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Zonal Retail Data Systems Limited

Report and Financial Statements

for the year ended 30 June 2016

Registered Number SC069596

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COMPANIES HOUSE

Zonal Retail Data Systems Limited

Directors and Advisers 2016

Directors	B J McLean – Chairperson S J McLean H S McLean J A McLean P M Edwards C L Consterdine C D Plucknett R A McLean - Non Executive R Hammond - Non Executive
Secretary	C D Plucknett
Bankers	The Royal Bank of Scotland PLC 36 St Andrews Square Edinburgh EH2 2YB
Solicitors	DWF Biggart Baillie 96 Fountainbridge Edinburgh EH3 9QA
Auditor	RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) Statutory Auditor First Floor, Quay 2 139 Fountainbridge Edinburgh EH3 9QG
Registered Office	1 Tanfield Edinburgh EH3 5DA

Zonal Retail Data Systems Limited

Strategic report for the year ended 30 June 2016

Key activities

The Group provides enterprise business solutions to restaurants, pubs, hotels and other hospitality clients; our product suite includes EPoS solutions, stock management, head office reporting and controls, table management, online reservations, loyalty and marketing. Our customers are predominantly in the UK, the USA and in Eire, with a fledging presence in mainland Europe.

The customer base grew substantially in the financial year increasing margins and profitability and the group is expected to grow strongly again in the next financial year. Sales were reduced as we ceased to benefit from certain procurement revenues associated with a buying portal solution but this had no detrimental impact on our solution set, clients and profitability. Further details are set out below under Key Performance Indicators.

We licence, support and rent our own software solutions, as well as third party offerings; we also manufacture and supply equipment and other computer hardware and offer on-site support for these solutions. We install our software onto our own equipment or third party products. Our own designed hardware will also operate third party software. We also provide serviced office accommodation in Edinburgh.

Zonal recognise our role in the wider community and our amazing staff and the corporate company continues to support Hope for Children, a charity helping to improve children's lives in the UK and in the developing world.

Investment in our solutions and service

We will continue and increase our investment in our current product set and innovative new solutions over the coming year above what is already a high investment base. This will allow us to continue to offer leading technology solutions to the hospitality industry in the UK and US now and in the future. Our investment in research and development in the year ended 30 June 2016 was nearly £4m. This has enabled us to deliver a market leading, innovative and broad product range that supports our continuing journey of supplying the hospitality industry with products that positively affect our customers' businesses.

We seek to offer great service to clients both during installation and on an ongoing basis and we continue to invest heavily in our support, delivery and engineering teams across the UK and elsewhere.

In 2016, the Group was proud to have been recognised in a number of industry awards which included winner of the B2B Technology/Service category in the Scotland IS Digital Technology Awards, the People's Choice winner in the Family Business Awards, and were highly commended in the Chef's Choice Awards in the Best EPoS Category. Stuart McLean, Zonal's CEO, was shortlisted for The Entrepreneur of the Year Award for Scotland.

Business development

During the year Zonal completed or commenced rollouts for three major hospitality clients and we are positioned to continue our expansion within the hospitality industry with growth in both existing and new customers. We have also won three major new clients for delivery in the period after our year end.

Key priorities

The group was founded 37 years ago by the McLean family and the family's long term aim of developing world leading Hospitality EPoS solutions will continue.

Our customers and our people are our key priorities. Developing the business and winning new clients is important but serving and retaining our existing customers and remaining true to our established values is equally important.

Key Performance Indicators

A number of key financial and strategic performance indicators are measured across the group, some of which are set out below.

Year on year business growth

During the year ended 30 June 2016 we ceased to benefit from certain procurement revenues associated with a buying portal solution licenced to the company's hospitality clients and their supply chain. These portal revenues totalled £12m in the year. We also completed a particularly large installation roll-out for a major client at the end of the year ending 30 June 2015. Like for like sales therefore fell in the current year by 6% however the underlying trend of the core business is still showing growth and great momentum (prior year growth 14%).

We have continued to expand our installed base adding in excess of 1,400 client sites in the year ended 30 June 2016, along with some significant existing customer upgrades. This growth is expected to continue in our next financial year and our order-book and future sales pipeline are expected to grow revenues strongly in this year as well.

This growth in sites means that our recurring revenue from SaaS software rental, software support and hardware support have grown significantly and proportionately during the year and this trend is expected to continue. We are now well established as the market leader for the supply of technology solutions to the full spectrum of the hospitality industry.

