

REGISTERED NUMBER: 04458947 (England and Wales)

BOXHILL TECHNOLOGIES PLC

**REPORT AND FINANCIAL STATEMENTS
FOR THE EIGHTEEN MONTH PERIOD ENDED 31 JANUARY 2016**

BOXHILL TECHNOLOGIES PLC

COMPANY INFORMATION

DIRECTORS	Lord E T Razzall A J A Flitcroft P I Jackson (resigned 20 May 2016) C M Hyman (appointed 20 May 2016) A Rudolf (appointed 20 May 2016)
SECRETARY	A J A Flitcroft
COMPANY NUMBER	04458947
REGISTERED OFFICE	39 St James Street London SW1A 1JD
NOMINATED ADVISERS AND BROKERS	Allenby Capital Limited 3 St Helens Place London EC3A 6AB
AUDITORS	Hart Shaw LLP Europa Link Sheffield Business Park Sheffield S9 1XU
SOLICITORS	Harrison Clark Rickerbys 5 Deansway Worcester WR1 2JG
REGISTRARS	SLC Registrars Limited 42-46 High Street Esher Surrey KT10 9QY
PRINCIPAL BANKERS	Lloyds TSB Bank PLC 134 High Street Stourbridge West Midlands DY8 1DS

BOXHILL TECHNOLOGIES PLC

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BOXHILL TECHNOLOGIES PLC

CHAIRMAN'S REPORT

For the 18 months ended 31 January 2016

Operating and Financial Review

The Company continues to develop the payments business and its growth has brought about a welcome return to operational profitability. The future brings, with the completion of the acquisitions of both Emex (UK) Group Limited (EMEXPAY) and Freepaymaster Limited, a comprehensive offering as a FinTech company.

In addition to payment processing enabling merchants to accept traditional and alternative payments, our new services include digital wallet accounts for businesses and individuals, peer to peer transactions, access to foreign and crypto currency exchanges, worldwide wire payments and other emerging transaction methods allowing businesses and individuals to securely pay before, during or after using a service or purchasing a product.

Financial Summary

In my review of the half-year figures to 31 January 2015 the Group made an operating profit before exceptional items of £296,000 (2014: loss £49,000). I am pleased to report that for the 18 months to 31 January 2016 the Group achieved an operating profit before exceptional items of £970,000 compared to £626,000 for the year to 31 July 2015 (2014: loss £110,000).

In summary, for the eighteen months to 31 January 2016 the Group performance was as follows:

Revenue **£3,286,000**
Gross Profit **£2,423,000**
EBITDA **£1,006,000**
Operating profit before exceptional items **£970,000**

Exceptional Items:

Loss for the period on disposal of subsidiary **(£430,000)**
Loss on disposal of Leasehold Land and Buildings **(£342,000)**

Taxation charge **(£205,000)**

Loss for the period **(£1,000)**

The Consolidated Income Statement shows exceptional costs of £430,000 relating to the loss on sale of Pay Corporation Limited (£460,000 is a non-cash item representing a write off of goodwill and thus does not affect the ongoing business being integrated into EMEXPAY) and a further non-cash loss of £342,000 in respect of the disposal of the leasehold land and buildings. The loss on disposal of leasehold land and buildings resulted from the creation of the joint venture to manage the Soccerdome facility and secure its future for the benefit of the Group, avoiding capital spend of at least £200,000 and securing an income of £250,000 from Soccerdome moving forward.

The significant progress made in revenue growth and operating profit demonstrates the Board's focus on building a sustainable business, in no short measure helped by our small team of dedicated staff. The biggest contributor is the payment software business and this is where the Board believes we are only just beginning on a journey towards building a significant player in the exciting FinTech sector. The lottery business remains steady, and has seen behind the scenes improvements in both the technology it relies upon and the day to day functioning of the business. It is now well placed for growth.

BOXHILL TECHNOLOGIES PLC

CHAIRMAN'S REPORT For the 18 months ended 31 January 2016

In the last Annual Report and Financial Statements reference was made to a matter relating to a subsidiary company, Pay Corporation Limited ("Paycorp") with a possible liability for VAT and an equivalent amount due from debtors. The auditor's concerns therein related to proof of recoverability of this amount from those recipients and others and the relating potential liability to HMRC. Although the matter was not a liability of the Parent Company but that of a wholly owned subsidiary, it was felt that a disposal of the subsidiary would be the prudent method of removing the risk of that potential liability affecting the Group in the future. The Board sought specialist legal and regulatory advice prior to the transfer into Boxhill of Paycorp's trading activity and the subsequent sale of that subsidiary to a third party.

Operational Summary

The Board has delivered on its promise of profitability. The Company has also concluded the acquisitions of EMEXPAY and Freepaymaster Limited. EMEXPAY was an existing supplier of acquiring services to the Company and brings further services into the Group widening our appeal to customers. The expanded Company is now able to take advantage of its increased capacity and functionality, with improvements to existing and new services being rolled out in the coming weeks.

Prize Provision Services Limited, which operates The Weather Lottery, has performed in line with expectations and continues to play an important role in raising funds for hundreds of small charities and non-profit organisations. This period we saw a jackpot winner. Since incorporation and to date the Company has paid out prizes to the value of £4.9m and has raised £5.4m for good causes. The opportunity remains to support good causes at grass roots, a gap created when the National Lottery announced it will only support sports at an elite level.

Outlook

The payments division continues to win new customers across all areas of e-commerce. Working with channel sales partners we are able to acquire customers who previously may not have been accessible to the Company. With the additional services offered by EMEXPAY and Freepaymaster Limited we can now provide a complete set of traditional and alternative payment services to businesses and individuals. The acquisitions are already bearing fruit with the Company's newly combined services providing sales from existing and new customers. In addition, fees paid to EMEXPAY for their services are of course now revenue for the Group.

The joint venture with Soccerdome has secured its future. The newly redeveloped centre opened this month and is expected to generate a modest income whilst allowing the management team to focus on the Company's core businesses.

Having delivered on its promise of returning to profitability the Board will continue its focus on prudent management of costs and realising the return on investment the expanded business will bring about. The year ahead sees the challenge of delivering shareholder value through the continuing growth in the payments business which will be aided by the planned appointment of a new chief executive in the near future.

BOXHILL TECHNOLOGIES PLC

CHAIRMAN'S REPORT
For the 18 months ended 31 January 2016

Lord E T Razzall
Chairman

26 May 2016

BOXHILL TECHNOLOGIES PLC
STRATEGIC REPORT
For the 18 months ended 31 January 2016

The Directors present their Strategic Report on the Group for the 18 months ended 31 January 2016.

Business review and future developments

The principal activities of Boxhill Technologies PLC are that of lottery administrators and the provision of payment processing products and services. A review of these activities, future developments and principal risks is provided in the Chairman's Statement and the Principal risks and uncertainties section.

Financial key performance indicators ("KPI's")

The key performance indicators reviewed by the Group Board are as follows:

- Turnover
- Operating profit
- Profit before taxation
- Rolling cash flow forecasts

These indicators are reviewed by the Group Board at least once a month. Explanations are sought and given for any material variances and the management are required to provide plans to recover any performance failures as they occur during the year.

Principal risks and uncertainties facing the Group

Management and employees

The nature of the Group and its business model creates reliance upon retaining and incentivising its senior management and certain key employees, whose expertise will be important to the fortunes of the Group going forward. The Directors have endeavoured to ensure that the principal members of its management team are suitably incentivised, but the retention of such staff cannot be guaranteed.

The Group may need to recruit additional senior management and other staff in order to further develop its business. There can be no guarantee that such individuals will be recruited in the Group's preferred timetable or at the cost levels anticipated by the Group. Competition for staff is strong and therefore the Group may find it difficult to retain key management and staff. The loss of key personnel and the inability to recruit further key personnel could have a material adverse effect on the future of the Group through the impairment of the day-to-day running of the businesses and the inability to maintain existing client relationships.

