22 March 2017

ECSC Group plc

("ECSC" or the "Company" or the "Group")

Final results for the 15 months ended 31 December 2016

"STRONG ORGANIC REVENUE GROWTH IN A TRANSFORMATIONAL PERIOD"

ECSC Group plc (AIM:ECSC), a proven provider of cyber security services, announces its maiden audited results since IPO in December 2016.

Financial Highlights

- Revenue for the 15 months ended December 2016 of £4.51m (12 months 2015: £2.65m)
- Adjusted EBITDA* for the 15 months ended December 2016 of £630k (12 months 2015: £542k profit)
- Adjusted profit before tax** for the 15 months ended December 2016 of £458k (12 months 2015: £455k)
- EBITDA for the 15 months ended December 2016 shows a loss of £(345)k (12 months 2015: £542k profit) due to exceptional IPO costs incurred in the period
- Loss before tax for the 15 months ended December 2016 of £(517)k (12 months 2015: £518k profit)
- Adjusted basic earnings per share*** of 11.14 pence (2015: profit of 9.00 pence)
- Basic earnings per share loss of (7.72) pence (2015: profit of 9.00 pence)
- IPO in December 2016 raised £5m net to fund accelerated expansion plan

Operational Highlights

- Strong organic revenue growth across all operating divisions:
  - Like for like revenue growth of 35%**** in Managed Services
  - Like for like revenue growth of 24%**** in Consultancy
  - New vendor sales division created
- Scaling of business post-IPO proceeding well
  - Headcount increased from 57 at IPO (14 December 2016) to 98 (at 20 March 2017)
  - All targeted new staff in place and operational
  - New Leeds facility operational
  - Australian and London facilities on course to open Summer 2017

Ian Mann, CEO of ECSC, commented:

"I am delighted with the progress of the business throughout 2016, a year in which we not only successfully admitted the Company to AIM but also achieved strong organic revenue growth across all parts of the Company. I am particularly pleased with the performance of the business given that we have invested significantly in scaling the business during the year and have expensed most of these costs.

"Our strong organic revenue growth coupled with the proceeds from the IPO will enable us to deliver on our accelerated growth plan to significantly scale the business to satisfy the strong market demand for our products and services and build on our track record as a proven, premium quality provider of cyber security services with a blue-chip client base. I am pleased with the progress we have made to date in regard to our organic growth strategy. We are mindful of the degree of change being implemented within the business and we are approaching these significant scale changes with appropriate care and attention. We look forward to 2017 as we continue to transform ECSC into a substantial cyber and information security services provider."

	15 months ended 31 December 2016 £k	**Year ended 30 September 2015 £k**
Adjusted Operating Profit	453	455
Depreciation	65	32
Amortisation	112	55
Total	**177**	**87**
Adjusted EBITDA	**630**	**542**
Exceptional IPO costs	(975)	–
EBITDA	**(345)**	**542**

*   stated before charging IPO costs of £975k (see table above)

** adjusted profit before tax (see note 5)

*** adjusted earnings per share (see note 8)

**** like for like revenue growth has been calculated by taking 2016 revenue pro-rated for 12 months as opposed to 15 months

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CHAIRMAN'S STATEMENT

I am pleased to present these maiden set of results to our shareholders following the Group’s admission to AIM in December 2016.

2016 was a transformational year for ECSC, which saw the Company deliver record revenues and be admitted to AIM on 14 December 2016, raising £5.0m (net). The response to our admission has been very positive. The listing has provided us with an excellent register of new shareholders and a heightened industry profile which has helped facilitate the recruitment of a first-class group of new employees. I believe this demonstrates confidence in both the Group's strategic plan, centred on strong organic growth and expansion of its business, together with the management team's ability to deliver and generate returns for shareholders in what we see as an attractive and buoyant cyber security market. The Board joins me in welcoming all our new stakeholders to the Group.

We believe there is an opportunity to substantially increase the scale of ECSC’s business to meet current demand and predicted market growth within the UK cyber security sector. The UK cyber security sector was worth approximately £3.3 billion in 2016, with the global opportunity predicted to grow to US$202 billion by 2021. Our vision and strategy is to build significantly upon our organic growth to date and blue-chip client base. Our listing provides us with working capital to execute our growth strategy. In this regard, I am pleased to report that the Group is making first-class progress in scaling its business. Since admission to AIM: headcount has increased from 57 to 98; all of the new sales and delivery employees targeted for this stage of our growth plan have been employed; all new sales staff have successfully completed their training and assessments; our new Leeds facility is already operational, having opened in January 2017; our new Australian support centre to help 24-hour service provision and our new London base are both targeted to open in the summer of 2017.

The Board continues to believe that the market opportunity is robust, with the proliferation of cyber security breaches enhancing the importance of cyber security at board level and serving to increase our growth prospects. Furthermore, new legislation under consideration by the Information Commissioner’s Office will, we believe, bring cyber security prevention into even sharper focus. The European General Data Protection Regulations (**“GDPR”**) directive (expanded upon in the Business Review) intended to harmonise data protection regulations throughout the EU and to strengthen the enforcement regime is confirmed to become law in the UK in 2018. This legislation will make breach reporting mandatory and provide for fines up to 4% of global turnover or up to $20m (whichever is the greater) for cases of serious non-compliance.