These factors mean that during the year ended 30 June 2016 like for like gross margins grew from 53% to 62%, net margins grew from 4.9% to 7.3%, and cash balances grew by £2.1m before the payment of a dividend.

Service levels

We measure and report on a range of service targets against internal SLAs on a continual as well as monthly basis. The company achieved its internal SLA for target fixes for both Help Centre calls and Engineering on-site calls.

Staff development

Retaining and developing colleagues' skills remains a key focus for us and we invest heavily in both internal and external training. In addition to development training 54% of staff (prior year 42%) received training targeting their next potential role during the year.

Principal risks and uncertainties

Economic and regulatory risks

Our principal market is the United Kingdom and we may be affected by adverse economic conditions, for example consequences following the vote to leave the EU or new regulations impacting the hospitality and drinks industry.

We monitor the wider economy and trading and regulatory issues impacting our key markets, and we also re-forecast on a regular basis to assist us in identifying future changes in activities levels so we can manage our costs and resources appropriately. We have not experienced any adverse impact on sales and our pipeline as a result of the above vote and currently we expect this to remain the case, however we continue to monitor current and future business performance closely so we become aware of any adverse consequence at an early stage if they do materialise.

Foreign Exchange

There is periodic review of foreign currency transactions to limit the risk to the group's results due to adverse currency movements relating to the purchase of goods from outside the UK.

Property risks

The group owns a number of freehold properties in Edinburgh and West Lothian, most of which are let as serviced offices. Changes in the property market and the commercial rental market may adversely impact the value of the group's assets but these risks are unlikely to have any material impact on short term trading cashflows given the relative size of this letting business and the fact that there is no mortgage debt associated with these properties.

Business continuity and crisis management

The group has appropriate business continuity, failover plans and safety procedures in place for key trading locations, IT facilities and data centres and these are regularly reviewed.

Funding and liquidity risk

The group ensures that it has sufficient banking facilities in place and cash headroom over and above forecast cashflows to support future trading and accommodate foreseeable financial uncertainty.

Credit and insurance risks

Standard trade credit is advanced to clients and this risk is managed and monitored by routinely checking credit reports. The group also holds a wide range of insurance policies to cover a variety of business risks (not including credit insurance) which are regularly reviewed.

By order of the Board

S J McLean
Director



22/12/16

Zonal Retail Data Systems Limited

Directors' report for the year ended 30 June 2016

The Directors present their report and the audited financial statements of the group for the year ended 30 June 2016.

Results and dividends

This is the first year that the company has presented its results under FRS 102. The last financial statements under previous UK GAAP were for the year ended 30 June 2015. The date of transition to FRS 102 was 1 July 2014. These changes have no impact upon the profit for the year to 30 June 2016, nor on the equity of the Company with brought forward total equity being equal to that reported previously under UK GAAP as at 30 June 2015.

The group returned a profit on ordinary activities after interest and taxation of £2,746k (2015: £2,142k).

Dividends paid are detailed in note 8 to the financial statements.

Directors

The Directors who served the company during the year were as follows:

B J McLean
S J McLean
H S McLean
J A McLean
P M Edwards
C L Consterdine
C D Plucknett
R A McLean – Non Executive
R Hammond – Non Executive

Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Directors' responsibilities (continued)

In so far as the Directors are, individually, aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Statement of disclosure of information to auditors
In the case of each of the persons who are directors at the time when the report is approved under Section 418 of the Companies Act 2006, the following applies:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Reappointment of Auditors:
The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Financial risk management

The company and the group makes little use of financial instruments other than an operational bank account. The company and the group finances its operations through a mixture of retained profits and, where necessary to fund expansion or capital expenditure programmes, through bank borrowings. As a result the company's and the group's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company and the group.

Research & Development

The company undertakes research and development activities through a wide range of projects. These activities further the company's contribution to the sectors in which it operates, being the provision of EPoS systems, software and services to the hospitality industry. The company also designs and manufactures hardware and works with new technology to provide a complete package of the latest products and up to date applications.

Information included in the Strategic Report

The following information has been included in the strategic report as per s414C (11) of the Companies Act 2006: Key Activities; Business Development; Key Performance Indicators and Principal Risks and Uncertainties.

Employment policy

It is the policy of the company and the group to encourage and develop every member of staff to realise their maximum potential. Wherever appropriate, vacancies are filled within the company and the group and adequate opportunities for internal promotion are given. The company and the group are committed to ongoing training and development for all employees.