Exposure of the Group to UK economic conditions

Demand for the Group's services may be significantly affected by the general level of economic activity and economic conditions in the regions and sectors in which the Group operates. Therefore, a continuation of the challenging economic environment, especially in regions or sectors where the Group's operations are focused, could have a material adverse effect on the Group's business and financial results.

BOXHILL TECHNOLOGIES PLC

STRATEGIC REPORT For the 18 months ended 31 January 2016

Competition

The Group is engaged in business activities where there are a number of competitors. Many of these competitors are larger than the relevant businesses carried on by the Group and have access to greater funds than the Group, which will potentially enable them to gain market share at the expense of the Group.

Acquisitions

The Directors cannot discount circumstances where an acquisition would support the Company's business strategy. However, there is no guarantee that the Company will successfully be able to identify, attract and complete suitable acquisitions or that the acquired business will perform in line with expectations.

Funding and working capital

Maintaining a sufficient level of working capital is essential to enable the Group to meet its foreseeable obligations and achieve its strategy. Failure to manage working capital could impact upon the ability of the Group to grow.

Management of growth

The ability of the Group to implement its strategy in an expanding market requires effective planning and management control systems. The Directors anticipate that further expansion will be required to respond to market opportunities and the potential growth in its client base. The Group's growth plans may place a significant strain on its management, operational, financial and personnel resources. The Group's future growth and prospects will, therefore, depend on its ability to manage the growth and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and management information and quality control systems in line with the Group's growth could have a material adverse effect on its business, financial condition and results of operations.

Market developments

Any failure to expand the Group's service offering in response to customer demand and/or industry developments may have an adverse effect on the Group's financial performance and prospects.

Reliance on Partners

Much of the Group's business is dependent on partners (acquiring banks, charities, clubs, etc.). Changes in key relationships within those partners, change of strategic direction by partner organisations, changes in the viability of partner-owned technology, economic and other business circumstances could all have an adverse effect on the financial performance of the Group.

Legal and regulatory matters

The Group is subject to a considerable degree of regulation and legislation. Changes in or extensions of laws and regulations affecting the industry in which the Group operates (or those in which its customers operate) and the rules of industry organisations could restrict or complicate the Group's business activities, with the potential to increase compliance/legal costs significantly.

BOXHILL TECHNOLOGIES PLC

STRATEGIC REPORT

For the 18 months ended 31 January 2016

A J A Flitcroft
Director

26 May 2016

BOXHILL TECHNOLOGIES PLC

DIRECTORS' REPORT
For the 18 months ended 31 January 2016

The Directors present their Report and Financial Statements for the 18 month period ended 31 January 2016.

Principal activities

The principal activity of the Company is that of a holding company.

The principal activities of the Group in the period was that of lottery administrators and the provision of payment processing products and services. The floodlit football astroturf pitches have been divested on favourable terms and the Group maintains a minority shareholding in that company. The acquisition of EMEXPAY and Freepaymaster Limited has broadened the services in the payment processing business, which is now the Group's largest division and the driver of growth.

Legal matters

As required by section 656 of the Companies Act 2006, the Directors are required to point out that the net assets of the Company are less than 50% of the aggregate of share capital and the share premium account. The Board will discuss at the AGM the ways it will seek to rectify this position.

Financial risk management

The Group's financial risk management policies are disclosed in the accounting policies and note 23 within the financial statements.

Dividends

The Directors do not recommend a dividend for the eighteen months ended 31 January 2016 (2014: £Nil).

Directors

The following Directors held office during the eighteen months ended 31 January 2016:

Lord E T Razzall
A J A Flitcroft
P I Jackson (resigned 20 May 2016)

On 20 May 2016 C M Hyman and A Rudolf were appointed to the Board of Directors.

Directors' interests in shares and warrants

The Directors who held office during the eighteen months ended 31 January 2016 and those holding office as at the date of these accounts had the following interests in the shares of the Company, including family interests:

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DIRECTORS' REPORT
For the 18 months ended 31 January 2016

	Ordinary shares of 0.1p each	
	<i>At 31 January 2016</i>	<i>At 31 July 2014 (or date of appointment, if later)</i>
Lord E T Razzall	62,965,986	80,965,986
A J A Flitcroft	25,674,408	25,674,408
P I Jackson (resigned 20 May 2016)	-	-
C M Hyman (appointed 20 May 2016)	-	-
A Rudolf (appointed 20 May 2016)	-	-

The following share options have been issued to the Directors of the Company, none were exercised in the year to 31 July 2015 and all were still held at the end of the eighteen months to 31 January 2016:

	<i>Number</i>	<i>Exercise price</i>	<i>Exercise period</i>
Lord E T Razzall	3,200,000	0.75p – 1.25p	8 June 2010 – 2 June 2017

Further details of these options are given in note 27 to the Financial Statements.

Directors' remuneration

In accordance with AIM Rule 19, the remuneration of the Directors, who served during the eighteen months is detailed below:

	<i>Salary, fees & benefits in kind</i>	<i>Bonus</i>	<i>Pension contributions</i>	<i>Total</i>
	£'000	£'000	£'000	£'000
Lord E T Razzall	36	-	-	36
A J A Flitcroft	48	-	-	48
P I Jackson	45	-	-	45

Substantial shareholdings

As at 31 January 2016 the Company has been notified of the following substantial holdings (3% or more) of ordinary 0.1p shares:

	<i>Percentage holding</i>	<i>No. of shares</i>
Management Express Ltd**	16.26%	236,656,580
SmartePay Limited	6.14%	89,405,798
Lord E T Razzall	4.33%	62,965,986
J Malone	3.31%	48,236,391
Robert Gerald Wall	3.08%	44,870,216

Since the period end and to the date of approval of this report, there have been no movements in the substantial holdings.

** Management Express Ltd is beneficially owned by James Rose, a director of Prize Provision Services Limited, a wholly owned subsidiary of the Company.

BOXHILL TECHNOLOGIES PLC

DIRECTORS' REPORT For the 18 months ended 31 January 2016

No other person has notified an interest in the ordinary shares of the Company as required to be disclosed to the Company.

Capital structure

Details of the issued share capital are shown in note 25. There are no special restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restriction on the transfer of securities or on voting rights. No one has any special rights of control over the Company's share capital and all issued shares are fully paid.

Under its Articles of Association, the Company has authority to issue the amount of shares shown in note 25.

Donations

Charitable and political donations made by the Group during the period amounted to £Nil (2014: £Nil).

Creditor payment policy and practice

It is the Group's policy to establish terms of payments with suppliers when agreeing each transaction or series of transactions, to ensure that suppliers are aware of these terms of payment and to abide by them. At 31 January 2016, the Group had an average of 111 days (2014: 91 days) of purchases outstanding in trade creditors.

Going concern

UK Company Law requires Directors to consider whether it is appropriate to prepare the financial statements on the basis that the Company and the Group are going concerns. Throughout the financial statements there are various disclosures relating to Group funding and operational risks. The Directors' report summarises the key themes.

The Group does have some exposure to current economic conditions which have the potential to impact annual revenues. The Directors are confident that the Group has sufficient resources and support to ensure that the profit and cash generation derived from future trading are sufficient to meet the Group's future requirements. As a result of these reviews, the Directors are of the opinion that the Group has adequate resources to continue in operation for the foreseeable future. For this reason, they consider it appropriate to adopt the going concern basis in preparing the financial statements.

Environment policies

The Group is always seeking ways to improve its consumption of resources and ways to protect the environment.

Employee policies

The Group places considerable value on the involvement of the employees and keeps them informed on matters affecting them as employees and on relevant matters affecting the performance of the Group.