With our expansion plans underway and with strong organic revenue growth, we believe that we are well positioned to increase our market share of the UK cyber security services market, a market which is presently somewhat fragmented. We believe that many of our peers only provide a small portion of what is required to meet clients’ needs and that, in contrast, ECSC provides a wide range of cyber and information security solutions, enabling us to capitalise on a buoyant market opportunity. Our first full year as a public company will see us tackle the many tasks involved in scaling up the business and delivering very significant revenue growth. The quality of our people and established momentum are good initial indicators that ECSC is well equipped to take advantage of the opportunities available to us in our chosen market.

On behalf of the Board, I would like to thank all our employees and shareholders for their continued support over the last year. The Board looks forward to the forthcoming year with confidence.

Nigel Payne

Non-Executive Chairman

22 March 2017

BUSINESS REVIEW

Building on its 16-year record of consistent organic growth and leveraging its reputation for quality and innovation, ECSC Group plc is transforming into a substantial cyber and information security service provider. Our strong organic revenue growth for the 15 months ended December 2016 is a further stepping stone on this journey. Our IPO facilitates the next step in our growth plan, enabling an accelerated recruitment and training plan to be put in place and a further and significant expansion of our infrastructure and facilities.

The key mission of ECSC is to help secure networks and protect sensitive information. We do this through consultancy services and outsourced managed IT security services. In this regard, people are key to the on-going success of the Company, particularly in our market sector, which is highly specialised. Over the past two years, ECSC has developed its own internal recruitment function, which continues to perform above our expectations. We are delighted with the volume and calibre of talented individuals, sourced by this department, that are looking to enhance their career through the training and support given to all ECSC employees. The Company's aim is to establish ECSC as the employer of choice for all cyber and information security professionals.

Strong Market for ECSC Services

Extensive media coverage of cyber security incidents, both organisational and governmental, continues to raise awareness of the need for a developed cyber security plan at board level. This brings new opportunities for established and proven providers, such as ECSC. These opportunities are likely to be further augmented by the forthcoming EU GDPR, confirmed by the Information Commissioner's Office (**"ICO"**) to become UK law in May 2018. GDPR significantly increases the legal backdrop concerning the security of personal data that businesses may process or store:

- The maximum fine for non-compliance with GDPR increases from the current £500,000, up to 4% of global turnover. This change is likely to elevate cyber security to a key strategic risk for all boards

- Reporting a breach will become mandatory under GDPR as compared with the current voluntary reporting. GDPR also requires reporting to be made within 72 hours of any incident, placing significant challenges on organisations' incident detection, analysis and reporting systems

Whilst the ICO accepts that a post-Brexit government could change this legislation, the Directors believe the continuing requirement to share personal data with the European Union as part of the United Kingdom's ongoing trading relationship would make any significant change to GDPR very unlikely. ECSC is ideally placed to support organisations of all sizes in both their preparations for GDPR and their on-going cyber security strategic requirements, whether through incident response, testing and assessment, standards compliance, or outsourced services.

The Board believes that, as the cyber security market continues to expand, the need for businesses to focus their own internal IT resources on their own products and services will mean that organisations are likely to continue to outsource their technical requirements in this highly specialised field, and will increasingly gravitate towards outsourced managed service environments.

Growing Range of ECSC Services

ECSC's range of services continues to evolve to meet the changing cyber and information security threat environment. Our experience derived from 16 years of growth in the sector has demonstrated the need for ECSC to provide a broad range of cyber security services, enabling clients to migrate over time from initial consulting services to a fully outsourced managed IT security environment with recurring revenues.

Incident Response services are growing in importance and the Board believes that this may increase further still as we approach the GDPR implementation date. In 2016, ECSC introduced incident response retainers, enabling clients to benefit from a 24/7/365 guaranteed response from the ECSC Security Operations Centre (SOC), by retaining ECSC as their designated incident responder. In many cases, incident responses lead to requests for additional services.

Cyber Security Reviews are designed, using ECSC's own methodology, to give board directors a high-level overview of their current protection and detection capability from external cyber attack. This service is expanding as board members look for expert third-party assurance beyond the traditional technical testing services.

Technical Penetration Testing remains a fundamental pillar of cyber security management, with most global standards requiring at least annual third-party testing. Backed by its CREST accreditation, ECSC is a proven provider of this service.

The global standards of ISO 27001 (information security management) and the Payment Card Industry Data Security Standard (PCI DSS) (payment card security) remain key organisational compliance requirements. ECSC has an expanding team of industry experts with many years of experience in the design and implementation of effective approaches to compliance. Key elements of these global standards are directly related to other ECSC services, such as testing and the provision of technologies delivered through our managed services. We continue to see extensive cross-selling opportunities in each of these engagements.

Cyber Essentials is a UK government-led initiative to promote basic cyber security good practice into small to medium sized organisations. As a certifying organisation, ECSC supports organisations across all sectors.

2016 saw ECSC launch a new division to resell a range of vendor security solutions. Included within this portfolio are a range of solutions already integrated into the ECSC managed services support service, giving enhanced opportunities to provide fully managed services.

The newly refurbished ECSC UK Security Operations Centre (**"SOC"**) was formally opened in March 2017; this enhanced infrastructure provides both new client-facing presentation facilities, together with significantly augmented technical capabilities. The planned opening of the Australian SOC extension in summer 2017 will further enhance our 24/7/365 capabilities, both for ongoing managed services and incident response.

Outlook

Following on from a strong 2016, our ongoing plan is to significantly scale the business in 2017. The Board assesses the readiness of our clients to buy our services and this, together with the growth in the sector generally, make scaling the business at this time the right approach for ECSC. We are mindful, however, of the degree of change being executed within the business and we are approaching these significant scale changes with appropriate care and attention. We have made a good start on our plan following the IPO, and we have well worked out plans to carry through our objectives. I would like to pass on my thanks to the capable and loyal staff of the Company for their support, which has enabled the Company to achieve the success it has to date.