During the year, our open policy of providing employees with information about the company has continued through regular newsletters, meetings and consultation held between management and employees. Feedback is encouraged and employees' views are taken into account across a full and wide range of issues. This facilitates the

Directors' report (continued)

flow of information and ideas on matters of concern to the employees and allows these to be taken into account when decisions are being made which are likely to affect their interests. Additionally, this encourages the involvement of employees in activities impacting the group's performance and achieves a wider employee awareness of the financial and economic factors affecting and impacting the group.

It is also the policy of the company and the group to give proper and fair consideration to disabled persons in all employment applications, taking steps to consider their needs and requirements during all stages of the recruitment process and if applicable their ongoing employment. It is also our policy to take steps to fairly consider the needs of employees who become disabled during their employment, taking into account their working environment, job role, and welfare. We also seek to promote a culture where internal promotions and training and development are encouraged for disabled persons and all staff.

By order of the Board



S J McLean
Director

22/12/16

Zonal Retail Data Systems Limited

Independent Auditor's Report

To the Members of Zonal Retail Data Systems Limited

Opinion on financial statements

We have audited the group and parent company financial statements (the "financial statements") on pages 10 to 39. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Scope of the audit of the financial statements

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

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

(a) Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on pages 5 to 6, 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 Standards for Auditors.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the

fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Alan Aitchison, (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)
Statutory Auditor
Third Floor
Centenary House
69 Wellington Street
Glasgow
G2 6HG

Date: 11/01/17

Zonal Retail Data Systems Limited

GROUP STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2016

	Notes	30 June 2016	30 June 2015
		£'000	£'000
Group turnover	2	**45,063**	59,622
Cost of sales		**(16,024)**	(33,724)
Gross profit		**29,039**	25,898
Administrative expenses		**(25,763)**	(23,567)
Operating profit	3	**3,276**	2,331
Interest payable and similar charges	5	**(34)**	(25)
Interest receivable	6	**23**	9
Profit on ordinary activities before taxation		**3,265**	2,315
Taxation on profit on ordinary activities	7	**(519)**	(173)
Profit for the financial year	23	**2,746**	2,142

All of the above figures relate to continuing operations.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account.

The notes on pages 15 to 39 form part of these financial statements.

Zonal Retail Data Systems Limited

GROUP STATEMENT OF FINANCIAL POSITION
At 30 June 2016

SC069596

	Notes	30 June 2016	30 June 2015
		£'000	£'000
Fixed assets			
Intangible assets	10	**695**	1,019
Tangible assets	11	**5,239**	5,352
Investments	12	**256**	256
		6,190	6,627
Current assets			
Stocks	13	**4,579**	4,658
Debtors	14	**9,566**	9,353
Cash at bank and in hand		**6,691**	5,071
		20,836	19,082
Creditors: amounts falling due within one year	15	**(13,065)**	(13,768)
Net current assets		**7,771**	5,314
Total assets less current liabilities		**13,961**	11,941
Creditors: amounts falling due after more than one year	16	**(319)**	(544)
Deferred tax liability		**(115)**	(51)
Total assets less current liabilities		**13,527**	11,346
Capital and reserves			
Called up share capital	19	**1**	1
Share Premium Account		**6**	-
Foreign exchange reserve	22	**(46)**	22
Profit and loss account	22	**13,566**	11,323
Equity shareholders' funds	23	**13,527**	11,346

These financial statements were approved by the board of Directors and authorised for issue on 22/12/16 and were signed on its behalf by:

C D Plucknett
Director

The notes on pages 15 to 39 form part of these financial statements.

Zonal Retail Data Systems Limited

COMPANY STATEMENT OF FINANCIAL POSITION
At 30 June 2016 SC069596

	Notes	30 June 2016	30 June 2015
		£'000	£'000
Fixed assets			
Intangible assets	10	**63**	110
Tangible assets	11	**4,916**	5,100
Investments	12	**1,051**	1,328
		6,030	6,539
Current assets			
Stocks	13	**4,494**	4,579
Debtors	14	**9,098**	9,085
Cash at bank and in hand		**6,546**	4,881
		20,138	18,545
Creditors: amounts falling due within one year	15	**(12,672)**	(13,296)
Net current assets		**7,466**	5,249
Total assets less current liabilities		**13,496**	11,788
Creditors: amounts falling due after more than one year	16	**(319)**	(544)
Deferred tax liability		**(115)**	(51)
Net Assets		**13,062**	11,193
Capital and reserves			
Called up share capital	19	**1**	1
Share Premium Account		**6**	-
Profit and loss account	22	**13,055**	11,192
Equity shareholders' funds	23	**13,062**	11,192

These financial statements were approved by the board of Directors and authorised for issue on 22/12/16 and were signed on its behalf by:

C D Plucknett
Director

The notes on pages 15 to 39 form part of these financial statements.