BOXHILL TECHNOLOGIES PLC

DIRECTORS' REPORT For the 18 months ended 31 January 2016

The Group's employment policies include a commitment to equal opportunities regardless of sex, age, race, sexual orientation or ethnic origin.

The Group's policy is to give full and fair consideration to applications for employment made by disabled persons, bearing in mind the respective aptitudes of the applicants concerned. In the event of staff becoming disabled every effort would be made to ensure their continued employment within the Group and to provide specialised training where appropriate.

Information to shareholders

The Group has its own website (www.boxhillplc.com) for the purposes of improving information flow to shareholders as well as potential investors.

Corporate governance

The Group intends to continue with measures previously put in place to ensure that it complies with the Corporate Governance Code in so far as is practicable and appropriate for a public company of its size and nature.

The Group has put into place an Audit Committee and a Remuneration Committee under the control of A J A Flitcroft, Finance Director during the period of this report. It has primary responsibility for monitoring the quality of internal control and ensuring the financial performance of the Group is properly measured and reported on and for reviewing reports from the Group's auditors relating to its accounting and internal controls. In all cases due regard is given to the interests of the shareholders. It also determines the terms and conditions of service of the executive Directors, including their remuneration and grant of options. Subsequent to the appointment of Mr Hyman and Mr Rudolf, the members of the board committees was changed. The Audit Committee now consists of Mr Hyman (Chair) and Mr Rudolf. The Remuneration Committee consists of Mr Rudolf (Chair) and Lord Razzall. The Company has also constituted a new AIM Committee, consisting of Lord Razzall (Chair) and Mr Hyman.

The Directors intend to comply with Rule 21 of the AIM Rules for Companies relating to Directors' dealings as applicable to AIM companies and will also take all reasonable steps to ensure compliance by the Group's applicable employees. In line with the AIM rules for Companies, the Group has adopted an AIM rules compliance policy setting out the procedures to be followed in order that the Company will fully comply with the AIM Rules for Companies.

Relations with shareholders

The Chairman is the Group's principal spokesperson with investors, fund managers, the press and other interested parties. At the Annual General Meeting, private investors are given the opportunity to question the Board.

Internal control

The Board acknowledges its responsibility for establishing and monitoring the Group's systems of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide the Directors with reasonable assurance that problems are identified on a timely basis and so can be dealt with appropriately.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations. Company law requires the

BOXHILL TECHNOLOGIES PLC

DIRECTORS' REPORT

For the 18 months ended 31 January 2016

Directors to prepare Group and Parent Company financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange the Directors are required to prepare the Group Financial Statements in accordance with IFRSs as adopted by the EU and applicable laws and have elected to prepare the Parent Company financial statements in accordance with UK Accounting Standards and Applicable Law (UK Generally Accepted Accounting Practice).

The Group financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and the performance of the Group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

The Parent Company financial statements are required by law to give a true and fair view of the state of affairs of the Parent Company. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the Parent Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Directors Report and other information contained in the Annual Report is prepared in accordance with company law in the United Kingdom.

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

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report each confirm the following:

- so far as they are aware, there is no relevant audit information of which the Group's auditors are unaware, and
- they have taken all the 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 Group's auditors are aware of that information.

A J A Flitcroft
Director

26 May 2016

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BOXHILL TECHNOLOGIES PLC
For the 18 months ended 31 January 2016**

We have audited the financial statements of Boxhill Technologies PLC for the period ended 31 January 2016 which comprise the Consolidated Income Statement, the Consolidated Statement of Financial Position and Parent Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in the preparation of the consolidated financial statements is Applicable Law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company Financial Statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with chapter 3 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and 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 pages 12 and 13), 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 (APB's) Ethical Standard for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Chairman's Statement, Strategic Report and Directors' Report to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 31 January 2016 and of the Group's loss for the period 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BOXHILL TECHNOLOGIES PLC
For the 18 months ended 31 January 2016**

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

**Paul Dawson (Senior Statutory Auditor)
For and on behalf of Hart Shaw LLP (Statutory Auditor)
Chartered Accountants and Business Advisers**

Europa Link
Sheffield Business Park
Sheffield
South Yorkshire
S9 1XU
26 May 2016

BOXHILL TECHNOLOGIES PLC

CONSOLIDATED INCOME STATEMENT
For the 18 months ended 31 January 2016

	Note	2016 £'000	2014 £'000
Continuing Operations			
Revenue		3,286	1,410
Cost of sales	6	(863)	(473)
Gross profit		2,423	937
Administrative expenses	6	(1,453)	(1,047)
Operating profit/(loss) before exceptional items		970	(110)
Loss on disposal of Leasehold Land & Buildings		(342)	-
Loss on sale of subsidiary		(430)	-
Profit/(Loss) before interest		198	(110)
Finance income	10	6	-
Finance costs	10	-	(77)
Profit/(Loss) before taxation		204	(187)
Tax expense	11	(205)	-
Profit/(Loss) for the period from continuing operations		(1)	(187)
Discontinued operations (Loss) for the period from discontinued operations	8	-	(496)
(Loss) for the period		(1)	(683)
Other comprehensive income			
Revaluation of equity investment	16	342	-
Total comprehensive income		341	(683)

BOXHILL TECHNOLOGIES PLC

CONSOLIDATED INCOME STATEMENT
For the 18 months ended 31 January 2016

Profit/(Loss) per share

Basic profit/(loss) per ordinary share	12	(0.00)	<i>(0.06)</i>
Diluted profit/(loss) per ordinary share	12	(0.00)	<i>(0.06)</i>

All of the profit/(loss) for the period is attributable to equity holders of the Parent Company.

The Notes on pages 23 to 50 form part of these financial statements.

BOXHILL TECHNOLOGIES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 January 2016
Registered Number: 04458947 (England and Wales)

	Note	2016 £'000	2014 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	55	383
Goodwill	13	1,673	618
Other intangible assets	14	31	28
Investment in equity instruments	16	342	-
Total non-current assets		2,101	1,029
Current assets			
Inventories	18	2	2
Trade and other receivables	19	919	1,651
Cash and cash equivalents	19	291	258
Total current assets		1,212	1,911
Total assets		3,313	2,940
LIABILITIES			
Current liabilities			
Trade and other payables	22	748	1,959
Bank and other borrowings	20	6	489
Convertible loan stock	28	1,600	-
Total current liabilities		2,354	2,448
Non-current liabilities			
Trade and other payables			
Bank and other borrowings	20	-	-
Deferred tax provision	24	-	-
Total non-current liabilities		-	-
Total liabilities		2,354	2,448
Net assets		959	492
EQUITY			
Share capital	25	1,456	1,427
Share premium account	26	1,820	1,723
Revaluation reserve	26	342	-
Retained earnings	26	(2,659)	(2,658)
Equity attributable to equity holders of the Parent		959	492

The financial statements were approved by the Board of Directors and authorised for issue on 26 May 2016. They were signed on its behalf by:

BOXHILL TECHNOLOGIES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 January 2016
Registered Number: 04458947 (England and Wales)

A J A Flitcroft

Director

The Notes on pages 23 to 50 form part of these financial statements.

BOXHILL TECHNOLOGIES PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 18 months ended 31 January 2016

	Called up share capital	Share premium account	Revaluation Reserve	Retained Earnings	Total Equity
	£'000	£'000	£'000	£'000	£'000
Balance 31 July 2013	795	1,463	-	(1,975)	283
Shares issued in period less costs	632	260	-	-	892
(Loss) for the period	-	-	-	(683)	(683)
Balance 31 July 2014	1,427	1,723	-	(2,658)	492
Issued in period less costs	29	15			44
Revaluation of investment in equity instrument			342		342
Profit on treasury shares		82			82
(Loss) for the period				(1)	(1)
Balance 31 January 2016	1,456	1,820	342	(2,659)	959

The Notes on pages 23 to 50 form part of these financial statements.

