover several key risks and these are included in the notes.

Statement of Directors' responsibilities

The directors are responsible for preparing the Group Strategic Report and 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 the financial statements in accordance with International Financial Reporting Standards (IFRS•s) as adopted by the European Union for the Company and the Group. 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 or loss of the Company and 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 IFRS•s for the Company and the Group have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company•s transactions and disclose with reasonable ac
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Independent auditor's report to the members of Publishing Technology plc

We have audited the financial statements of Publishing Technology plc for the year ended 31 December 2015 which comprise the Group statement of comprehensive income, the Group and parent Company statement of financial position, the Group and parent Company statement of changes in equity, the Group and parent Company statement of cash flows 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 (IFRSs) as adopted by the European Union and, as regards the parent Company financial statements, is applied in accordance with the provisions of the Companies Act 2006

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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 20, 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 Internationa

Group Statement of Comprehensive Income

For the year ended 31 December 2015

	note	Year ended 31 Dec 15 £•000	Year ended 31 Dec 14 £•000
Gross revenue		14,625	14,364
Less revenue from joint venture	3	(684)	(687)
Group revenue	2	13,941	13,677
Cost of sales		(9,908)	(12,068)
Gross profit		4,033	1,609
Sales and marketing expenses		(1,494)	(1,517)
Administrative expenses		(4,055)	(3,646)
Loss from operations	5	(1,516)	(3,554)
Share of (loss) / profit from joint venture	3	(100)	20
Finance costs	7	(288)	(460)
Loss before income tax		(1,904)	(3,994)
Income tax	8	472	395
Loss for the year attributable to equity holders of the parent		(1,432)	(3,599)
Other comprehensive expenses which will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		16	(5)
Total comprehensive loss for the year attributable to equity holders of the parent		(1,416)	(3,604)
Basic and diluted loss per share (pence)	9	(11.28)	(42.77)

All activities are classified as continuing.
The accompanying notes form part of these financial statements.

Group Statement of Financial Position

As at 31 December 2015

	note	31 Dec 15	31 Dec 14	31 Dec 13

Group Statement of Changes in Equity

For the year ended 31 December 2015

	Share capital £'000	Share Premium £•000	Merger reserve £'000	Reverse acquisition reserve £'000	Translation reserve £'000	Retained earnings £'000	Investment in own shares £'000	Total attributable to owners of parent £'000
Balance at 1 January 2015	841	-	11,055	(5,228)	(903)	(9,807)	(7)	(4,049)

For the year ended 31 December 2014

Group Statement of Cash Flows

For the year ended 31 December 2015

	note	Year ended 31 Dec 15 £•000	Year ended 31 Dec 14 £•000
Loss before taxation		(1,904)	(3,994)
Adjustments for			
Share of loss / (profit) from joint venture		100	(20)
Depreciation		233	227
Loss on disposal		3	-
Interest expense		288	460
Unrealised foreign exchange differences		16	(5)
Decrease in trade and other receivables		143	1,593
(Decrease) / increase in trade and other payables			

Notes to the Group financial statements

For the Year ended 31 December 2015

General information and nature of operations

Publishing Technology plc (the •Company•) and its subsidiaries (together the •Group') is a provider of content management, advertising and Commercial enterprise solutions and services to publishers, information providers, academic libraries and institutions. The nature of the Group•s operations and its principal activities are set out in the Chairman•s statement and Group Strategic report.

The Company is incorporated in the United Kingdom under the Companies Act 2006. The Company's registration number is 837205 and its registered office is 8100 Alec Issigonis Way, Oxford, OX4 2HU. The consolidated financial statements were authorised by the Board of Directors for issue on 30 March, 2016.

1. Principal accounting policies

Going concern

The accounts are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, management have taken into account all relevant available information about the future including revenue, profit and cash forecast and management•s ability to affect costs and revenues.

Management regularly forecast profitDi Tc 08ial position and cash flows for the Group. The rolling annual forecast is normally updated monthly.

