23 February 2016

NETCALL PLC
("Netcall", the "Company", or the "Group")

Interim results for the six months ended 31 December 2015

Record bookings with 43% increase contracted minimum future revenues and net cash increasing to £15.2m

Netcall plc (AIM: NET), a leading customer engagement software provider, today announces its unaudited interim results for the six months ended 31 December 2015.

Financial Highlights

- Record bookings in period and trading in line with management expectations:
  - Significant double digit increase in total bookings
  - Growing mix of Software-as-a-Service (SaaS) contracts
  - Continued growth in premise-based contracts
  - Order book of contracted future minimum revenues increased by 43% to over £14.6m
- Annualised recurring core revenues(1) increased by 8% to £10.5m
- Recognised revenue of £8.13m (H1 FY15: £8.60m) as a result of the ongoing reduction in MovieLine service and change in blend of business
- Adjusted EBITDA(2) of £2.11m (H1 FY15: £2.66m) as a result of previously announced investment and MovieLine
- Profit before tax of £0.79m (H1 FY15: £1.41m)
- Basic earnings per share of 0.56p (H1 FY15: 0.86p)
- Maintained strong cash conversion with cash generated from operating activities of £1.82m (H1 FY15: £2.08m)
- Debt-free balance sheet with net cash funds of £15.2m (30 June 2015: £13.7m)
- First interim enhanced dividend of 0.95p

1) *annualised revenue from support and maintenance and hosted service contracts as at 31 December*
2) *profit before interest, taxation, depreciation, amortisation, non-recurring transaction expenses and share-based charges*

Operational Highlights

- Strong demand from our existing customer base while also winning new customers across both the private and public sectors
- Accelerated investment in cloud platform and infrastructure to take advantage of the high-growth SaaS market, with first phase in live use by customers
- Liberty product suite enhanced with new modules including mobile, web self-service, and a workflow modules for the Customer Experience Manager solution

Henrik Bang, CEO of Netcall, commented,

"We have seen strong demand for our Liberty product suite with record growth in sales orders. As a result, our order book of contracted future revenues increased by 43% and annualised recurring core revenues grew by 8%. In line with our strategy, an increasing share of new business is SaaS-based contracts, providing recurring revenue streams and increased visibility in future periods. The ongoing success of our Liberty platform, combined with our high levels of recurring revenue, means the Board is confident in delivering a positive outcome to the year."

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About Netcall plc

Netcall's software product suite provides end-to-end customer engagement solutions, incorporating multi-channel contact centre, workforce optimisation, business process management and case management. The Netcall software platform helps organisations meet the growing demands of their customers and prospects whilst improving internal efficiencies, thereby increasing profitability and customer satisfaction.

Netcall's customer base contains over 700 organisations in both the private and public sectors. These include two thirds of the NHS Acute Health Trusts, major telecoms operators such as BT and leading organisations including Interflora, Lloyds Banking Group, Cineworld, Axa, and British Sugar.

For further information, please consult the Netcall website: www.netcall.com.

Introduction

Netcall continued to see significant interest in its Liberty customer engagement platform in the first half of the year. As a result the Group delivered substantial growth in total bookings for the period. The growing proportion of Software-as-a-Service (SaaS) contracts together with an increase in larger new premise based contracts resulted in 43% growth in our order book of contracted future minimum revenues to over £14.6m and an 8% increase in annualised recurring core revenues.

The change in sales mix toward SaaS contracts improves revenue visibility by providing recurring revenue streams in future periods. This combined with larger multi-product contracts, which due to their size have longer implementation periods, resulted in core revenue remaining flat for the period.

Growth in order inflow was driven by demand from both the public and commercial sectors for our Liberty suite, including modules such as Customer Experience Manager (CXM) and our multimedia contact centre solution. Revenue of a recurring nature increased to 64% of core revenue and continues to underpin the Group's cash generation and profitability while improving future visibility.

During the period we started the accelerated investment in our Liberty cloud platform and infrastructure to take advantage of the high-growth SaaS contact centre market opportunity. The first phase of the cloud based Liberty platform is in live use by customers and more customers are planned to be added in the coming period while we continue to enhance the platform.

The cash position increased to £15.2m by 31 December 2015 and with a debt free balance sheet this enables the Group to both invest in the cloud market opportunity and, as announced in September 2015, also return cash to shareholders through an enhanced three-year dividend programme. As a result, the Board has declared its first interim enhanced dividend of 0.95 pence per share.