BOXHILL TECHNOLOGIES PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
For the 18 months ended 31 January 2016

	Note	18 months ended 31 Jan 2016 £'000	Year ended 31 July 2014 £'000
Cash Flow from operating activities			
Profit/(Loss) for the period/year		(1)	(683)
Adjustment for:			
Finance costs recognised in profit or loss		-	77
Finance income recognised in profit or loss		(6)	
Depreciation and amortisation of non-current assets		36	29
Loss from discontinued activities	8	-	496
Loss on disposal of subsidiary	29	430	-
Loss on disposal of Leasehold Land & Buildings	16	342	-
Expense recognised in respect of shares issued in exchange for consulting services		-	89
		802	691
Operating Cash Flow		801	8
Movement in working capital:			
Decrease / (Increase) in receivables		(972)	(1,327)
(Decrease) / Increase in payables		515	1,165
		(457)	(162)
Cash generated by/(used) in operations		344	(154)
Interest received/(paid)		6	(77)
Tax paid		(205)	-
Net cash generated by/(used) in continuing operating activities		145	(231)
Net cash generated from/(used) by discontinued operating activities		-	(102)
Net cash generated by/(used) in operating activities		145	(333)

BOXHILL TECHNOLOGIES PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
For the 18 months ended 31 January 2016

Cash flows from investing activities:

Payment for intangible assets	(10)	(6)
Net cash inflow on acquisition of subsidiary	80	13
Purchases of property, plant and equipment	-	(34)
Net cash (used in) continuing investing activities	70	(27)

Cash flows from financing activities

Proceeds from issue of equity instruments of the Company	44	174
Proceeds from sale of treasury shares	26 257	-
Proceeds from borrowings	-	394
Repayment of borrowings	(483)	(206)
Net cash generated from continuing financing activities	(182)	362
Net increase in cash and cash equivalents	33	2

Cash and cash equivalents at 1 August 2014	258	256
Cash and cash equivalents at 31 January 2016	291	258

Comprising of:

Cash and cash equivalents per the balance sheet	291	258
Cash and cash equivalents for cash flow statement purposes	291	258

As described in the accounting policies, bank overdrafts and borrowings repayable on demand fluctuate from being positive to overdrawn and are considered an integral part of the Group's cash management for cash flow statement purposes.

There is no material difference between the fair value and the book value of cash and cash equivalents.

The Notes on pages 23 to 50 form part of these financial statements.

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the 18 months ended 31 January 2016

1. General Information

Boxhill Technologies PLC is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is 39 St James's Street, London, SW1X 1JD. The nature of the Group's operations and its principal activities are described in the Directors' Report.

These financial statements are presented in Pounds Sterling because that is the currency of the primary economic environment in which the Group operates.

2. Adoption of new and revised International Financial Reporting Standards

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 August 2014.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 5	Amendment	Improvement review
IFRS 7	Amendment	Improvement review
IFRS 9		Financial Instruments
IFRS 10	Amendment	Consolidation exception and sale or contribution of assets between investor and joint venture
IFRS 11	Amendment	Accounting for acquisitions of interests in joint ventures
IFRS 12	Amendment	Investment entities and consolidation exceptions
IFRS 14		Regulatory deferral accounts
IFRS 15		Revenue from contracts with customers
IAS 1	Amendment	Resulting from the disclosure initiative
IAS16 and IAS 38	Amendment	Acceptable methods of depreciation and amortisation and proportionate restatement of accumulated depreciation on revaluation.
IAS 19	Amendment	Employee benefit contributions and improvement review
IAS 27	Amendment	Investment entities and equity method
IAS 28	Amendment	Consolidation exception and sale or contribution of assets between investor and joint venture
IAS 34	Amendment	Improvement review
IAS 39	Amendment	Novation of derivatives and continuation of hedge accounting
IAS 41	Amendment	Agriculture – bearer plants

These Standards and Interpretations are not expected to have any significant impact on the Group's financial statements in their periods of initial application.

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the 18 months ended 31 January 2016

3. Significant accounting policies

Basis of accounting

The financial statements, upon which this financial information is based, have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs).

The financial information has been prepared on a going concern basis, as at 31 January 2016, in accordance with International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”) as well as all interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). The Group has not availed itself of early adoption options in such standards and interpretations.

The financial statements, upon which this financial information is based, have been prepared under the historical cost basis except where specifically noted. The principal accounting policies adopted are set out below:

Going concern

The financial statements have been prepared on a going concern basis.

The Directors’ cash flow forecasts indicate that the Group will be able to operate within its existing bank facilities in the future. As with any business, there are uncertainties in the forecast, but as at the date of approval of these financial statements the Directors are unaware of any indications that would suggest inappropriate assumptions have been made in relation to trading volumes. As a result of these, the Directors are of the opinion that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements. The financial statements do not include any adjustments which would result from this basis of preparation being inappropriate.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 January 2016 and 31 July 2014. Control is achieved where the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Income Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the 18 months ended 31 January 2016

Business combinations

The purchase method of accounting is used for all acquired businesses as defined by IFRS 3 - Business Combinations.

As a result of the application of the purchase method of accounting, goodwill is initially recognised as an asset being the excess at the date of acquisition of the fair value of the purchase consideration plus directly attributable costs of acquisition over the net fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiaries acquired. Where fair values are estimated on a provisional basis they are finalised within 12 months of acquisition with consequent changes to the amount of goodwill.

Intangible assets

Identifiable intangible assets acquired as part of a business combination are initially recognised separately from goodwill if the assets fair value can be measured reliably, irrespective of whether the asset had been recognised by the acquirer before the business combination was affected. An intangible asset is considered identifiable only if it is separable or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Intangible assets relate to the development of the lottery and on-line gaming (software and related costs). It is considered that the software has a finite useful life and amortisation has been calculated so as to write off the carrying value of it over its useful economic life of 5 years.

Goodwill

Goodwill arising on consolidation represents the excess cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is initially recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication of impairment. The amount of the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Negative goodwill arising on consolidation is credited to the income statement where the Directors consider that the fair value of the assets is reliable and do not need adjustment and that the negative goodwill relates to a true bargain purchase.

Investments

Equity investments are measured at fair value, gains and losses are recognised in other comprehensive income (fair value through other comprehensive income, FVTOCI). Any dividend income will be recognised in profit and loss.

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the 18 months ended 31 January 2016

Revenue recognition

Lottery turnover represents takings received for entry into the lottery prize draws. Revenue is recognised upon receipt of the money for the period that the draw takes place. Football pitch turnover represents cash takings received. Payment processing turnover is recognised when transactions are processed.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profits for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profits will be available to allow all, or part, of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Useful lives are reviewed annually by the Directors.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives using the straight-line method, on the following bases:

Property	- 5% per annum
Fixtures, fittings and equipment	- 25% per annum

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income. Where there is evidence of impairment, fixed assets are written down to their recoverable amount.

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the 18 months ended 31 January 2016

Leased assets

Rentals payable under non-onerous operating leases are expensed in the income statement on a straight-line basis over the lease term.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair values less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimate of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in Pounds Sterling, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's function currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the 18 months ended 31 January 2016

Share based payments

Other than for business combinations, the only share based payments of the Group are equity settled share options and certain liability settlements. The Group has applied the requirements of IFRS 2 - Share-based Payments.

For share options granted an option pricing model is used to estimate the fair value of each option at grant date. That fair value is charged on a straight line basis as an expense in the income statement over the period that the holder becomes unconditionally entitled to the options (vesting period), with a corresponding increase in equity.