Ian Mann

Chief Executive Officer

22 March 2017

Financial Review

During 2016, ECSC Group plc changed its accounting year end from 30 September to 31 December. The trading results therefore cover the period of 15 months ended 31 December 2016.

During the period, the Group delivered total revenue of £4.51m (2015: £2.65m). There was strong organic revenue growth across all operating divisions, with like for like revenue growth of 35%* in Managed Services (£1.33m) and 24%* in Consultancy and Testing (£2.80m).

Growth in operating costs, now £3.2m (2015: £1.8m), has been mainly driven by the Board continuing to invest in the future of the business through staff recruitment and associated infrastructure.

Adjusted EBITDA was £630k (2015: £542k). Adjusted numbers are stated after excluding IPO costs of £975k. See note on page 2 for reconciliation. EBITDA for the 15 months ended December 2016 shows a loss of £(345)k (2015: £542k profit).

Earnings per share

Basic earnings per share was minus (7.72p) (2015: 9.00p), and adjusted basic earnings per share was 11.14p (2015: 9.00p), stated before charging IPO costs of £975k.

Balance sheet

As at 31 December 2016, the Company had net cash of approximately £5.0m, providing the Company with a sound financial platform to support its future investment plans.

* like for like revenue growth has been calculated by taking 2016 revenue pro-rated for 12 months as opposed to 15 months

Keith Kelly

Finance Director

22 March 2017

ECSC Group plc

Statement of comprehensive income

For the 15 months ended 31 December 2016

	Note	15 months ended 31 December 2016 £	Year ended 30 September 2015 £
Revenue	**2**	4,510,419	2,650,395
Cost of sales		(1,014,688)	(453,583)
Gross profit		3,495,731	2,196,812
Other income		157,660	89,973
Distribution Costs		(380,098)	(176,381)
Administrative expenses		(2,820,699)	(1,592,230)
Operating profit	**4**	452,594	518,174
Finance income		5,146	—
Exceptional items – IPO Costs	**20**	(974,876)	—
(Loss)/Profit before taxation		(517,136)	518,174
Taxation	**7**	118,130	(94,977)
(Loss)/Profit for the period		**(399,006)**	**423,197**
Other comprehensive income		—	—
Total comprehensive income for the period		**(399,006)**	**423,197**
Attributable to equity holders of the Company		**(399,006)**	**423,197**
Earnings per share			
Basic earnings per share	**8**	(0.08)	0.09
Diluted earnings per share	**8**	(0.08)	0.09

ECSC Group plc

Statement of financial position

As at 31 December 2016

	Note	As at 31 December 2016 £	As at 30 September 2015 £	As at 1 October 2014 £
ASSETS				
Non-current assets				
Intangible assets	**9**	363,244	253,964	166,507
Property, plant and equipment	**10**	297,946	67,086	84,451
Total non-current assets		661,190	321,050	250,958
Current assets				
Inventory		304	1,038	603
Trade and other receivables	**11**	1,032,883	695,698	602,976
Corporation tax recoverable		181,928	35,998	—
Cash and cash equivalents	**15**	4,986,596	323,543	238,367
Total current assets		6,201,711	1,056,277	841,946
TOTAL ASSETS		6,862,901	1,377,327	1,092,904
Current liabilities				
Trade and other payables	**12**	1,262,887	620,198	517,762
Corporation tax payable		—	—	27,290
Total current liabilities		1,262,887	620,198	545,052
Non-current liabilities				
Deferred tax	**13**	49,342	58,293	43,301
Total non-current liabilities		49,342	58,293	43,301
TOTAL LIABILITIES		1,312,229	678,491	588,353
NET ASSETS		**5,550,672**	**698,836**	**504,551**
EQUITY				
Equity attributable to owners of the parent:				
Share capital	**14**	89,941	22,381	22,381
Share premium account		5,512,175	75,009	75,009
Retained earnings		(51,444)	601,446	407,161
TOTAL EQUITY		**5,550,672**	**698,836**	**504,551**

ECSC Group plc
Statement of Changes in Equity
For the 15 months ended 31 December 2016

	Share capital £	**Share premium** £	**Retained earnings** £	**Total** £
Balance at 30 September 2014	22,381	75,009	407,161	**504,551**
Profit and total comprehensive income for the year	—	—	423,197	**423,197**
Transaction with owners:				
Dividends	—	—	(228,912)	**(228,912)**
Balance at 30 September 2015	22,381	75,009	601,446	**698,836**
Profit and total comprehensive income for the period			(399,006)	**(399,006)**
Transaction with owners:				
Issue of shares	1,569	83,188	—	**84,757**
Bonus issue	26,345	(26,345)	—	**—**
Issue of shares at IPO	29,940	4,970,058	—	**4,999,998**
Exercise of share options	9,706	723,470	—	**733,176**
Share issue costs	—	(313,205)	—	**(313,205)**
Dividends	—	—	(253,884)	**(253,884)**
Balance at 31 December 2016	**89,941**	**5,512,175**	**(51,444)**	**5,550,672**