Having reviewed the latest forecast, management regard the forecast to be robust. Revenue streams are forecast in detail with all recurring revenue contracts individually listed and ranked by firmness from firm to prospect. Management have reviewed forecast costs for reasonableness against prior years and with knowledge of expected movements and concluded that forecast costs are robust.

As at 31 December 2015 the Group had net current liabilities of £0.5m (2014: liabilities of £6.8m), of which £3.6m (2014: £3.6m) relates to deferred income which will be recognised in the year ending 31 December 2016.

The Group does not have the need for an overdraft fa8ility and has positive cash balances of £2.1m as at 31 December 2015 (2014: £1.7m overdrawn). Management have assured themselves that cash is sufficient for the needs of the business based on the cash flow forecast.

sold or impaired, the accumulated fair value adjustments recognised in equity are reclassified from equity to profit or loss.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models making maximum use of market inputs and relying as little as possible on entity specific inputs.

Financial liabilities

The Group•s financial liabilities include borrowing and trade and other payables.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised within profit or loss within the Statement of Comprehensive Income over the period of the borrowing using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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.

Equity

Share capital represents the nominal value of shares that have been issued.

The translation reserve within equity relates to foreign currency translation differences arising on the translation of the Group•s foreign entities.

Retained earnings include all current and prior year retained profits and losses.

Reverse acquisition reserve and merger reserve represent balances arising on the acquisition of Ingenta plc in 2007. The IFRS 3 acquisition adjustment reflects the entries required under reverse acquisition accounting, whereby consolidated shareholders• funds comprise the capital structure of the legal parent combined with the reserves of the legal subsidiary and the post acquisition reserves.

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commission monthly in arrears when cash receipts are forwarded to the customer.

Employee benefits

Pension obligations

The Group operates various pension schemes which are by nature defined contribution plans. A defined contribution plan is a pension plan under which the Group pays a fixed contribution into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group does not operate a defined benefit plan.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognised as employee benefit expenses when they are due.

Share-based employee remuneration

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions.

All share-based remuneration is ultimately recognised as an expense in profit or loss. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of

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that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third-party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination. In a business combination contingent liabilities are recognised in the course of the allocation of the purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognised, less any amortisation.

Possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

Foreign currency

The consolidated financial statements are presented in Sterling (GBP), which is also the functional currency of the parent Company.

Foreign currency transactions are translated into the functional currency of the respective Group entity, using a monthly estimated rate set at the beginning of each month. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognised in profit or loss. Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and not subsequently retranslated.

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than Sterling are translated into Sterling upon consolidation. The functional currencies of the entities in the Group have remained unchanged during the reporting period. On consolidation, assets and liabilities have been translated into Sterling at the closing rate at the reporting date. Income and expenses have been translated into the Group's presentation currency at an approximation of the average rate over the reporting period. Exchange differences are charged / credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Sterling at the closing rate.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Executive

- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2018). IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options , and other

2. Revenue

An analysis of the Group•s revenue (excluding revenue of the equity accounted investment) is detailed below by activity across the Group•s operating units:

	Year ended 31 Dec 15 £'000	Year ended 31 Dec 14 £'000
Licences	52	347
Consulting Services	2,717	2,323
Hosted Services	3,519	3,280
Managed Services	3,001	3,015
Support and Upgrade	2,613	2,683
PCG	2,039	2,029
	13,941	13,677

An analysis of the Group•s revenue (excluding revenue of the equity accounted investment) by business division is as follows:

	Year ended 31 Dec 15			Year ended 31 Dec 14		
	Recurring revenue £'000	Non Recurring revenue £'000	Total Revenue £'000	Recurring revenue £'000	Non Recurring revenue £'000	Total Revenue £'000
Vista applications division	5,776	1238	7,014	5,831	1,200	7,031
Commercial products division	305	605	910	388	523	911
Content products division	3,278	700	3,978	3,041	665	3,706
Marketing Communications Division (PCG)	958	1,081	2,039	881	1,148	2,029
	10,317	3,624	13,941	10,141	3,536	13,677