For shares issued in settlement of fees and/or liabilities, the Directors estimate the fair value of the shares at issue date and that value is charged on a straight line basis as an expense in the income statement (for fees) or reduction in the balance sheet liability (for liabilities) with a corresponding increase in equity.

Inventories

Inventories are stated at the lower of cost and net recognised value. Cost comprises direct materials using the first in first out (FIFO) basis. Net recognised value represents the estimated selling price less estimated costs of completion, marketing and selling.

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits and are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate compound at initial recognition.

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Financial liability and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual agreements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recognised at the amount of proceeds received net of costs directly attributable to the transaction. To the extent that those proceeds exceed the par value of the shares issued they are credited to a share premium account.

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the 18 months ended 31 January 2016

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in profit or loss using effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables

Trade payables are not interest-bearing and are stated at their nominal value.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

4. Critical accounting judgements and key sources of estimation uncertainty

In application of the Group's accounting policies above, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities. These estimates and assumptions are based on historical experience and other factors considered relevant. Actual results may differ from estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only that period or in the period of the revision and future payments if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of cash generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Share-based payments

Share-based payments are measured at grant date fair value. For share options granted to employees, in many cases market prices are not available and therefore the fair value of the options granted shall be estimated by applying an option pricing model. Such models need input data such as expected volatility of share price, expected dividends or the risk-free interest rate for the life of the option. The overall objective is to approximate the expectations that would be reflected in a current market price or negotiated exchange price for the option. Such assumptions are subject to judgements and may turn out to be significantly different to expected.

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the 18 months ended 31 January 2016

5. Segment analysis

The primary reporting format is by business segment, based on the different services offered by the operating companies within the Group. The Directors consider that the Group has three business segments, namely that of lottery administration, IT payment facilities and Astro turf football pitches. The Group operates solely in one geographical area, the United Kingdom.

The analysis of continuing operations per segment for the 18 months ended 31 January 2016 is as follows:

	Lottery Admin	Payment Processing	Football Pitches	Unallocated	Group total
	£'000	£'000	£'000	£'000	£'000
Revenue	911	2,375	-	-	3,286
Amortisation	(1)	-	-	-	(1)
Depreciation	-	(17)	(18)	-	(35)
Operating profit/(loss)	30	992	(360)	(464)	198
Finance income/(costs)	-	-	-	6	6
Profit/(Loss) before tax	30	992	(360)	(458)	204
Tax charge	-	(205)	-	-	(205)
Profit/(Loss) for the period	30	787	(360)	(458)	(1)

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the 18 months ended 31 January 2016

5. Segment analysis (continued)

	Lottery Admin	Payment Processing	Football Pitches	Unallocated	Group total
	£'000	£'000	£'000	£'000	£'000
Balance Sheet					
Total assets	259	134	342	2,578	3,313
Non-current asset additions	13	55			68
Total liabilities	314	111	8	1,921	2,354

The following table analyses assets and liabilities not allocated to business segments as at 31 January 2016:

	£'000
Assets	
Intangible fixed assets	22
Tangible fixed assets	4
Investments	1,673
Other receivables	865
Cash and cash equivalents	14
	2,578
Liabilities	
Trade and other payables	315
Borrowings	6
Convertible loan notes	1,600
	1,921

6. Expenses

The following material expenses are included in cost of sales:

	2016 £'000	2014 £'000
Fees and integration costs	217	64
Affiliate/agent commission	138	1
Fees to clients	349	275
Prizes payable	83	74

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the 18 months ended 31 January 2016

6. Expenses (continued)

The following material expenses are included in administrative expenses:

	2016 £'000	<i>2014</i> <i>£'000</i>
Consultancy fees	251	262
Software development and maintenance fees	240	-
Office rent and rates	59	(22)
Hotel and travel	18	74
Professional fees	174	182
Bank charges	15	13

7. Operating profit/(loss)

Operating profit/(loss) has been stated after charging/(crediting) the following:

	2016 £'000	<i>2014</i> <i>£'000</i>
Depreciation of tangible fixed assets	35	29
Amortisation of intangible assets	1	-
Auditors' remuneration – Audit services to the Parent Company	14	10
Auditors' remuneration – Audit services to the Group	21	15
Auditors' remuneration – Taxation services	5	3

As permitted by Section 408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit/(loss) for the period after taxation was £647,000 (2014: (£662,000)).

8. Discontinued activities

	2016 £'000	<i>2014</i> <i>£'000</i>
Revenue	-	780
Costs and expenses	-	(871)
(Loss)/Profit on discontinued activities	-	(91)
(Loss) and impairment of intangibles on discontinued activities	-	(405)
(Loss) on discontinued activities	-	(496)

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the 18 months ended 31 January 2016

9. Personnel costs

	2016	<i>2014</i>
The average monthly number of employees (including executive and non-executive Directors) was	No.	<i>No.</i>
	9	<i>12</i>
<hr/>		
The split of employees by function within the Group is as follows:	No.	<i>No.</i>
Administration and Sales	5	<i>7</i>
Management	4	<i>5</i>
Total	9	<i>12</i>
<hr/>		
	2016	<i>2014</i>
Their aggregate remuneration comprised:	£'000	<i>£'000</i>
Wages and salaries	225	<i>217</i>
Social security costs	19	<i>21</i>
Directors remuneration	219	<i>149</i>
	463	<i>387</i>
<hr/>		
Directors' emoluments:	£'000	<i>£'000</i>
Emoluments	183	<i>125</i>
Sums paid to third parties for director services	36	<i>24</i>
	219	<i>149</i>
<hr/>		
Number of Directors accruing benefits under money purchase schemes	No.	<i>No.</i>
	-	<i>-</i>
<hr/>		
Aggregate emoluments of highest paid Director	45	<i>30</i>
<hr/>		

Included within Directors' emoluments is £85,500 (2014: £54,000) paid to directors via related companies, as detailed in note 31.

10. Finance income and costs

	2016	<i>2014</i>
	£'000	<i>£'000</i>
Finance income	6	<i>-</i>
<hr/>		
Finance charges	-	<i>77</i>
<hr/>		

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the 18 months ended 31 January 2016

11. Income taxes

	2016	<i>2014</i>
	£'000	<i>£'000</i>
Current:		
Current tax for the 18 months /year	205	-
Total current tax charge	205	-
Deferred tax credit (Note 24)	-	-
Total income taxes	205	-

Tax rate reconciliation

	2016	<i>2014</i>
	£'000	<i>£'000</i>
Profit/(Loss) for the 18 months /year	204	<i>(683)</i>
Corporation tax charge thereon at 20.44%	42	<i>(137)</i>
Adjusted for the effects of:		
Disallowed net expenses/(income) for tax purposes	245	<i>123</i>
Depreciation in excess of capital allowances	7	-
Taxable losses and excess charges carried forward	(89)	<i>14</i>
Income tax expense for the 18 months /year	205	<i>-</i>

12. Earnings per share

The calculation is based on the earnings attributable to ordinary shareholders divided by the weighted average number of Ordinary Shares in issue during the period as follows:

	2016	<i>2014</i>
Numerator: earnings attributable to equity (£'000)	(1)	<i>(683)</i>
Denominator: weighted average number of equity shares (No.)	1,452,352,425	<i>1,103,220,540</i>

In June 2010 the Company issued 24 million options to subscribe for Ordinary Shares of 0.1p each. At the period end 8.1 million options were outstanding. None of these options were exercised in either the prior or the current period.

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the 18 months ended 31 January 2016

On 31 January 2016 the Company issued £1.6m of 0% unsecured, undated, convertible loan stock will compulsorily convert into 400,000,000 Ordinary Shares within 14 days of the Company's Ordinary Shares returning to trading on AIM.