ECSC Group plc
Cash Flow Statement
For the period ended 31 December 2016

	15 months ended 31 December 2016 £	Year ended 30 September 2015 £
Cash flow from operating activities		
(Loss)/profit for the period/year before taxation	(517,136)	518,174
Exceptional items – IPO listing costs	974,876	–
Adjustment for:		
Amortisation of intangibles	112,458	54,873
Depreciation of property, plant and equipment	64,816	32,774
Cash from operating activities before changes in working capital	**635,014**	**605,821**
Change in inventory	734	(435)
Change in trade and other receivables	(410,395)	(159,860)
Change in trade and other payables	642,689	102,436
Cash generated from operating activities	**868,042**	**547,962**
Income tax received/(paid)	36,459	(76,136)
Net cash flow from operations	**904,501**	**471,826**
Acquisition of property, plant and equipment	(295,676)	(15,409)
Development costs capitalised	(221,738)	(142,330)
Net cash flow used in investing activities	**(517,414)**	**(157,739)**
Dividends paid	(253,884)	(228,911)
Proceeds from issuance of shares	5,817,931	—
Exceptional items – IPO listing costs	(1,288,081)	—
Net cash used in financing activities	**4,275,966**	**(228,911)**
Net increase in cash & cash equivalents	**4,663,053**	**85,176**
Cash and equivalent at beginning of period	323,543	238,367
Cash and equivalent at end of period	**4,986,596**	**323,543**

ECSC Group plc
Statement of accounting policies
For the 15 months ended 31 December 2016

For years up to and including 30 September 2015, ECSC Group plc has prepared its financial statements under UK GAAP. These financial statements for the period ended 31 December 2016 are the first that the Company has prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), as adopted for use by the European Union (EU) effective at 31 December 2016, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. Note 19 explains how the Company has applied IFRS on transition. A fifteen month period is presented, meaning the two periods are not entirely comparable.

The information in this preliminary statement has been extracted from the financial statements for the 15 month period ended 31 December 2016 and as such, does not contain all the information required to be disclosed in the financial statements prepared in accordance with IFRS. The Group's Annual Report for the 15 month period ended 31 December 2016 has yet to be delivered to the Registrar of Companies. The auditors have reported on these accounts. Their report was not qualified and did not contain a statement under Section 498 of the Companies Act 2006. The figures for the 15 month period ended 31 December 2016 and year ended 30 September 2015 do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The comparative figures for the financial year ended 30 September 2015 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditor and delivered to the Registrar of Companies.

The report of the auditor was:

i. unqualified;
ii. did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report; and
iii. did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The preliminary announcement was approved by the Board and authorised for issue on 22 March 2017.

Presentation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively "IFRSs") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("adopted IFRSs"). Consolidated financial statements are not prepared as the subsidiary of the Company, ECSC Australia Limited, is dormant and immaterial.

The financial statements have been presented in Pound Sterling (£, GBP) as this is the currency of the primary economic environment that the Company operates in.

1. **Critical accounting estimates and sources of estimation uncertainty**

In applying the accounting policies, the Directors may at times require to make critical accounting judgements and estimates about the carrying amount of assets and liabilities. These estimates and assumptions, when made, are based on historical experience and other factors that the Directors consider are relevant.

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are as stated below.

Revenue recognition

Management consider the nature of the Company's contracts with customers and recognise revenue on an appropriate basis in accordance with IFRS. This process involves the use of judgements and estimates. Revenue is recognised when the service is completed or the goods delivered to the customer. Appropriate deferrals are made to revenue when services are being delivered over time.

Development costs – capitalised
Management estimate the percentage of development staff time used to enhance and improve the Company's software asset/process to capitalise a proportion of salary costs each period.

2. **Revenue and segment information**

The Company's principal revenue is derived from the supply of information security professional services.

For the year ended 30 September 2015, the Directors consider that there were two reportable operating segments: Consultancy and Managed Services. There were a small number of other transactions recorded during each period which are not considered to be part of either of the two reportable operating segments. These are presented below within the 'Other' caption and are not significant.

For the 15 months ended 31 December 2016, the Directors consider that there were three operating segments (three divisions) Consultancy, Managed Services, and Vendor Products.

During this period, the Chief Operating Decision Maker ("CODM") received information on financial performance on this divisional basis. There were a small number of other transactions recorded during the period which are not considered to be part of the three reportable operating segments. These are presented below within the 'Other' caption. It is not possible to re-allocate the 2015 results to show what the results would have looked like on the basis of the current three reportable segments, as sufficient information is not available, and any such allocation would be on an arbitrary basis inconsistent with how the business operated and was managed.

The CODM does not receive any information on the financial position of each segment, including information on assets and liabilities. Accordingly, such information has not been presented.

The Company's revenue and gross profit by operating segment for the year ended 30 September 2015 and the 15 months ended 31 December 2016 were as follows:

	15 months ended 31 December 2016 £	**Year ended 30 September 2015 £**
Revenue		
Consultancy	2,803,611	1,806,838
Managed Services	1,330,372	787,749
Vendor Products	376,136	55,808
Other	300	—
	4,510,419	**2,650,395**
Gross Profit		
Consultancy	2,211,541	1,454,768
Managed Services	1,241,187	738,161
Vendor Products	42,704	3,883
Other	299	—
	3,495,731	**2,196,812**

For the purpose of financial reporting, certain operating expenses were allocated to cost of sales at each period end. The way that these costs are recorded is such that it was not possible to allocate them to a reporting segment, and as a result these are all shown within the 'Other' caption above. The above presentation shows that gross margin per reportable segment was 100% in each period. Whilst gross margins are high in these segments (see 2016 information later) it should be noted that some relevant cost of sales to these reportable segments is included in the 'Other' caption as explained above.