Business Review

Strategy

Netcall's objective remains consistent: to provide a comprehensive platform of customer engagement software solutions which help both private and public sector organisations transform their customer engagement activities by improving customer experience while reducing costs.

The Group's aim is to build a strong business organically and through acquisition by both developing its end to end customer engagement Liberty platform and by acquiring businesses with complementary proprietary software and/or additional customers in our target markets.

The Group’s key drivers for organic growth include the expansion of the product suite, continuing to unlock the huge potential from our existing 700 customers with up- and cross-sales, which accounted for the majority of new business in the last period, and winning new customers.

Market

Netcall sees a significant market opportunity with organisations accelerating the digitalisation across their businesses and investing in solutions which improve the way they interact with their customers, citizens or patients. The accelerated adoption of new technologies, including mobile, social media and cloud computing, combined with changing business models creates substantial opportunities for Netcall in assisting organisations transform their customer engagement strategies.

The key driver is that increasingly well informed consumers across all sectors expect organisations to provide multiple interaction channels, intuitive interfaces, around-the-clock availability, personalised treatment, first contact resolution and real-time fulfilment. As a result, organisations are required to change their customer interaction focus from ‘isolated transactions’ to long term relationships with a 360 degree end-to-end view of customers in order to meet the changing demand. This requires, in addition to a great user experience, a radical overhaul of business processes and integrated front and back-office systems which, where successful, delivers improved customer retention and acquisition.

The Liberty platform, available in the cloud or on-premise, delivers this comprehensive functionality and can be acquired as a suite or on a modular basis. This provides a flexible entry point and upgrade path for organisations, thereby giving them the level and quality of customer interaction they need as well as additional competitive advantages such as lower costs, improved operational controls and less risk. As a result, the Liberty platform continues to gain foothold amongst new customers and its adoption is also broadening within our existing client base.

Netcall accelerated its investments in the Liberty platforms cloud capabilities to take advantage of the growing SaaS contact centre market, a key component of our customer engagement solutions. This market is gaining share and is expected to grow at double digit rates in the coming years, doubling in size over the next three to five years representing an estimated 20-25% of the UK contact centre market.

Our ability to deliver cloud solutions to the public sector has also been enhanced with Netcall’s inclusion for the first time on the Crown Commercial Service Network Services agreement for Inbound Telephony Services which creates a more flexible and streamlined procurement process for public sector buyers to acquire Liberty solutions. This resulted in the securing of a three-year contract with an NHS Foundation Trust in December to provide the Liberty Appointment Management Cycle solution, expected to be worth approximately £400,000 over the full term.

Customer wins

Our 700+ strong customer base continues to provide the Group with an extremely valuable source of new business, with up- and cross-sales to existing customers accounting for the majority of new business again in the period.

The average order size continues to grow due to an increase in the average number of products purchased by our customers. They choose to move towards full suite solutions that can offer an integrated approach with a single point of view across all channels as well as providing process driven integration with back office and legacy systems.

Examples of organisations investing in Netcall’s Liberty platform and roadmap for the future include:

- Our first Liberty CXM contract with a Local Authority. A five-year contract worth £400,000, delivering the CXM solution integrated with the Authority’s existing Liberty Contact Handling solution to streamline interactions and enable integrated web self-service.

- A leading car park operator currently using our workforce management product bought Liberty’s multimedia contact centre and advanced call-back and agent guidance modules.

- A new five-year SaaS contract worth a minimum of £1.4 million to provide Liberty multi-channel contact centre and unified communication solutions to a leading services organisation.

- Inclusion for the first time on the Crown Commercial Service Network Services agreement for Inbound Telephony Services, resulting in winning a £400,000 three-year contract with an NHS

Foundation Trust in December to provide the Liberty Appointment Management Cycle solution.

Product development

The Group has commenced its accelerated development programme, announced in September last year, with particular focus on cloud deployment of the Liberty platform. As a result, Netcall is increasing its development and delivery capabilities as well as enhancing its infrastructure enabling the Group to launch and roll-out a series of Liberty cloud enhancements in the coming periods.

Our Liberty mobile solution has been rolled out in the period. The solution enables mobile workers to access and download customer information from Liberty while travelling.

Additionally, as part of Liberty's multi-channel capability, we have released the first version of our cloud based web-self-service solution. The solution is integrated with Liberty CXM and enables users to create cases on-line which are fully integrated with business processes and workflows.