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Year to 31 December 2014	Commercial products £'000	Vista £'000	Content products £'000	PCG £'000	Consolidated £'000
External sales	911	7,031	3,706	2,029	13,677
Segment result (EBITDA)	(5,441)	3,252	(947)	7	(3,129)
Depreciation	(18)	(136)	(73)	-	(227)
Unallocated corporate expenses					(91)
Restructuring					(88)
Foreignexchangeprofit					(19)
Operatingprofit					(3,554)
Share of profit from equity accounted investment					20
Finance costs					(460)
Profit before tax					(3,994)
Tax					395
Profit after tax					(3,599)

Other information	Commercial products £'000	Vista £•000	Content products £•000	PCG £•000	Consolidated £•000
Capital additions	78	77	76	1	233
Statement of Financial Position					
Assets					
Attributable Goodwill	-	-	2,661	1,076	3,737
Segment assets	2,410	2,410	2,066	687	7,573
Unallocated corporate assets					655
Consolidated total assets					11,965
Liabilities					
Segment liabilities	2,053	2,053	1,472	898	6,476
Unallocated corporate liabilities					9,538
Consolidated total liabilities					16,014
Total equity and liabilities					11,965

5.Loss from operationsq 134_0 Tf -0.0003 87 0 T8nw 0 7.98 560.28 80.0203 0743 .

6. Staff numbers and costs

	Year ended 31 Dec 15 Average number	Year ended 31 Dec 14 Average number
Staff numbers:		
Operations	119	132
Sales and marketing	32	29
Administration	12	11
	163	172

Staff numbers exclude contractors

	Year ended 31 Dec 15 £'000	Year ended 31 Dec 14 £'000
Their aggregate remuneration comprised:		
Wages and salaries	8,609	9,027
Social security costs	990	974
Contribution to defined contribution plans	393	386
Health Insurance	439	465
Other staff costs	20	26
Total staff costs	10,451	10,878
Remuneration in respect of Directors was as follows:		
Non-Executive Director fees	128	110
Executive Directors' emoluments	328	296
Compensation to directors for loss of office	175	-
Company pension contributions to money purchase schemes	39	26
	670	432
Remuneration of the highest paid Director (aggregate emoluments)	318	148

Further unaudited information on Directors• remuneration is provided in the Directors• remuneration report. Key management personnel within the business are considered to be the Board of Directors. Pension contributions of £37K were paid in respect of the highest paid Director (2014: £14K). There are two (2014: one) Directors in a money purchase pension scheme.

The Group operates defined contribution retirement benefit schemes for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. The total cost charged to income of £393K (2014: £386K) represents contributions payable to these schemes by the Group at rates specified in the rules of the plans. As at 31 December 2015, contributions of £37K (2014: £43K) due in respect of the current reporting period were included in the Statement of Financial Position for payment in January 2016.

The Group operates an Unapproved Employee Stock Option plan. No charge has been recognised during the year as the cumulative fair value of the options is not considered to be material.

7. Finance costs

	Year ended 31 Dec 15 £'000	Year ended 31 Dec 14 £'000
Interest payable:		
Interest on bank overdraft and loans	105	214
Interest on finance leases	21	25
Interest on other loans	162	221
	288	460

Interest on other loans relates to the loan note and the short term loans. Further details are provided in note 15.

8. Tax

	Year ended 31 Dec 15 £'000	Year ended 31 Dec 14 £'000
Analysis of credit in the year		
Current tax:		
Current research and development tax credit - UK	405	400
Current year State tax - US	-	(15)
Adjustment to prior year charge - UK	67	10
Taxation	472	395

11. Property, plant and equipment

	Leasehold improvements	Fixtures and

12. Trade and other receivables

Trade and other receivables comprise the following:

	As at 31 Dec 15	As at

18. Operating lease arrangements

The Group as lessee

At the reporting date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	As at 31 Dec 15 £'000	As at 31 Dec 14 £'000	As at 31 Dec 13 £'000
Land and buildings			
Minimum lease payments due within one year	274	338	359
Minimum lease payments due in the second to fifth years inclusive	899	894	450
Minimum lease payments due after the fifth year	148	297	-
	1,321	1,529	809
Other			
Minimum lease payments due within one year	63	72	39
Minimum lease payments due in the second to fifth years inclusive	2	59	62
	65	131	101

Operating leas( )T i4 a6341(sseel[(6)-4(5 y,19 0 Td [( )-5318( )8( )-5325( )] ( )8(h)-4(roup hadup hasg)]TJ nc)4(e18 T

20. Share options

The Group had an approved option scheme, which was an HM Revenue and Customs approved scheme, available to eligible Directors and employees. As at 31 December 2015, no options are outstanding which have been granted and not exercised or lapsed. (2014: 5,000; 2013: 8,844).

The change from 31 December 2014 is due to options lapsing as they reached the 10th anniversary of the grant date during the year, due to staff ceasing to be eligible employees or due to options lapsing due to criteria for their vesting not being met. No charge has been made for the year under IFRS 2 as the Directors do not consider there is a material impact on the reported result.

The approved option scheme is now out with the operative period of 10 years from adoption date as set down in the scheme rules. Therefore no more options will be granted under this approved scheme and it was closed before 31 December 2015.

21. Investment in own shares

	Publishing Technology Shares held in trust	Treasury Shares	Nominal value	Cost
	Number	Number	£	£
At 31 December 2013	216,662	2,172	21,883	6,550
At 31 December 2014	203,319	-	20,332	6,081
At 31 December 2015	30,322	-	3,032	907

Investment in own shares relates to shares held by the Spread

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Interest rate sensitivity

The Group•s policy is to minimise interest rate cash flow risk exposures on long term financing. Long term borrowings are therefore usually at fixed rates. At 31 December 2015 the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings (being the loans see note 15) are at fixed interest rates.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/-1%. These changes are considered to be reasonably possible based on market movements current market conditions. The calculations are based on a change in the average market interest rate for each year, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit for the year £•000		Equity £•000	
	+ 1%	- 1%	+1%	-1%
31 December 2015	(17)	39	(17)	39
31 December 2014	(24)	51	(24)	51
31 December 2013	(30)	30	(30)	30

Credit risk analysis

The Group•s maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

2015 4 Tw -51.4

Liquidity risk analysis

The Group manages its liquidity needs by monitoring scheduled debt repayments for long term financial liabilities as well as forecast cash flows due in day to day business. Liquidity needs are monitored in various time bands. Short term cash flow is monitored daily using known daily inflows and outflows for cash flows within 8 to 12 weeks. Medium term cash flows within 12 months are monitored using monthly rolling forecast data. Longer term cash flows are monitored using higher level management strategy documents. Net cash requirements are compared to cash balances and forecast in order to determine headroom or any shortfalls. This analysis shows if available cash is expected to be sufficient over the lookout period of 15 months to March 2017.

The Group maintains sufficient cash balances and enters into finance lease arrangements to meet its liquidity requirements for the medium term forecast period (1 year).

As at 31 December 2015, the Group's financial liabilities have contractual maturities

An analysis of the Group's liabilities is set out below:

	As at 31 December 2015			As at 31 December 2014		
	Financial liabilities at amortised cost	Non-financial liabilities	Total for financial position heading	Financial liabilities at amortised cost	Non-financial liabilities	Total for financial position heading
	£'000	£'000	£'000	£'000	£'000	£'000
Trade payables	415	-	415	843	-	843
Social security and other taxes	-	505	505	-	548	548
Finance leases	-	239	239	-	289	289
Other payables	1,817	-	1,817	2,618	-	2,618
Accruals	694	-	694	1,062	-	1,062
Deferred income	-	3,594	3,594	-	3,585	3,585
Bank overdrafts	6,730	-	6,730	4,519	-	4,519
Short term loans	-	-	-	1,050	-	1,050
Loan note	-	-	-	1,500	-	1,500
	9,656	4,338	13,994	11,592	4,422	16,014