Both of these scenarios will lead to an increase in the weighted average number of equity shares to 1,860,452,425 (2014: 1,111,320,540) and this amount is used in the calculation of diluted earnings per share.

Basic and diluted earnings per share for 2014 have been restated due to using an incorrect weighted average number of shares. The prior periods restated basic and diluted earnings per share is £0.06 compared to prior periods annual account disclosure of £0.13.

13. Goodwill

	£'000
At 31 July 2014	618
Additions (Note 29)	1,515
Disposals (Note 29)	(460)
Impairment	-
	<hr/>
At 31 January 2016	1,673
	<hr/>

Included within goodwill is an amount relating to the subsidiaries Prize Provision Services Limited, Freepaymaster Limited and Emex (UK) Group Limited. The carrying amount for goodwill for these respective subsidiaries is £158,000, £1,005,000 and £510,397 respectively.

The principal assumptions made (in both 2016 and 2014) in determining the value in use of the cash-generating unit were:

- Basis on which recoverable amount determined – value in use;
- Period covered by management plans used in calculation – 1 year;
- Pre-tax discount rate applied to cash flow projection – 5%;
- Growth rate used to extrapolate cash flows beyond management plan – 3%;
- Difference between above growth rate and long term rate for UK – 0.5%

The calculation of value in use shown above is most sensitive to the assumptions on discount rates and growth rates. The assumptions used are considered to be realistically achievable in light of economic and industry measures and forecasts. The Directors believe that any reasonable possible change in the key assumptions on which the recoverable amount is based would not cause its carrying amount to exceed its recoverable amount.

Whilst there can be no certainty that the forecasts used in the impairment calculation will be achieved, the carrying value of goodwill at 31 January 2016 reflects the Directors best estimate based on their knowledge of the business at 26 May 2016 and reflects all matters of which the Directors are aware as at the date of approval of these financial statements.

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the 18 months ended 31 January 2016

14. Other intangible assets

	<i>Website and software design and development</i>	
	2016	2014
	£'000	£'000
Cost		
At 1 August 2014	28	258
Additions	10	6
Disposals	(6)	(236)
	<hr/>	<hr/>
At 31 January 2016	32	28
	<hr/> <hr/>	<hr/> <hr/>
Amortisation		
At 1 August 2014	-	224
Charge for the 18 months /year	1	-
Disposals	-	(224)
	<hr/>	<hr/>
At 31 January 2016	1	-
	<hr/> <hr/>	<hr/> <hr/>
Net Book Value		
At 31 January 2016	31	28
	<hr/> <hr/>	<hr/> <hr/>

15. Property and office equipment

	Land and buildings	Office equipment	Total
	£'000	£'000	2016
			£'000
Cost or valuation			
At 1 August 2014	503	49	552
Acquisitions through business combinations	-	55	55
Disposals	(503)	(34)	(537)
	<hr/>	<hr/>	<hr/>
At 31 January 2016	-	70	70
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation			
At 1 August 2014	143	26	169
Charge for the 18 months /year	18	17	35
Impairment	-	-	-
Disposals	(161)	(28)	(189)
	<hr/>	<hr/>	<hr/>
At 31 January 2016	-	15	15
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net Book Value			
At 31 January 2016	-	55	55
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 July 2014	360	23	383
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the 18 months ended 31 January 2016

16. Investment in equity instruments

	2016
	£'000
Cost	
At 1 August 2014	-
Valuation	342
Disposals	-
	<hr/>
At 31 January 2016	342
	<hr/> <hr/>
Valuation	
At 31 January 2016	342
	<hr/> <hr/>

The investment in equity relates to a 10% investment in Nineteen Twelve Holdings Limited. This investment has been designated to be valued at fair value through other comprehensive income. This has been designated at fair value through other comprehensive income as the equity investment is not held for trading. No dividends have been recognised during the period. Nineteen Twelve Holdings Limited has entered into a joint venture with Soccerdome Limited, a subsidiary of Boxhill Technologies Limited.

17. Subsidiaries

Details of the Company's subsidiaries at 31 January 2016 are as follows:

<u>Name of Subsidiary</u>	<u>Company number</u>	<u>Place of incorporation (or registration) and operation</u>	<u>Proportion of ownership interest & voting power held</u>	<u>Holding</u>	<u>Principal activity</u>
Prize Provision Services Limited	03152966	England and Wales	100%	Ordinary shares	Lottery provider
Soccerdome Limited	02948017	England and Wales	100%	Ordinary shares	Operates floodlit pitches
Barrington Lewis Limited	07190212	England and Wales	100%	Ordinary shares	Dormant
The Weather Lottery Limited	08648931	England and Wales	100%	Ordinary shares	Dormant
Poseve Limited	126971C	Isle of Man	100%	Ordinary shares	Dormant
Freepaymaster Limited	09261233	England and Wales	100%	Ordinary shares	Payment processing
Emex (UK) Group Limited	SC518243	Scotland	100%	Ordinary Shares	Intermediary Holding Company
Emex Consult Ltd	NI614354	Northern Ireland	100% by Emex (UK) Group Limited	Ordinary shares	Payment processing

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the 18 months ended 31 January 2016

18. Inventories

	2016	<i>2014</i>
	£'000	<i>£'000</i>
Finished goods	2	<i>2</i>
	<hr style="border-top: 3px double #000;"/>	<hr style="border-top: 3px double #000;"/>

19. Other financial assets

Trade and other receivables

	2016	<i>2014</i>
	£'000	<i>£'000</i>
Trade receivables	783	<i>-</i>
Other receivables	93	<i>1,605</i>
Prepayments and accrued income	43	<i>46</i>
	<hr style="border-top: 3px double #000;"/>	<hr style="border-top: 3px double #000;"/>
	919	<i>1,651</i>
	<hr style="border-top: 3px double #000;"/>	<hr style="border-top: 3px double #000;"/>

The Group has provided fully for all receivables which are not considered recoverable. In determining the recoverability of all receivables, the Group considers any change in the credit quality of the receivable up to the reporting date. (See note 4).

The Directors consider that the carrying amount of the receivables approximates their fair value.

Cash and cash equivalents

	2016	<i>2014</i>
	£'000	<i>£'000</i>
Cash and cash equivalents	291	<i>258</i>
	<hr style="border-top: 3px double #000;"/>	<hr style="border-top: 3px double #000;"/>

Cash and cash equivalents comprises cash held by the Group and short-term bank deposits with an original maturity of 6 months or less. The carrying amount of these assets approximates their fair value.

20. Borrowings

Borrowings at 31 January 2016 include a loan of £6,000 (2014: £489,000). The loan is repayable on a fixed monthly repayment basis and due for settlement within 12 months.

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the 18 months ended 31 January 2016

21. Derivatives financial instruments and hedge accounting

At 31 January 2016 and 31 July 2014 the Group had no derivatives in place for cash flow hedging purposes.

22. Other financial liabilities

Trade and other payables

	2016	<i>2014</i>
	£'000	<i>£'000</i>
Trade payables	290	<i>296</i>
Other payables	290	<i>1,574</i>
Accrued liabilities and deferred income	168	<i>89</i>
	748	<i>1,959</i>
Other payables comprise:		
	£'000	<i>£'000</i>
Social security and other taxes	(8)	<i>1,249</i>
Other	298	<i>325</i>
	290	<i>1,574</i>
Presented as:		
- Current	748	<i>1,959</i>
- Non-current	-	<i>-</i>
	748	<i>1,959</i>

Accrued liabilities and deferred income represents miscellaneous contractual liabilities that relate to expenses that were incurred, but not paid for at the period end and income received during the period, for which the Group had not supplied the goods or services at the end of the period.

The Directors consider that the book value of trade payables, accrued liabilities and deferred income approximates to their fair value at the balance sheet date.

The average credit period taken for trade purchases is 111 days (2014: 91 days).