Both the mobile and web-self-service solutions interface with our Liberty CXM module, which has been enhanced with a new significantly upgraded workflow capability providing customers with an intuitive interface that enables users to have full control over building, maintaining and modifying workflows.

Together the new solutions, already in live use by customers, deliver powerful additions to the Liberty suite and provide organisations with the potential to further increase the digitisation of their organisations and transform their customer engagement while improving efficiency as well as customer service and experience.

Financial Review

The Group reported revenue of £8.13m (H1 FY15: £8.60m) in line with management's expectations for the period. This comprised underlying growth of 5% in product, support and hosting revenues offset by lower professional service income due to the timing of project delivery and the ongoing reduction in the MovieLine service.

Revenue which is considered to be recurring in nature, derived from support and hosting contracts, increased 6% to £5.06m (H1 FY15: £4.78m) which equates to 64% (H1 FY15: 61%) of reported core revenues (excluding MovieLine). As at 31 December 2015, the annualised run rate of such revenues increased 8% to £10.5m (H1 FY15: £9.75m).

Revenue from product sales increased by 2% to £1.86m (H1 FY15: £1.83m) showing continuing resilience in light of the transition to SaaS based contracts.

Revenue from professional services was £0.95m (H1 FY15: £1.28m). While the total chargeable work remains level, period on period revenues were lower due to the timing of revenue recognition points resulting in a higher order book carried forward.

The aggregate value, at 31 December 2015, of contracted minimum income that is to be recognised as core revenue in future financial periods increased by 43% to £14.6m (H1 FY15: £10.2m).

Revenue from the non-core MovieLine service decreased to £0.25m (H1 FY15: £0.71m) in line with management's expectations and now accounts for approximately 3% of total revenue (H1 FY15: 8%).

Gross profit margin was maintained at 91.3% (H1 FY15: 91.3%).

Administrative expenses, before depreciation, amortisation, non-recurring transaction costs and share-based charges, increased to £5.31m (H1 FY15: £5.18m) as a result of the planned investment in development and delivery capabilities.

Consequently, the Group recorded adjusted EBITDA of £2.11m (H1 FY15: £2.66m), a margin of 26% of revenue (H1 FY15: 31%). This movement comprises a reduction in MovieLine contribution of £0.33m to £0.04m (H1 FY15: £0.37m) and a core EBITDA of £2.06m (H1 FY15: £2.29m) following the planned investment. Profit before tax was £0.78m for the period (H1 FY15: £1.41m).

The Group tax charge was £0.02m (H1 FY15: £0.23m) an effective rate of tax of 2% (H1 FY15: 17%). The effective rate of tax benefited from the utilisation of previously unrecognised tax losses from prior years.

Reported diluted earnings per share was 0.54 pence (H1 FY15: 0.84 pence). Adjusted diluted earnings per share was 1.03 pence (H1 FY15: 1.38 pence). The movement comprises a reduction in the contribution from MovieLine of 0.23 pence to 0.03 pence (H1 FY15: 0.26 pence) and a reduction in core earnings per shares of 0.12 pence to 1.00 pence (H1 FY15: 1.12 pence)

Cash generated from operations before non-recurring transaction cost payments incurred in the last financial year was £1.85m (H1 FY15: £2.07m), representing 88% of adjusted EBITDA (H1 FY15: 78%).

Spending on research and development, including capitalised software development increased by 8% to £0.97m (H1 FY15: £0.90m) of which capitalised software expenditure was £0.28m (H1 FY15: £0.35m).

Total capital expenditure increased by 26% to £0.53m (H1 FY15: £0.42m); the balance after capitalised development, being £0.24m (H1 FY15: £0.06m) relating to IT equipment and software and office fit out.

As a result of these factors, cash increased to £15.2m at 31 December 2015 (30 June 2015: £13.7m). The Group continues to maintain a debt-free balance sheet.

On 12 January 2016, post period end, the Company paid an ordinary dividend of 1.0 pence per share (2014: 0.9 pence per share) and a first enhanced dividend of 1.2 pence per share in respect of the financial year ended 30 June 2015 totalling £3.01m.

Dividend policy

The Directors continue to evaluate acquisition opportunities and believe that the Group should retain sufficient cash on its balance sheet to maintain its credibility as a buyer and also to be able to acquire businesses in an expedient manner. The Board believes it can achieve this objective whilst also being able to institute a partial return of cash to shareholders through an enhanced dividend policy.