Zonal Retail Data Systems Limited

GROUP STATEMENT OF CASHFLOWS
for the year ended 30 June 2016

	Note	30 June 2016	30 June 2015
		£'000	£'000
Cash generated from operations	20	**3,116**	3,532
Interest paid	5	**(34)**	(25)
Income taxes paid	7	**(92)**	241
Net cash from Operating Activities		**2,990**	**3,748**
Investing Activities			
Acquisition of investment in subsidiary	12	-	(341)
Loans granted to undertakings	14	-	(30)
Purchase of tangible assets	11	-	1,104
Purchase of tangible fixed assets	11	**(638)**	(420)
Proceeds on disposal of tangible fixed assets	11	**63**	67
Repayments on hire purchases	24	**(321)**	(323)
Interest received	6	**23**	9
Net cash (Used in)/from investing activities		**(873)**	66
Financing activities			
Proceeds from share options	19	**6**	-
Equity dividends paid	8	**(503)**	(511)
Net cash used in financing activities		**(497)**	(511)
Net cash increase in cash and cash equivalents		**1,620**	3,303
Cash and cash equivalents at the beginning of the year		**5,071**	1,768
Cash and cash equivalents at the end of the year		**6,691**	5, 071

The notes on pages 15 to 39 form part of these financial statements.

Zonal Retail Data Systems Limited

Group Statement in Changes in Equity For the Year Ended 30 June 2016

Group	Notes	Share Capital	Share Premium	Foreign Exchange Reserve	Profit and Loss Account	Total
		£'000	£'000	£'000	£'000	£'000
Balance at 1 July 2014		1	-	(32)	9,692	9,660
Profit for the year		-	-	-	2,143	2,143
Gain/(losses) on consolidation		-	-	54	-	54
Total comprehensive income for the year		**-**	**-**	**54**	**2,143**	**2,197**
Dividends	8	-	-	-	(512)	(512)
Share-based payment	18	-	-	-	-	-
Total transactions with owners in their capacity as owners		-	-	54	1,631	(1,685)
Balance At 30 June 2015		**1**	**-**	**22**	**11,323**	**11 ,346**
Profit for the year					2,746	2,746
Gain/(losses) on consolidation		-	-	(68)	-	(68)
Total comprehensive income for the year		-	-	(68)	2,746	2,678
Dividends	8				(503)	(503)
Share options exercised	18	-	6	-	-	6
Total transactions with owners in their own capacity as owners		-	6	(68)	2,243	2,181
Balance At 30 June 2016		1	6	(46)	13,566	13,527

The notes on pages 15 to 39 form part of these financial statements.

Zonal Retail Data Systems Limited

Notes to the financial statements for the year ended 30 June 2016

1 Principal accounting policies

A summary of the principal accounting policies, which have been applied consistently, is set out below.

General Information

FRS 102 Reporting Entity, Zonal Retail Data Systems Limited ("the Company") is a limited company domiciled and incorporated in Scotland.

The address of the Company's registered office and principal place of business is 1 Tanfield, Edinburgh, EH3 5DA .

The Company's principal activities are the provision of enterprise business solutions to restaurants, pubs, hotels and other hospitality clients including EPoS solutions, stock management, head office reporting and controls, table management, online reservations, loyalty and marketing solutions.

Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

This is the first year that the company has presented its results under FRS 102. The last financial statements under previous UK GAAP were for the year ended 30 June 2015. The date of transition to FRS 102 was 1 July 2014. These changes have no impact upon the profit for the year to 30 June 2016, nor on the equity of the Company with brought forward total equity being equal to that reported previously under UK GAAP as at 30 June 2015.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated.

Basis of consolidation

The financial statements are presented in sterling which is also the functional currency of the Company, and rounded to the nearest £1,000.

The consolidated financial statements incorporate the financial statements of the company and all subsidiary undertakings. These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated profit and loss account is published, a separate profit and loss account for the parent undertaking is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Undertakings other than subsidiary undertakings, in which the group has an investment representing at least 20% of the shares, are treated as associated undertakings. The company has not recognised its share of the results of the associated undertakings in the consolidated financial statements in accordance with the requirements of the Companies Act 2006 and FRS102 on the grounds of immateriality.