23. Financial instruments: information on financial risks

Financial risks are discussed in the Directors' Report and below.

Capital risk management

The Group manages its capital to ensure that the Group as a whole will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 20, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 25 to 26.

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the 18 months ended 31 January 2016

Gearing ratio

As at 31 July 2014 the Group gearing ratio was 46.95%. As at 31 January 2016 the gearing ratio is as follows:

	£'000
Debt	(1,606)
Cash and cash equivalents	291

Net Cash and cash equivalents	(1,315)

Equity	959

Net debt to equity ratio	(137.12%)
	=====

Debt is defined as long and short-term borrowings.

Equity includes all capital and reserves of the Group attributable to equity holders of the parent.

Financial risk management objectives

The main market risks to which the Group is exposed are interest rates. There is also exposure to credit risk and liquidity risk. The Group monitors these risks and will take appropriate action to minimize any exposure.

Credit risk

The Group's exposure to credit risk is minimal due to turnover being in the main recognised upon cash receipt, hence the amount of trade receivables is negligible.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Regulatory compliance risk

Regulatory compliance risk is the risk of material adverse impact resulting from failure to comply with laws, regulations, and codes of conduct or standards of good practice governing the sector in which the Group operates. The Group is monitored by the financial director who is responsible for meeting regulatory and compliance obligations.

Interest rate risk

The Group's exposure to interest rate risk mainly concerns financial assets and liabilities, which are subject to floating rates in the Group. At present the Group's loans are on fixed rate interest rates and hence it is not exposed to risk on these should rates move.

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the 18 months ended 31 January 2016

24. Deferred taxation

A deferred tax asset has not been recognised in the period ended 31 January 2016 nor 31 July 2014 in respect of taxable losses carried forward of approximately £770,000 (2014: £770,000) as there is insufficient historic evidence that it will be recoverable in full against taxable profits during the next 12 months.

There are not considered to be any material temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognised.

25. Equity share capital

	2016	<i>2014</i>
	£'000	<i>£'000</i>
Allotted, called up and fully paid		
1,455,829,770 (2014: 1,426,983,616) Ordinary Shares of 0.1p each	1,456	<i>1,427</i>

During the period the Company issued 28,846,154 Ordinary shares of 0.1p at a price of 0.1625 pence per share on conversion of the remaining £46,875 of the £250,000 loan announced on 13 September 2013.

26. Other reserves

	Share premium	Revaluation reserve	Profit and loss account
	£'000	£'000	£'000
At 1 August 2014	1,723	-	(2,658)
Shares issued less costs	15	-	-
Profit on treasury shares	82	-	-
Revaluation on equity investment	-	342	-
Result for the period	-	-	(1)
At 31 January 2016	1,820	342	(2,659)

On 11 July 2014 the Company issued 120 million shares to a supplier which was to provide software services to the Group. The supplier was unable to deliver those services and therefore the shares issued were sold in the market and the proceeds returned to the Company. These proceeds were used by the Company and Group for general working capital purposes, including to purchase for cash similar services to those that were to be provided by the supplier. The sale of these shares is treated as a sale of treasury shares for accountancy purposes, but the shares concerned were not treasury shares for the purposes of the Companies Act 2006 or the AIM Rules for Companies.

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the 18 months ended 31 January 2016

27. Share-based payments

Certain Directors and key management were issued with share options on 8 June 2010, exercisable immediately at a price fixed at the date of issue. If the options remain unexercised after a period of seven years from the date of grant the options expire.

Details of options granted to date and still outstanding at the end of the period are as follows:

Date of Grant	2015 No. £'000	Exercise price	Exercise period
8 June 2010	2,700,000	0.75p	8 June 2010 to 2 June 2017
8 June 2010	2,700,000	1.0p	8 June 2010 to 2 June 2017
8 June 2010	2,700,000	1.25p	8 June 2010 to 2 June 2017

All of the above options were outstanding at the period end. The options had a weighted average exercise price of 1p and a remaining contractual life of 1.8 years. The Directors consider that the estimated fair values of the options at grant date was £nil due to the prevailing market price being lower than the exercise price. As the fair value is currently considered to be £nil, no amount has been recognised in either the income statement or in equity in respect of these options.

28. Issue of Convertible Loan Notes

On 31 January 2016 the Company issued £1.6m of 0% unsecured, undated, convertible loan stock. This loan stock will compulsorily convert into 400,000,000 Ordinary Shares within 14 days of the Company's Ordinary Shares returning to trading on AIM (the "Loan Stock"). The Loan Stock is the consideration for the acquisition of Emex (UK) Group Limited, and the associated company, Freepaymaster Limited (collectively, "Emex"). The assets of Emex on acquisition and calculation of goodwill are shown in Notes 29 and 30.

29. Business combinations

Acquisitions

	Principal activity	Date of acquisition	Proportion of voting interests acquired	Consideration transferred £'000
Emex (UK) Group Limited	Payment processing	31 January 2016	100%	603
Freepaymaster Limited	Payment processing	31 January 2016	100%	1,005

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the 18 months ended 31 January 2016

Consideration transferred

	Emex (UK) Group Ltd £'000	Freepaymaster Ltd £'000
Convertible loan stock	603	1,005
	<u>603</u>	<u>1,005</u>

Assets acquired and liabilities recognised at the date of acquisition

	Emex (UK) Group Ltd £'000	Freepay master Ltd £'000	Total £'000
Current assets			
Cash and cash equivalents	80	0	80
Trade and other receivables	0	0	0
Non-current assets			
Property, plant and machinery	55	0	55
Trade and other receivables	0	0	0
Current liabilities			
Trade and other payables	(42)	0	(42)
	<u>93</u>	<u>0</u>	<u>93</u>

Disposals

	Principal activity	Date of disposed	Proportion of voting interests disposed	Consideration received £'000
Pay Corporation Ltd	Payment processing	29 January 2016	100%	-

Assets disposed and liabilities derecognised at the date of disposal

	Pay Corporation Ltd £'000	Total £'000
Goodwill	460	460
Property, plant and machinery	13	13
Trade and other receivables	1,529	1,529
Trade and other payables	(1,572)	(1,572)
	<u>430</u>	<u>430</u>

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the 18 months ended 31 January 2016

	£'000
Consideration received	-
Less: fair value of net assets disposed	(430)
Loss on sale of disposed subsidiary	<u>(430)</u>

30. Goodwill arising on acquisition

	Emex (UK) Group Ltd £'000	Freepay master Ltd £'000	Total £'000
Consideration Transferred	603	1,005	1,608
Less: fair value of identifiable net assets acquired	(93)	0	(93)
Goodwill arising on acquisition	<u>510</u>	<u>1,005</u>	<u>1,515</u>

Total consideration transferred of £1,608,000 for the acquisitions of Emex (UK) Group Limited and Freepaymaster Limited includes stamp duty payable of £8,000.

Net cash inflow on acquisition

	Period ended 31 January 2016 £'000
Consideration paid in cash	-
Less: cash and cash equivalent balances acquired	80
	<u>80</u>

31. Transactions with related parties

The transactions set out below took place between the Group and certain related parties.

Lord E T Razzall

Lord E T Razzall, a director, charged the Group £36,000 (2014: £24,000) in the period, for directorship services provided, via an entity trading as R T Associates. At the period end R T Associates was owed £16,200 (2014: £9,600).

Andrew J A Flitcroft

Andrew Flitcroft, a director, charged the Group £49,500 (2014: £30,000) in the period, for directorship and company secretarial services provided, via an entity FS Business Limited. At the period end FS Business Limited was owed £52,650 (2014: £23,100).

Mr Flitcroft is a director of SVS Securities PLC, during the period the Group earned fees of £9,228 (2014: £nil) from SVS Securities PLC.