The Company's results by segment for the period ended 31 December 2016 were as follows:

	Consultancy £	**Managed Services £**	**Vendor Products £**	**Other £**	**Total £**

Revenue – external	2,803,611	1,330,372	376,136	300	**4,510,419**
Gross profit	2,211,541	1,241,187	42,704	299	**3,495,731**
Operating expenses	(2,009,940)	(1,163,548)	(90,199)	220,550	**(3,043,137)**
Segment result – operating profit	201,601	77,639	(47,495)	220,849	**452,594**

The Vendor Products revenue above represent the only revenue from the sale of goods in any of the periods.

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

The Company had the following customer who contributed more than 10% of revenue:

	15 months ended 31 December 2016 £	**Year ended 30 September 2015 £**
Customer 1	—	256,000

Revenue by country was as follows:

	15 months ended 31 December 2016 £	**Year ended 30 September 2015 £**
Channel Islands	15,130	13,675
Egypt	15,187	14,523
France	32,199	22,449
Ireland	58,380	102,290
USA	91,166	100,068
South Africa	64,786	—
United Kingdom	4,233,571	2,397,390
	4,510,419	**2,650,395**

3. Other income

	15 months ended 31 December 2016 £	**Year ended 30 September 2015 £**
Grant income	157,660	89,973

A credit has been recognised within grant income as a result of an R&D tax credit claim being made in 2016 in respect of the FY14, FY15 and FY16 periods. A credit of £134,745 (2015: £63,404) is included within grant income in respect of these claims.

4. **Operating profit**

Operating profit is stated after charging:

	15 months ended	**Year ended 30 September**

	31 December 2016 £	2015 £
Depreciation of owned assets	64,816	32,774
Amortisation of intangibles – development costs	112,458	54,873
Expenditure on research activities	323,738	103,505
Allowance provision on trade receivables	5,011	8,384
Auditors' remuneration – Audit services	23,000	
– Non Audit services		
- Taxation compliance	5450	—
- Other taxation services	13,650	—
- Other non-audit services	112,435	—
Operating lease charge		
- Property	56,250	40,500
- Other	78,144	39,018
Inventories expensed	234,739	—

The statutory financial statements for previous periods were unaudited. These figures have been subject to audit for the purpose of preparing these financial statements and therefore all audit fees have been incurred in the current period.

5. Adjusted profit before tax

	15 months ended 31 December 2016 £	Year ended 30 September 2015 £
(Loss)/profit before taxation	(517,136)	518,174
Exceptional IPO costs	974,876	—
Adjusted profit before taxation	457,740	518,174

6. Employee benefit expense

Employee costs (including Directors) during the periods amounted to:

	15 months ended 31 December 2016 £	Year ended 30 September 2015 £
Wages and salaries	2,385,511	1,213,697
Social security costs	249,652	143,712
Pension contributions	70,265	48,505
	2,705,428	**1,405,914**

Directors' and Key Management remuneration is as follows (and is included above also):

15 months

	ended 31 December 2016 £	Year ended 30 September 2015 £
Wages and salaries	596,080	306,993
Social security costs	74,250	35,590
Pension contributions	70,265	31,656
	740,595	**374,239**

Key Management are considered to be the Directors and senior management.

Amounts paid to the highest paid director in the period were as follows:

	15 months ended 31 December 2016 £	Year ended 30 September 2015 £
Wages and salaries	155,277	60,000
Pension contributions	9,100	1,200
	164,377	**61,200**

The average number of employees during the year was:

	15 months ended 31 December 2016 No:	Year ended 30 September 2015 No:
Directors	7	7
Operational	34	27

7. Taxation

Recognised in the Statement of Comprehensive Income

	15 months ended 31 December 2016 £	Year ended 30 September 2015 £
UK corporation tax – current tax on profit for the period	(127,164)	79,999
Over/under provision in prior period	83	(14)
Deferred tax	8,951	14,992
	(118,130)	**94,977**

Reconciliation of effective tax rate

	15 months ended 31 December 2016 £	Year ended 30 September 2015 £
Profit/(loss) before tax	(517,136)	518,174
Tax at the UK Corporation tax rate of 20.0% /20.5%.	(11,687)	93,228

Expenses not deductible for tax purposes	77,245	1,581
Exercise of share options	(174,981)	—
Marginal relief and tax rate adjustment	—	(1,315)
Ineligible depreciation	—	1,070
Adjust closing deferred tax to average rate of 20%	(8,707)	—
Over/under provision in prior period	—	(14)
Other	—	427
	(118,130)	**94,977**

Deferred tax

	15 months ended 31 December 2016 £	Year ended 30 September 2015 £
Origination and reversal of timing differences	8,951	14,992
	8,951	**14,992**

8. **Earnings per share**

Basic earnings per share amounts are calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	15 months ended 31 December 2016 £	Year ended 30 September 2015 £
Net profit attributable to equity holders of the Company	(399,006)	423,197
Add back exceptional items – IPO costs	974,876	—
Adjusted profit	575,870	423,197
Initial weighted average number of ordinary shares	22,381	22,381
Adjusted to reflect split into 100 1p shares	2,238,100	2,238,100
Bonus issue	2,461,910	2,461,910
Weighted average of shares issued in period	445,217	—
Adjusted weighted average number of ordinary shares	**5,167,608**	**4,700,010**
Basic earnings per share	(0.08)	0.09
Diluted earnings per share	(0.08)	0.09
Adjusted earnings per share	0.11	0.09

On 28 October 2016 the Company passed a resolution to re-designate all the Ordinary Shares of £1 each in issue as a single class of shares. A resolution was then passed to sub-divide every existing Ordinary Share of £1 each in issue into 100 Ordinary Shares of 1p. The Company then passed a resolution to issue 110 Ordinary Shares of 1p each by way of a bonus issue pro rata to shareholders. In accordance with IFRS, this has been reflected in weighted average number of ordinary shares above.