Zonal Retail Data Systems Limited

Notes to the financial statements for the year ended 30 June 2016

Going Concern

The directors believe that due to the level of profitability achieved in the year to 30 June 2016, the increase in the shareholders funds per the financial statements and the strong sales pipeline for the year to June 2017 mean that business will continue to operate as a going concern.

Turnover and Revenue Recognition

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.Turnover is recognised in relation to separately identifiable components of a single transaction when necessary to reflect the substance of the arrangement and in relation to two or more linked transactions when necessary to understand the commercial effect.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Sale of Epos Sytems, Installation and Maintenance

Turnover from the provision of these goods and services is recognised by reference to when the goods or services are supplied to the customer and at the contracted price.

Income from the provision of online procurement and procurement systems

Turnover from the provision of these services is recognised at the contracted commission rate and at the contracted price for the systems supplied to the customer.

Income from service office accommodation

Rental income is recognised for the number of days occupied and at the contracted rate with the customer.

Intangible Fixed Assets - Goodwill

Goodwill arising on the acquisition of a company represents the excess of the cost of acquisition over the fair value of the separable net assets acquired. The fair value of the acquired assets and liabilities are assessed in the year of acquisition and the subsequent year which may impact on the goodwill recognised.

Where the cost of acquisition includes an element which is contingent upon the outcome of future events whose outcome is uncertain, an assessment is made as to the amounts that are expected to become payable. Those estimates are reassessed in each accounting period until the uncertainty is removed and outcome is certain. This re-assessment will require adjustments to be made to the carrying value of the associated goodwill to which the contingent consideration relates.

Notes to the financial statements for the year ended 30 June 2016 (continued)

Principal accounting policies (continued)

Goodwill is capitalised and written off on a straight line basis over its useful economic life of 3 to 10 years. Provision is made for any impairment in its value. The useful economic life is the expected period over which the company expects to derive an economic benefit and is reviewed on an annual basis.

Intangible Fixed Assets (other than Goodwill)
Research and development
Management consider the write off of Research and development expenditure to the profit and loss account to be the most appropriate treatment.

Trademarks
Trademarks held at cost are amortised over their estimated useful economic life of 10 years.

Licences
Licences held at cost are amortised over their estimated useful economic life of 5 years.

Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life as follows:
:

Buildings	between 10 and 50 years
Motor vehicles	3 years
Equipment	between 3 and 10 years
Fixtures and fittings	between 3 and 10 years

Impairments of Fixed Assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the company estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of the fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value in use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less residual value) over its remaining useful life.

Notes to the financial statements for the year ended 30 June 2016 (continued)

Principal accounting policies (continued)

Fixed Asset Investments
Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Stocks
Stocks are valued at lower of cost and estimated realisable value. Cost is determined by the actual cost of materials, direct labour and attributable overheads.

At each reporting date, the Company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

Management review stocks on the basis of equipment stocks and repair stocks to measure the appropriate level of impairment against each of these categories.

Items are recognised as Finished Till Systems either in a configured or non-configured state and ready for delivery to a customer.

Taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Current and Deferred Tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or even it relates to and is also charged or credited to other comprehensive income, or equity.

A deferred tax asset is regarded as recoverable and therefore only recognised when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is calculated on an undiscounted basis at the tax rates expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange gains and losses are recognised in the Foreign Exchange Reserve.

Operating lease agreements
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Notes to the financial statements for the year ended 30 June 2016 (continued)

Principal accounting policies (continued)

Hire purchase agreements
Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Financial instruments
Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial Assets

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

Critical Accounting Estimates and Areas of Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes to the financial statements for the year ended 30 June 2016 (continued)

Principal accounting policies (continued)

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Company as lessee, or the lessee, where the Company is a lessor.

It is important that the business continues to invest in Research and Development, so that the Group's products and solutions are continually improving to meet client expectations and market requirements. Management judges that this investment should be expensed to the Profit and Loss account, firstly because it is prudent to do so and secondly due to it being difficult to reasonably and accurately quantify the future income generated by this investment.

With stock being a significant asset of the business, management makes the judgement that this must be measured for impairment on an ongoing basis through the profit or loss. Stock is analysed by category to identify the appropriate level of impairment.

Provisions

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation.

Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

Notes to the financial statements for the year ended 30 June 2016 (continued)

2 Turnover

The turnover attributable to the principal activities of the group are:

	30 June 2016	30 June 2015
	£'000	£'000
Hospitality systems and services including EPoS	**44,371**	58,905
Income from the provision of serviced office accommodation	**692**	717
	45,063	59,622

The turnover attributable to the principal territories are:

	30 June 2016	30 June 2015
	£'000	£'000
United Kingdom	**44,200**	58,930
Other markets	**863**	692
	45,063	59,622

Information with regard to turnover and profit in the group's activities and a market analysis of turnover has not been given as, in the opinion of the Directors, it would be prejudicial to the interests of the group.

Notes to the financial statements for the year ended 30 June 2016 (continued)

3 Profit on Ordinary Activities Before Taxation

	30 June 2016 £'000	30 June 2015 £'000
Operating profit is stated after charging/(crediting):		
Auditor's remuneration – Audit services	**18**	18
Auditor's remuneration – Non audit services	**3**	6
Amortisation of intangible assets	**325**	221
Impairment of intangible assets	**-**	-
Depreciation of owned fixed assets	**448**	521
Depreciation of assets held under hire purchase agreements	**349**	346
Directors' emoluments	**1,307**	1,103
Profit on disposal of fixed assets	**(71)**	(39)
Research and development costs	**3,840**	3,829
Property operating lease costs	**513**	506
Equipment operating lease costs	**56**	371
Net (Profit)/Loss on foreign currency translation	**(60)**	47

4 Staff numbers and costs

	30 June 2016	30 June 2015
Average number of employees (including Directors) was:		
Directors	**7**	7
Administration	**61**	49
Manufacturing, installation and maintenance	**245**	214
Research and development	**66**	65
Total	**379**	335

Six directors (2015: 6) were accruing benefits under pension schemes at the year end.

	30 June 2016 £'000	30 June 2015 £'000
Staff costs for the above persons (including Directors):		
Wages and salaries	**14,415**	12,969
Social security costs	**1,543**	1,311
Other pension costs	**376**	323
	16,334	14,603

Notes to the financial statements for the year ended 30 June 2016 (continued)

4 Staff numbers and costs (continued)

Directors' remuneration

	30 June 2016	30 June 2015
	£'000	£'000
Emoluments	**1,307**	1,103
Company contributions to money purchase pension schemes	**73**	62
	1,380	1,165

	30 June 2016	30 June 2015
	£'000	£'000
Emoluments of highest paid director	**292**	236
Pension contributions of highest paid director	**17**	17

	30 June 2016	30 June 2015
The number of directors to whom retirement benefits are accruing under:		
Money purchase schemes was	**6**	**6**
The number of directors who exercised share options during the year was	**1**	-

R Hammond also received fees of £7,500 (2015: £6,000) during the year ended 30 June 2016 in respect of his role as Non Executive Director of Zonal Retail Data Systems Limited.

The key management personnel are the Board of Directors and the Executive team.

5 Interest payable and similar charges

	30 June 2016	30 June 2015
	£'000	£'000
On hire purchase	**34**	25

Notes to the financial statements for the year ended 30 June 2016 (continued)

6 Interest receivable

	30 June 2016	30 June 2015
	£'000	£'000
Bank interest receivable	11	6
Other interest receivable	12	3
	23	9

7 Taxation

(a) Analysis of charge in the year	30 June 2016	30 June 2015
	£'000	£'000
In respect of the year:		
UK Corporation tax based on the results for the year at 20.00% (2015: 20.75%	716	249
(Over)/under provision in prior year	(262)	(126)
	454	123
Deferred tax		
Origination and reversal of timing differences (note 17)	65	(1)
Under provision in prior year	-	51
Tax on profit on ordinary activities	519	173

Notes to the financial statements for the year ended 30 June 2016 (continued)

7 Taxation (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2015: 20.75%)

	30 June 2016	30 June 2015
	£'000	£'000
Profit on ordinary activities before taxation	**3,265**	2,315
Profit on ordinary activities by rate of tax	**653**	480
Effects of:		
Expenses not deductible for tax purposes	**227**	180
Depreciation charge for year in excess of capital allowances	**79**	(80)
Amounts not subject to UK tax	**(14)**	-
Adjustments to tax charge in respect of previous period	**(342)**	(126)
Other Fixed asset adjustments		3
Other timing differences	**(13)**	(11)
Utilisation of tax losses and other deductions	**(71)**	-
Unrelieved tax losses	-	(323)
Total current tax	**519**	123

8 Dividends

Dividends on equity shares	**30 June 2016**	30 June 2015
	£'000	£'000
Paid on 14th March 2016 :		
Final Equity dividends on ordinary shares	**503**	512

9 Profit attributable to members of the parent undertaking

The profit dealt with in the financial statements of the parent undertaking, after tax and before dividends, was £2,390k (2015: £2,225k).