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the 18 months ended 31 January 2016

Philip I Jackson

During the period Philip Jackson was a director of EuPay Group Limited and PhilliteD UK Limited. During the period the Group earned net fees from the provision of services to Group clients by EuPay Group Limited and PhilliteD UK Limited of £1,025,497 and £1,155,466 respectively (2014: £695,818 and £nil). At the period end the Group was owed £225,235 and £727,833 from EuPay Group Limited and PhilliteD UK Limited respectively (2014: £nil and £nil). The services provided to the Group's clients by EuPay Group Limited and PhilliteD Limited were at cost to the Group with no profit or uplift being made by either of EuPay Group Limited or PhilliteD Limited.

James Rose

James Rose is a director of Prize Provision Services Limited ("PPSL") a wholly owned subsidiary of Boxhill Technologies PLC. During the period James Rose charged PPSL £90,000 for consultancy services via an entity 1912 Management Limited (2014: £65,000). At the period end 1912 Management Services Limited was owed £95,458 (2014: £78,000).

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is as referred to above, and on page 7 within the Directors Report and in Note 9.

Issue of Equity

As referred to in Note 27, share options were granted in 2010 to Directors and key management, all of which were outstanding at the period end. The following options were held by the Directors and key management at the period end:

	Options No.	Option details
Lord E T Razzall	3,300,000	See A below
J M Botros	4,800,000	See B below

A – 1,100,000 at 0.75p, 1,100,000 at 1p and 1,100,000 at 1.25p

B – 1,600,000 at 0.75p, 1,600,000 at 1p and 1,600,000 at 1.25p

All of the options are exercisable by 2 June 2017.

32. Operating lease commitments

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

	2016 £'000	2014 £'000
Land and buildings:		
Within one year	5	-
In the second to fifth years inclusive	-	16
After five years	-	-

BOXHILL TECHNOLOGIES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the 18 months ended 31 January 2016

Operating lease payments represent rentals payable by the Group for office premises. Leases are negotiated over the term considered most relevant to the individual subsidiary and rentals are fixed where possible for that term.

33. Controlling Party

No single individual has sole control of the company.

34. Events after the balance sheet date

There are no events to note after the balance sheet date.

35. Going Concern

The Group made an after taxation (loss) for the period of (£1,000) (2014: (£683,000)) and an EBITDA profit/(loss) of £1,006,000 (2014: (£172,000)).

The management have controlled costs and continued with the expansion of the business based on past acquisitions to produce a profitable Group of companies in the period ended 31 January 2016. The Group is forecasting further turnover growth, both organic and from the recent acquisition, and improved profitability in the forthcoming year.

Given the trading results to 31 January 2016 and expected continuing and improving profitability for the forthcoming year, together with the additional capital available from the supporting shareholders, the Directors consider that the Group continues to be a going concern and they forecast that that there is sufficient funding in place to enable the continuance of the Group.

BOXHILL TECHNOLOGIES PLC
PARENT COMPANY BALANCE SHEET
As at 31 January 2016
Registered Number: 04458947 (England and Wales)

	Note	2016 £'000	2014 £'000
Fixed assets			
Intangible fixed assets	III	18	18
Property, plant and equipment	III	-	-
Investments	III	2,003	817
		<u>2,021</u>	<u>835</u>
Current assets			
Debtors	IV	896	206
Cash at bank and in hand		14	3
		<u>910</u>	<u>209</u>
Creditors: Amounts falling due within one year	V	<u>(2,027)</u>	<u>(913)</u>
Net current (liabilities)		<u>(1,117)</u>	<u>(704)</u>
Total assets less current liabilities		904	131
Creditors: Amounts falling due over one year	V	<u>-</u>	<u>-</u>
Net assets		<u>904</u>	<u>131</u>
Capital and Reserves			
Share capital	VI	1,456	1,427
Share premium	VI	1,820	1,723
Profit and loss account	VII	<u>(2,372)</u>	<u>(3,019)</u>
Equity shareholders' funds		<u>904</u>	<u>131</u>

The Financial Statements were approved by the Board of Directors and authorised for issue on 26 May 2016. They were signed on its behalf by:

A J A Flitcroft
Director

BOXHILL TECHNOLOGIES PLC

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS For the 18 months ended 31 January 2016

I. Accounting policies

There are no material differences between the accounting policies of the Group except as detailed below:

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

The separate Financial Statements of the Company are presented as required by the Companies Act 2006. As permitted by that Act, the separate financial statements have been prepared in accordance with United Kingdom accounting standards.

The Company's financial risk management policies are disclosed in the consolidated financial statements.

II. Operating profit

The Auditors' remuneration for audit and other services is disclosed in note 7 of the consolidated financial statements.

In the current period the Company had no employees other than the Directors, who are all remunerated by the Company.

III. Fixed Assets

The Company's intangible assets consist of research and development costs of £18,000 (2014: £18,000) as detailed in note 14 of the consolidated financial statements. There was no amortisation in the period due to the amount being considered immaterial.

The Company's tangible fixed assets consist equipment with a net book value of £nil when rounded to £'000s.

The Company's investments consist of investments in subsidiaries of £2,003,000 (2014: £817,000).

Details of the Company's subsidiaries at 31 January 2016 can be found in note 17 of the attached consolidated financial statements.

Cost and net book value of Shares in subsidiary undertakings	2016	2014
	£'000	£'000
Cost as at 1 August 2014	817	745
Additions	1,608	422
Disposal	(422)	-
Impairment	-	(350)
	<hr/>	<hr/>
Net Book Value at 31 January 2016	2,003	817

BOXHILL TECHNOLOGIES PLC

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS
For the 18 months ended 31 January 2016

IV. Debtors

	2016	<i>2014</i>
	£'000	<i>£'000</i>
Amounts due from subsidiary undertakings	3	-
Other debtors	874	<i>194</i>
Prepayments and accrued income	19	<i>12</i>
	896	<i>206</i>
	896	<i>206</i>

Other debtors of £874,000 include a net amount owing of £682,000 in respect of trade debtors collectible by Boxhill Technologies plc under a deed of assignment with and following the disposal of Pay Corporation Limited

V. Creditors

	2016	<i>2014</i>
	£'000	<i>£'000</i>
Amounts falling due within one year		
Amounts due to subsidiary undertakings	43	<i>133</i>
Bank and other borrowings	-	<i>480</i>
Trade creditors	162	<i>164</i>
Other creditors	61	<i>50</i>
Accruals and deferred income	161	<i>86</i>
Convertible loan notes	1,600	<i>-</i>
	2,027	<i>913</i>
	2,027	<i>913</i>
Amounts falling due over one year		
Trade Creditors	-	-
Bank and other borrowings	-	-
	-	-

VI. Share capital and share premium account

The movements on share capital and share premium are disclosed in notes 25 and 26 to the consolidated financial statements.

VII. Profit and loss reserves

	2016	<i>2014</i>
	£'000	<i>£'000</i>
Balance at 1 August 2014	(3,019)	<i>(2,357)</i>
Profit/(Loss) for the period	647	<i>(662)</i>
	647	<i>(662)</i>
Balance at 31 January 2016	(2,372)	<i>(3,019)</i>

BOXHILL TECHNOLOGIES PLC

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS
For the 18 months ended 31 January 2016

VIII. Controlling party

No single individual has sole control of the Company.

IX. Related parties

The transactions set out below took place between the Parent Company and its subsidiaries.

	2016	2014
	£,000	£,000
Management charge to:		
Prize Provision		
Services Limited	93	132
Balance included in creditors:		
Prize Provision Services Limited	95	103
Soccerdome Limited	20	20
Pay Corporation Ltd	-	10
Balance included in receivables:	-	-
Pay Corporation Ltd		
Dividend received	750	-
Pay Corporation Ltd		