It is the intention of the Directors that for this, and the next two years an enhanced dividend will be paid half yearly such that by 2018 the retained cash balance is approximately £10 million. Payment of the enhanced dividend will remain subject to the Group's on-going cash generation, it not having found an appropriate acquisition opportunity and not having returned cash through another manner, including on market share buy backs.

Accordingly, the Directors are recommending the payment of an interim dividend of 0.95 pence per share.

Outlook

We have seen strong demand for our Liberty product suite with record growth in sales orders. As a result, our order book of contracted future revenues increased by 43% and annualised recurring core revenues grew by 8%. In line with our strategy, an increasing share of new business is SaaS-based contracts, providing recurring revenue streams and increased visibility in future periods. The ongoing success of our Liberty platform, combined with our high levels of recurring revenue, means the Board is confident in delivering a positive outcome to the year.

Unaudited consolidated income statement for the six months to 31 December 2015

£'000	Six months to 31 December 2015	Six months to 31 December 2014	12 months to 30 June 2015
Revenue	**8,132**	**8,598**	**17,151**
Cost of sales	(709)	(751)	(1,564)
Gross profit	**7,423**	**7,847**	**15,587**
Administrative expenses	(6,705)	(6,492)	(13,349)
Other gains/(losses) – net	1	-	4
Adjusted EBITDA	**2,110**	**2,663**	**5,161**
Non-recurring transaction costs	-	-	(290)
Share-based payments	(604)	(558)	(1,127)
Depreciation	(89)	(72)	(147)
Amortisation of acquired intangible assets	(445)	(466)	(918)
Amortisation of other intangible assets	(253)	(212)	(437)
Operating profit	**719**	**1,355**	**2,242**
Finance income	67	55	114
Finance costs	(2)	(2)	(5)
Finance income – net	**65**	**53**	**109**
Profit before tax	**784**	**1,408**	**2,351**
Tax	(16)	(234)	304
Profit for the period	**768**	**1,174**	**2,655**
Earnings per share – pence			
Basic	0.56	0.86	1.94
Diluted	0.54	0.84	1.85

All activities of the Group in the current and prior periods are classed as continuing. All of the profit for the period is attributable to the shareholders of Netcall plc.

Statement of comprehensive income for the six months to 31 December 2015

£'000	Six months to 31 December 2015	Six months to 31 December 2014	12 months to 30 June 2015
Profit for the period	768	1,174	2,655
Total comprehensive income for the period	**768**	**1,174**	**2,655**

Unaudited consolidated balance sheet at 31 December 2015

£'000	31 December 2015	31 December 2014	30 June 2015
Assets			
Non-current assets			
Property, plant and equipment	438	286	323
Intangible assets	10,793	11,490	11,164
Investments	288	288	288
Deferred income tax asset	861	846	919
Total non-current assets	**12,380**	**12,910**	**12,694**
Current assets			
Inventories	193	171	229
Trade and other receivables	4,987	4,499	6,043
Current income tax asset	-	-	267
Cash and cash equivalents	15,168	12,999	13,726
Total current assets	**20,348**	**17,669**	**20,265**
Total assets	**32,728**	**30,579**	**32,959**
Equity and liabilities			
Equity attributable to the owners of the parent			
Share capital	7,027	6,945	6,945
Share premium	3,015	3,015	3,015
Merger reserve	2,509	2,509	2,509
Capital reserve	188	188	188
Treasury shares	(419)	(419)	(419)
Employee share schemes reserve	1,776	917	1,420
Profit and loss account	6,852	7,543	9,024
Total equity	**20,948**	**20,698**	**22,682**
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	589	569	520
Provisions	206	122	100
Total non-current liabilities	**795**	**691**	**620**
Current liabilities			
Trade and other payables	2,387	2,966	3,443
Dividend payable	3,051	1,233	-
Current income tax liabilities	84	145	84
Deferred income	5,463	4,846	6,130
Total current liabilities	**10,985**	**9,190**	**9,657**
Total liabilities	**11,780**	**9,881**	**10,277**
Total equity and liabilities	**32,728**	**30,579**	**32,959**