Notes to the financial statements for the year ended 30 June 2016 (continued)

10 Intangible assets

Group	Trademarks & Licences	Purchased goodwill	Total
	£'000	£'000	£,000
Cost			
At 30 June 2015	**272**	**1,900**	**2,172**
Additions	-	-	-
At 30 June 2016	**272**	**1,900**	**2,172**
Amortisation			
At 30 June 2015	162	991	1,153
Impairment	-	-	-
Charge for year	47	277	324
At 30 June 2016	**209**	**1,268**	**1,477**
Net book value			
At 30 June 2016	**63**	**632**	**695**
Net book value			
At 30 June 2015	110	909	1,019

Notes to the financial statements for the year ended 30 June 2016 (continued)

10 Intangible assets (continued)

Company	Trademarks & Licences	Purchased goodwill	Total
	£'000	£'000	£'000
Cost			
At 30 June 2015	**272**	**288**	**560**
Additions	-	-	-
Impairment	-	-	-
At 30 June 2016	**272**	**288**	**560**
Amortisation			
At 30 June 2015	162	288	450
Charge for year	47	-	47
At 30 June 2016	**209**	**288**	**497**
Net book value			
At 30 June 2016	**63**	-	**63**
Net book value			
At 30 June 2015	110	-	110

Notes to the financial statements for the year ended 30 June 2016 (continued)

11 Tangible assets

Group	Land and buildings	Motor vehicles	Equipment	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 30 June 2015	4,299	1,398	1,700	2,276	9,673
Acquired on purchase of subsidiary undertaking	-	-	-	-	-
Additions	-	274	315	49	638
Foreign currency gain	-	-	67	-	67
Disposals	-	(334)	(42)	-	(376)
At 30 June 2016	**4,299**	**1,338**	**2,040**	**2,325**	**10,002**
Depreciation					
At 30 June 2015	774	947	1,338	1,262	4,321
Acquired on purchase of subsidiary undertaking	-	-	-	-	-
Charge for year	79	263	257	200	799
On disposals	-	(315)	(42)	-	(357)
At 30 June 2016	**853**	**895**	**1,553**	**1,462**	**4,763**
Net book value					
At 30 June 2016	**3,446**	**443**	**487**	**863**	**5,239**
Net book value					
At 30 June 2015	3,525	451	362	1,014	5,352

Included within the net book value of £5,238k (2015: £5,352k) is £916k (2015: £1,099k) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £349k (2015: £346k).

Included within land and buildings is a properties with a carrying amount of £642k (2015: £664k) over which a standard security in favour of a customer is held.

Notes to the financial statements for the year ended 30 June 2016 (continued)

11 Tangible assets (continued)

Company	Land and buildings	Motor vehicles	Equipment	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 30 June 2015	4,299	1,344	1,455	2,052	9,150
Additions	-	252	292	6	550
Reclassification	-	-	-	-	-
Disposals	-	(315)	(42)	-	(357)
At 30 June 2016	**4,299**	**1,281**	**1,705**	**2,058**	**9,343**
Depreciation					
At 30 June 2015	773	977	1,155	1,145	4,050
Charge for year	79	263	208	184	734
On disposals	-	(315)	(42)	-	(357)
At 30 June 2016	**852**	**925**	**1,321**	**1,329**	**4,427**
Net book value					
At 30 June 2016	**3,447**	**356**	**384**	**729**	**4,916**
Net book value					
At 30 June 2015	3,526	367	300	907	5,100

Included within the net book value of £4,915k (2015: £5,100k) is £916k (2015: £1,074k) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £349k (2014: £346k).

Included within land and buildings is a properties with a carrying amount of £642k (2015: £664k) over which a standard security in favour of a customer is held.