Adjusted earnings per share are stated before charging IPO costs of £975k.

9. Intangible assets

Goodwill

The Company made an acquisition in the year ended 30 September 2003 and goodwill of £20,250 was recognised in accordance with UK GAAP at that time. The goodwill was fully amortised under UK GAAP as at 1 October 2012, the date of transition to IFRS. As permitted by IFRS 1, the carrying value of goodwill has not been restated on transition to IFRS. In addition, IFRS 3 has not been retrospectively applied to acquisitions prior to the transition date.

Development costs

	£
Cost	
As at 1 October 2014	203,201
Additions	142,330
As at 30 September 2015	345,531
As at 1 October 2015	345,531
Additions	221,738
As at 31 December 2016	567,269
Amortisation	
As at 1 October 2014	36,694
Amortisation charge for the year	54,873
As at 30 September 2015	91,567
As at 1 October 2015	91,567
Amortisation charge for the period	112,458
As at 31 December 2016	204,025
Net book value	
As at 1 October 2014	**166,507**
As at 30 September 2015	**253,964**
As at 31 December 2016	**363,244**

10. Property, plant and equipment

	Leasehold Property £	Office Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 October 2014	45,947	19,381	79,356	—	144,684
Additions	—	—	15,409	—	15,409
At 30 September 2015	45,947	19,381	94,765	—	160,093
Additions	—	32,743	181,457	81,476	295,676
Disposals	—	—	(27,212)	—	(27,212)
At 31 December 2016	45,947	52,124	249,010	81,476	428,557

Depreciation					
At 1 October 2014	9,952	5,203	45,078	—	60,233
Charge for the year	7,199	2,836	22,739	—	32,774
At 30 September 2015	17,151	8,039	67,817	—	93,007
Charge for the period	7,199	3,767	45,313	8,537	64,816
Disposals	—	—	(27,212)	—	(27,212)
At 31 December 2016	24,350	11,806	85,918	8,537	130,611
Net book value					
At 1 October 2014	**35,995**	**14,178**	**34,278**	**—**	**84,451**
At 30 September 2015	**28,796**	**11,342**	**26,948**	**—**	**67,086**
At 31 December 2016	**21,597**	**40,318**	**163,092**	**72,939**	**297,946**

11. **Trade and other receivables**

	31 December 2016 £	**30 September 2015 £**	**1 October 2014 £**
Trade receivables	928,020	598,954	522,813
Other receivables	8,300	8,300	9,300
Prepayments and accrued income	96,563	88,444	70,863
	1,032,883	**695,698**	**602,976**

The carrying amount of trade and other receivables approximates to their fair value.

12. **Trade and other payables**

	31 December 2016 £	**30 September 2015 £**	**1 October 2014 £**
Trade payables	483,948	93,513	89,233
Corporation tax	—	—	27,290
Other taxation and social security	211,381	137,278	141,557
Other payables	567,558	389,407	286,972
	1,262,887	**620,198**	**545,052**

The carrying amount of trade and other payables approximates to their fair value due to their short term nature.

13. Deferred tax

	Deferred tax £	**Total £**
As at 1 October 2014	**43,301**	**43,301**
Movement through income statement for the period	14,992	14,992
As at 30 September 2015	**58,293**	**58,293**
Movement through income statement for the period	(8,951)	(8,951)
As at 31 December 2016	**49,342**	**49,342**

The deferred tax liabilities arose on the timing difference between the carrying values of the certain the Company's assets for financial reporting purposes and for income tax purposes. These will be released to the income statement as the fair value of the related assets are depreciated or amortised.

14. **Share capital**

Allotted, called up and fully paid:

Ordinary A Shares:	**Authorised number of shares**	**Number of shares issued and fully paid**	**Ordinary share capital**	**Total**
			£	**£**
At 1 October 2014	16,178	16,178	16,178	16,178
At 30 September 2015	16,178	16,178	16,178	16,178

Ordinary B Shares:	**Authorised number of shares**	**Number of shares issued and fully paid**	**Ordinary share capital**	**Total**
			£	**£**
At 1 October 2014	6,203	6,203	6,203	6,203
At 30 September 2015	6,203	6,203	6,203	6,203
Total A and B Shares as at 14 October 2015	22,381	22,381	22,381	22,381

The A and B Shares were split on 30 March 2011 and rank equally in all respects. Subsequently, it was identified by the Company that this share split was not transacted correctly. This has subsequently been rectified in October 2016 and has been presented throughout as though this was treated correctly at the initial date.

On 14 October 2015, 1,569 shares were issued for £84,757, resulting in the recognition of share premium of £83,188.

On 28 October 2016, the Company passed a resolution to re-designate all the ordinary shares of £1 each in issue as a single class of shares.

Ordinary shares	**Authorised number of shares**	**Number of shares issued and fully paid**	**Ordinary share capital**	**Total**
			£	**£**
Issued	1,569	1,569	1,569	1,569
Ordinary shares after re-designation	22,381	22,381	22,381	22,381
	23,950	**23,950**	**23,950**	**23,950**
Sub-division into 100 shares	2,395,000	2,395,000	23,950	23,950
Bonus issue	2,634,500	2,634,500	26,345	26,345
IPO issue	3,964,631	3,964,631	39,646	39,646
At 31 December 2016	**8,994,131**	**8,994,131**	**89,941**	**89,941**

The ordinary shares have a par value of £0.01 (2015: £1) per ordinary share and are fully paid. These ordinary shares carry no right to fixed income and have no preferences or restrictions attached to them. Consideration of £5,817,931 was received in respect of the above transactions in the period to 31 December 2016.