Unaudited consolidated statement of changes in equity at 31 December 2015

£'000	Share capital	Share premium	Merger reserve	Capital redemption reserve	Treasury shares	Employee share schemes	Profit and loss account	Total equity
Balance at 1 July 2014	**6,940**	**3,015**	**2,509**	**188**	**(419)**	**394**	**7,560**	**20,187**
Proceeds from share issue	5	-	-	-	-	-	-	5
Increase in equity reserve in relation to options issued	-	-	-	-	-	529	-	529
Tax credit relating to share options	-	-	-	-	-	36	-	36
Reclassification following exercise or lapse of share options	-	-	-	-	-	(42)	42	-
Dividends to equity holders of the company	-	-	-	-	-	-	(1,233)	(1,233)
Transactions with owners	**5**	**-**	**-**	**-**	**-**	**523**	**(1,191)**	**(663)**
Profit and total comprehensive income for the period	-	-	-	-	-	-	1,174	1,174
Balance at 31 December 2014	**6,945**	**3,015**	**2,509**	**188**	**(419)**	**917**	**7,543**	**20,698**
Balance at 1 January 2015	**6,945**	**3,015**	**2,509**	**188**	**(419)**	**917**	**7,543**	**20,698**
Increase in equity reserve in relation to options issued	-	-	-	-	-	523	-	523
Tax credit relating to share options	-	-	-	-	-	(20)	-	(20)
Transactions with owners	**-**	**-**	**-**	**-**	**-**	**503**	**-**	**503**
Profit and total comprehensive income for the period	-	-	-	-	-	-	1,481	1,481
Balance at 30 June 2015	**6,945**	**3,015**	**2,509**	**188**	**(419)**	**1,420**	**9,024**	**22,682**
Balance at 1 July 2015	**6,945**	**3,015**	**2,509**	**188**	**(419)**	**1,420**	**9,024**	**22,682**
Proceeds from share issue	82	-	-	-	-	-	-	82
Increase in equity in relation to options issued	-	-	-	-	-	579	-	579
Tax debit relating to share options	-	-	-	-	-	(112)	-	(112)
Reclassification following exercise or lapse of share options	-	-	-	-	-	(111)	111	-
Dividends to equity holders of the company	-	-	-	-	-	-	(3,051)	(3,051)
Transactions with owners	**82**	**-**	**-**	**-**	**-**	**356**	**(2,940)**	**(2,502)**
Profit and total comprehensive income for the period	-	-	-	-	-	-	768	768
Balance at 31 December 2015	**7,027**	**3,015**	**2,509**	**188**	**(419)**	**1,776**	**6,852**	**20,948**

Unaudited consolidated cash flow statement for the six months to 31 December 2015

£'000	Six months to 31 December 2015	Six months to 31 December 2014	12 months to 30 June 2015
Cash flows from operating activities			
Profit before income tax	784	1,408	2,351
Adjustments for:			
Depreciation	89	72	147
Amortisation	698	678	1,355
Share-based payments	604	529	1,127
Net finance income	(65)	(53)	(109)
Changes in working capital (excluding the effects of acquisitions)			
Inventories	36	(3)	(61)
Trade and other receivables	1,055	738	(806)
Trade and other payables	(1,642)	(1,299)	366
Cash generated from operations	**1,559**	**2,070**	**4,370**
Analysed as:			
Cash generated from operations before payment of non-recurring transaction costs	**1,849**	**2,070**	**4,341**
Non-recurring transaction cost payments	(290)	-	-
Interest paid	(2)	(2)	(5)
Income tax refund/ (paid)	267	10	76
Net cash generated from operating activities	**1,824**	**2,078**	**4,441**
Cash flows from investing activities			
Investment in Macranet Ltd	-	(100)	(100)
Purchases of property, plant and equipment	(205)	(51)	(163)
Development expenditure	(287)	(354)	(697)
Purchases of other intangible assets	(39)	(11)	(18)
Interest received	67	55	114
Net cash used in investing activities	**(464)**	**(461)**	**(864)**
Cash flows from financing activities			
Proceeds from issue of ordinary shares	82	5	5
Dividends paid to Company shareholders	-	-	(1,233)
Net cash used in financing activities	**82**	**5**	**(1,228)**
Net increase in cash and cash equivalents	**1,442**	**1,622**	**2,349**
Cash and cash equivalents at beginning of period	13,726	11,377	11,377
Cash and cash equivalents at end of period	**15,168**	**12,999**	**13,726**

Notes to the financial information for the six months ended 31 December 2015

1. General information

Netcall plc (AIM: “NET”, “Netcall”, or the “Company”) is a leading provider of customer engagement software. It is a public limited company which is quoted on AIM (a market of the London Stock Exchange). The Company’s registered address is 3rd Floor, Hamilton House, 111 Marlowes, Hemel Hempstead, HP1 1BB and the Company’s registered number is 01812912.