26. Capital management policies and procedures

The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern; and
- To provide an adequate return to shareholders

The Group monitors capital on the basis of the carrying amount of equity plus any loan notes less cash and cash equivalents. The Group's goal in capital management is a capital to overall financing ratio of 1:6 to 1:4.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities other than loan notes. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Capital for the reporting periods under review is summarised as follows:

	2015	2014	2013
	£'000	£'000	£'000
Total equity	3,726	(4,049)	(445)
Loan notes	-	1,500	1,500
Short term loans	-	1,050	-
Cash and cash equivalents	(2,077)	1,729	1,345
Capital	1,649	230	2,400
Total equity	3,726	(4,049)	(445)
Borrowings	6,730	7,069	4,729
Overall financing	10,456	3,020	4,284
Capital to overall financing ratio	0.16	0.08	0.56

27. Post balance sheet events

The Board approved the grant of stock options to senior staff in January 2016 with vesting criteria linked directly to exceeding market expectation of profitability in each of the next three years. In total 526,000 options were granted at an exercise price of 127p each.

Company Statement of Financial Position

As at 31 December 2015

	note	31 Dec 15 £•000	31 Dec 14 £•000
Non current assets			
Investments	3	6,177	6,236
Current assets			
Cash and cash equivalents		5,785	-
			-
Total assets		11,962	6,236
Equity			
Called up share capital	5	1,632	841
Share premium account		8,294	-
Retained earnings		1,909	2,054
Total equity		11,835	2,895
Current liabilities			
Trade and other payables	4	127	1,841
Non-current liabilities			
Borrowings	6	-	1,500
Total liabilities		127	3,341
Total equity and liabilities		11,962	6,236 11,9626m8

Company Statement of Changes in Equity

For the year ended 31 December 2015

Share

For the year ended 31 December 2014

Company Statement of Cash Flows

For the year ended 31 December 2015

	note	Year ended 31 Dec 15 £•000	Year ended 31 Dec 14 £•000
Loss before taxation		(145)	(145)

Notes to the Company financial statements

1. Accounting Policies

Statement of compliance

These financial statements have been prepared in accordance with IFRS. The Company has elected to adopt the standard for the year ended 31 December 2015 for the first time.

Changes in accounting policies

The Company has adopted IFRS for the first time this year. The Company has elected to adopt the transition provisions as per IFRS 1 'First-time Adoption of International Financial Reporting Standards' with a transition date of 1 January 2015.
A summary of the principal Company accounting policies, which have been applied consistently, is set out below.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment in value. Intercompany loans are long term in nature and have been classified as investments. The Directors do not believe the investments have been impaired based on the findings of the wider impairment review detailed in note 10 of the Group accounts.

Borrowings

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Going concern

The accounts are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, management have taken into account all relevant available information about the future including a profit and cash forecast, the continued support of the shareholders and Directors, banking facilities and management's ability to affect costs and revenues.

Management regularly forecast profit, financial position and cash flows for the Group. The rolling annual forecast is normally updated monthly.

Having reviewed the latest forecast, management regard the

3. Investments

	2015 £'000	2014 £'000
Cost		
At 1 January	6,236	3,270
Intercompany loans transferred from receivables	-	2,966
Movement in intercompany loans	(59)	-
At 31 December	6,177	6,236

Investments are investments in subsidiary and joint venture undertakings.

Details of subsidiary undertakings, in which the Company holds majority shareholdings and investments in which the Company holds significant interest and which have been consolidated and disclosed respectively in the Gr

7. Related party transactions

Loan notes

Prior to redemption, the note holder of the £1.5m loan notes was a trust in which M C Rose, the Non Executive Chairman of the Group, is a trustee. Interest of £83K was accrued and paid in the year to 31 December 2015.

Short term loans

£200K was borrowed from the directors in March 2015 and £200K in P8 and-1.203t0.09 which M C Rh M C Rh M 0]TJ -0.trusteAll sans

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