On 28 October 2016 the Company passed a resolution to sub-divide every existing Ordinary Share of £1 each in issue into 100 Ordinary Shares. The Company then passed a resolution to issue 110 Ordinary Shares of £0.01 each by way of a bonus issue pro rata to shareholders.

On 14 December 2016, 970,620 new Ordinary Shares were issued immediately prior to Admission to satisfy the exercise of share options. Then, as part of the Placing (and in accordance with the terms of the Placing Agreement) 299,401 shares were allotted and issued.

Share premium account

The balance on the share premium account represents the amounts received in excess of the nominal value of ordinary shares.

Retained earnings

The balance held on this reserve is the accumulated retained profits of the Group.

15. **Financial Instruments and Financial Risk Management**
The Company's principal financial instruments comprise cash and cash equivalents, trade and other receivables and trade and other payables. The Company's accounting policies and method adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are set out in note 3 to the financial statements. The Company does not use financial instruments for speculative purposes.

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

Financial assets	**31 December 2016 £**	**30 September 2015 £**	**1 October 2014 £**
Loans and receivables:			
Trade receivables	928,020	598,954	522,813
Other receivables	8,300	8,300	9,300
Cash and cash equivalents	4,986,596	323,543	238,367
Total financial assets	**5,922,916**	**930,797**	**770,480**

Financial liabilities measured at amortised cost			
Trade and other payables	663,613	350,212	231,035
Total financial liabilities	**663,613**	**350,212**	**231,035**

There are no fair value adjustments to assets or liabilities through profit and loss.

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while attempting to maximise the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of issued capital and retained earnings.

The Company's financial instruments, which are recognised in the statement of financial position, comprise cash and cash equivalents, receivables and payables. The accounting policies and methods adopted, including the basis of measurement applied are disclosed above, where relevant. The information about the extent and nature of these recognised financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows are disclosed in the respective notes above, where applicable.

The Company does not generally enter into derivative transactions (such as interest rate swaps and forward foreign currency contracts) and it is, and has been throughout the period covered by these financial statements, the Company's policy that no trading in financial derivative instruments shall be undertaken.

Credit risk

Credit risk is the risk that a counterparty will cause a financial loss to the Company by failing to discharge its obligations to the Company. The Company manages its exposure to this risk by applying limits to the amount of credit exposure to any one counterparty and employs strict minimum credit worthiness criteria as to the choice of counterparty. The maximum exposure to credit risk for receivables and other financial assets is represented by their carrying amount. The Company considers credit risk to be low due to its processes and the nature of its customers, being mainly large corporates.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The allowance comprises a provision against individually significant exposures.

Ageing analysis

The ageing analysis of the Company's trade receivables is as follows:

	31 December 2016 £	30 September 2015 £	1 October 2014 £
Current	499,479	278,510	248,239
Up to 30 days	228,256	144,689	215,290
30 to 60 days	113,492	96,469	36,495
90 days and older	91,804	79,286	45,842
Bad debt provision	(5,011)	—	(23,053)
	928,020	**598,954**	**522,813**

These receivables are not secured by any collateral or credit enhancement. Normal credit terms are 30 days.

Receivables past due total £205,296 (2015: £175,755, 2014: £82,337), of which £5,011 (2015: £Nil, 2014: £23,053) have been impaired.

The Company only holds cash at banks with credit rating of A to mitigate the credit risk on cash deposits.

Fair values

The Directors have assessed that the fair values of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

Interest rate risk

The Company's policy is to fund its operations through the use of retained earnings and equity.

The Company's exposure to changes in interest rates relates primarily to cash at bank. Cash is held either on current or short term deposits at a floating rate of interest determined by the relevant bank's prevailing base rate.

Interest rate sensitivity

When reviewing the sensitivity to movement in interest rates it is noted that the majority of the cash as at 31 December 2016 was received as a result of listing in the period. An average taken throughout the period would be significantly lower than this and it is therefore considered that, even if interest rates increased 1%, there would be no material impact.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk:

- commodity price risk;
- interest rate risk; and
- foreign currency risk.

Financial instruments affected by market risk include deposits, trade receivables, trade payables and accrued liabilities.

Foreign currency exchange risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of the changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities when revenue or expense is denominated in a foreign currency.

The Company does not hedge its foreign currencies. Transactions with customers are mainly denominated in GBP.

The Company has suppliers that invoice in US dollars. The balances exposed to credit risk at period end are as follows:

	31 December 2016 $	30 September 2015 $	1 October 2014 $
US Dollars	13,932	84,882	26,319
	13,932	**84,882**	**26,319**

A sensitivity analysis has not been presented as the potential impact is not considered to be material.

Liquidity risks

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The maturity profile of the Company's financial liabilities at the reporting dates, based on contractual undiscounted payments, are summarised below:

Due within 3 months	31 December 2016 £	30 September 2015 £	1 October 2014 £
Trade and other payables	1,045,339	563,756	448,742

16. Related party transactions

Key Management personnel compensation has been disclosed in note 6.

In addition to the related party information disclosed elsewhere in the financial statements, the following were significant related party transactions during the year/period under review and at terms and rates agreed between the parties:

During the periods dividends were paid to the Directors and their close family members as follows:

	15 months ended 31 December 2016 £	Year ended 30 September 2015 £
Dividends paid to Directors and their close family members	253,885	220,367
Total	**253,885**	**220,367**

Bank facilities of up to £250,000 are secured personally by one of the Directors.