2. Basis of preparation

The Group interim results consolidate those of the Company and its subsidiaries (together referred to as the ‘Group’). The principal trading subsidiaries of Netcall are Netcall Telecom Ltd and Serengeti Systems Ltd.

These consolidated interim financial statements (the ‘results’) have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements (February 2016). This results announcement does not constitute statutory accounts of the Group within the meaning of sections 434(3) and 435(3) of the Companies Act 2006. The balance sheet at 30 June 2015 has been derived from the full Group accounts published in the Annual Report and Accounts 2015, which has been delivered to the Registrar of Companies and on which the report of the independent auditors was unqualified and did not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006.

The results have been prepared in accordance with the accounting policies set out in the Group’s 30 June 2015 statutory accounts, which are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (“EU”). No changes to accounting policies are expected for the year ending 30 June 2016.

The results for the six months ended 31 December 2015 were approved by the Board on 22 February 2016. A copy of these interim results will be available on the Company’s web site www.netcall.com from 24 February 2016.

The principal risks and uncertainties faced by the Group have not changed from those set out on page 7 of the annual report for the year ended 30 June 2015.

3. Segmental analysis

Management considers that there is one operating business segment being the design, development, sale and support of software products and services, which is consistent with the information reviewed by the Board of Directors when making strategic decisions. Resources are reviewed on the basis of the whole of the business performance.

The key segmental measure is adjusted EBITDA which is profit before interest, tax, depreciation, amortisation, acquisition and reorganisation expenses and share-based payments, which is set out on the consolidated income statement.

4. Earnings per share

The basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year excluding those held in treasury:

	Six months to 31 December 2015	Six months to 31 December 2014	12 months to 30 June 2015
Net earnings attributable to ordinary shareholders (£’000s)	768	1,174	2,655
Weighted average number of ordinary shares in issue (000s)	137,638	136,980	137,006
Basic earnings per share (pence)	**0.56**	**0.86**	**1.94**

The diluted earnings per share has been calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of shares in issue during the year, adjusted for potentially dilutive shares that are not anti-dilutive.

	Six months to 31 December 2015	Six months to 31 December 2014	12 months to 30 June 2015
Weighted average number of ordinary shares in issue (000s)	137,638	136,980	137,006
Adjustments for share options (000s)	5,084	2,459	6,615
Weighted average number of potential ordinary shares in issue (000s)	142,722	139,439	143,621
Diluted earnings per share (pence)	**0.54**	**0.84**	**1.85**

Adjusted basic and diluted earnings per share has been calculated to exclude the effect of acquisition and reorganisation costs, share-based payment charges, amortisation of acquired intangible assets and utilisation of historic tax losses. The Board believes this gives a better view of ongoing maintainable earnings. The table below sets out a reconciliation of the earnings used for the calculation of earnings per share to that used in the calculation of adjusted earnings per share:

£'000s	Six months to 31 December 2015	Six months to 31 December 2014	12 months to 30 June 2015
Profit used for calculation of basic and diluted EPS	**768**	**1,174**	**2,655**
Non-recurring transaction costs	-	-	290
Share-based payments	604	558	1,127
Amortisation of acquired intangible assets	445	466	918
Tax adjustment	(351)	(271)	(1,276)
Profit used for calculation of adjusted basic and diluted EPS	**1,466**	**1,927**	**3,714**

Pence	Six months to 31 December 2015	Six months to 31 December 2014	12 months to 30 June 2015
Adjusted basic earnings per share	**1.07**	**1.41**	**2.71**
Adjusted diluted earnings per share	**1.03**	**1.38**	**2.59**

5. Dividends

An ordinary dividend of 1.0 pence per share and an enhanced dividend of 1.2 pence per share in respect of the year ended 30 June 2015 amounting to a total dividend of £3.01m was approved at the Annual General Meeting held on 26 November 2015. This dividend was paid on 12 January 2016.

A dividend in respect of the year ended 30 June 2014 of 0.9 pence per share amounting to a total dividend of £1.23m was paid on 12 January 2015.

An enhanced interim dividend in respect of the year ending 30 June 2016 of 0.95 pence per share has been proposed by the Directors.

The timetable for the payment of the proposed dividend will be:

- Ex-Dividend Date: 14 July2016
- Record Date: 15 July 2016
- Payment Date: 27 July 2016