In October 2015, loans amounting to £84,757 were granted to two Directors to enable them to exercise share options. The loans are interest free and are repayable on a sale or flotation of the Company or earlier, at the borrowers' discretion. The loans were discounted to £79,611 and were fully repaid in the period ended 31 December 2016.

An additional loan of £12,547 was made to a director in the period ended 31 December 2016. This loan is interest free and was repaid in the period ended 31 December 2016.

17. Share based payments

Equity-settled share based payments

The Company operates an Enterprise Management Incentive Share Scheme. At the end of the previous period seven employees and directors held options.

Unapproved options have also been granted to non-qualifying individuals and at the end of the previous period one employee held these options.

The options are subject to criteria set by the Board, including the option holder's continuing employment. The options are not transferrable and have a life of ten years.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during each period are as follows:

Expiry date	**Exercise Price £**	**2015 No.**	**Expired No.**	**Granted No.**	**Bonus No *.**	**Exercised No.**	**2016 No.**
31 October 2015	54.02	1,569	(1,569)	—	—	—	—
30 March 2018	75.24	536	—	—	590	(1,126)	—
31 March 2019	97.09	676	—	—	743	(1,419)	—
31 March 2020	103.54	134	—	—	146	(280)	—
28 February 2021	133.94	418	—	—	460	(878)	—
31 March 2021	163.06	218	—	—	240	(458)	—
31 March 2023	179.35	615	—	—	677	(1,292)	—
19 November 2025	197.00	—	—	1,400	1,540	(2,940)	—
12 September 2026	233.00	—	—	625	688	(1,313)	—
Outstanding at end of period		**4,166**	**(1,569)**	**2,025**	**5,084**	**(9,706)**	**—**

	2016 £	**2015 £**
Weighted average exercise price	—	97.56

* On 28 October 2016 the Company passed a resolution to issue 110 Ordinary Shares of £0.01 each by way of a bonus issue pro rata to the Shareholders.

In accordance with the requirements of IFRS 2, the Company calculated the fair value of the share options at the date of grant using a Black Scholes option pricing model.

The following inputs were made into the model for each grant of options:

- Share price – estimated based on a multiple of adjusted earnings
- Risk free rate – based on 10 year UK Government Bond yields
- Volatility – estimated at 20%
- Option life and vesting period – 10 years

Based on these calculations, the fair value of the share options at each grant date was not material and therefore no share based payment charge has been recorded.

All share options were exercised on listing, with none carried forward into 2017.

18. Dividends

	15 months ended 31 December 2016 £	Year ended 30 September 2015 £
Dividends paid		
A shares	166,796	205,091
B shares	87,089	23,820
Total	253,885	228,911
Dividend per share (unadjusted)		
A shares	10.31	12.68
B shares	14.04	3.84
Dividend per share (adjusted to reflect the subdivision and bonus issues described in note 17 of the financial statements)		
A shares	0.48	0.06
B shares	0.48	0.02

19. Transition to IFRS

The financial statements prepared for the period ended 31 December 2016 are the first the Company has prepared in accordance with IFRS. For periods up to and including the year ended 30 September 2015, the Company prepared its financial statements in accordance with generally accepted accounting principles in the United Kingdom (UK GAAP), and under the Financial Reporting Standard for Smaller Entities ("FRSSE")

Accordingly, the Company has prepared financial statements which complies with IFRS applicable for periods ending on or after 31 December 2016, as described in the summary of significant accounting policies. In preparing the financial statements, the Company's opening statement of financial position was prepared as at 1 October 2014, the date of transition to IFRS.

In restating its UK GAAP financial statements, the Company has made adjustments to:

- Recognise operating lease incentives over the full lease term;
- Discount interest free loans to amortised cost; and
- Capitalise and amortise development costs.

A summary of the impact of transition to the statement of financial position is as follows:

	30 September 2015 £	1 October 2014 £
Equity reported in accordance with UK GAAP and FRSSE	508,041	379,220
Transition adjustments:		
Operating lease incentives	(12,375)	(7,875)
Capitalisation of development costs	345,531	203,201
Amortisation of development costs	(91,568)	(36,694)
Deferred tax on amortisation of development costs	(50,793)	(33,301)

Equity reported in accordance with IFRS	**698,836**	**504,551**

A summary of the impact of transition to the Statement of Comprehensive Income is as follows:

	Year ended 30 September 2015 £	**Year ended 30 September 2014 £**
Profit after tax reported in accordance with UK GAAP	357,732	326,185
Transition adjustments:		
Operating lease incentives	(4,500)	(4,500)
Capitalisation of development costs	142,330	121,330
Amortisation of development costs	(54,874)	(28,507)
Deferred tax on capitalisation of development costs	(17,491)	(18,565)
Total comprehensive income reported in accordance with IFRS	**423,197**	**395,493**

20. **Exceptional costs**

As part of the costs of the admission to trading on AIM for the first time, costs of £1,288,081 were incurred. Costs of £313,205 have been allocated against share premium, being the costs associated with share listing. The remaining £974,876 has been expensed in the period, being the AIM listing fee.

21. Subsidiary undertakings

The Company currently has the following wholly-owned subsidiary, which is incorporated and registered in England and Wales, of which ECSC Group plc hold 100% of the £1 share capital:

Name of Subsidiary	Registered Office	Date of Incorporation	Principal Activity
ECSC Australia Limited	28 Campus Road Listerhills Science Park Bradford BD7 1HR	29 September 2016	Dormant