Notes to the financial statements for the year ended 30 June 2016 (continued)

12 Investments

Group

Other investments	Country of registration or incorporation	Class of shares held and % of shares owned	30 June 2015 £'000	Repayments £'000	Additions £'000	30 June 2016 £'000
Exterity Limited	Scotland	Ordinary 5.2%	**150**	-	-	150
AdMargin Limited	Scotland	Ordinary 30%	**105**	-		105
Total			**255**	-	-	255

Company

Other investments	Country of registration or incorporation	Class of shares held and % of shares owned	30 June 2015 £'000	Repayments £'000	Additions £'000	30 June 2016 £'000
Exterity Limited	Scotland	Ordinary 5.2%	**150**	-	-	150
AdMargin Limited	Scotland	Ordinary 30%	**105**	-	-	105
Sub-total			**255**	-	-	255

AdMargin Limited, a company in which the Group has a 30% interest, is not treated as a participating interest because the Group is not in a position to exercise significant influence over that company. At 31 December 2015 the aggregate capital and reserves of Admargin Limited were (£8k) [2015: (£39k)] and its profit after taxation for the year then ended was £31k (2015: loss £48k).

Subsidiary undertakings

Holdings in subsidiaries, shown at cost adjusted for provisions and currency fluctuations, are as follows:

	Country of registration or incorporation	Nature of Business	Class of shares held	30 June 2015 £'000	Written Off £'000	30 June 2016 £'000
Zonal Hospitality Systems Inc	USA	EPoS	Common Paid in capital 100%	-	-	-
Freshnet Systems Limited	England	Dormant	Ordinary 100%	-	-	-
TXD Limited	England	EPoS	Ordinary 100%	**484**	(173)	311
LiveRES Limited	England	EPoS	Ordinary 100%	**589**	(104)	485
				1,073	(277)	796
Total				**1,328**	(277)	1,051

Notes to the financial statements for the year ended 30 June 2016 (continued)

12 Investments (continued)

Zonal Hospitality Systems Inc trades in United States of America as a supplier and installer of EPoS solutions for the hospitality industry. Freshnet Systems Limited is a dormant company.

13 Stocks

	Group		*Company*	
	30 June 2016	30 June 2015	**30 June 2016**	30 June 2015
	£'000	£'000	**£'000**	£'000
Components and Consumables	**3,910**	3,875	**3,825**	3,796
Work in Progress	**3**	8	**3**	8
Finished Till Systems	**666**	775	**666**	775
	4,579	4,658	**4,494**	4,579

During the year, an impairment loss on Finished Till Systems of £nil was recognised within cost of sales. No earlier stock write downs have been reversed during the current or proceeding period.

14 Debtors

	Group		*Company*	
	30 June 2016	30 June 2015	**30 June 2016**	30 June 2015
	£'000	£'000	**£'000**	£'000
Amounts falling due within one year:				
Trade debtors	**8,290**	8,282	**7,948**	7,919
Owed by other group companies	**-**	-	**-**	108
Corporation tax	**-**	-	**-**	-
Other debtors	**28**	9	**20**	8
Prepayments and accrued income	**1,248**	1,062	**1,130**	1,050
	9,566	9,353	**9,098**	9,085

Notes to the financial statements for the year ended 30 June 2016 (continued)

15 Creditors: amounts falling due within one year

	Group		*Company*	
	30 June 2016	30 June 2015	**30 June 2016**	30 June 2015
	£'000	£'000	**£'000**	£'000
Hire purchase	**478**	496	**478**	481
Trade creditors	**3,683**	4,400	**3,536**	4,294
Other creditors	**-**	162	**-**	162
Other taxes and social security	**1,439**	1,263	**1,294**	1,215
Corportation Tax	**452**	88	**476**	89
Accruals and deferred income	**7,013**	7,357	**6,888**	7,055
	13,065	13,767	**12,672**	13,296

Amounts due under hire purchase agreements of £478k were secured on the assets held under these agreements.

The Royal Bank of Scotland Plc hold a bond and floating charge over the entire assets of the company. Standard securities have also been granted over certain of the group's properties.

16 Creditors: amounts falling due after more than one year

	Group		*Company*	
	30 June 2016	30 June 2015	**30 June 2016**	30 June 2015
	£'000	£'000	**£'000**	£'000
Hire purchase	**241**	544	**241**	544
Other Creditors	**78**	-	**78**	-
	319	544	**319**	544

Notes to the financial statements for the year ended 30 June 2016 (continued)

17 Deferred tax

Deferred taxation provided for in the financial statements is set out below. The asset has been provided for as it is anticipated that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted. The deferred tax asset has been calculated using a tax rate of 20% (2015: 20.75%).

	Group		*Company*	
	30 June 2016	30 June 2015	**30 June 2016**	30 June 2015
	£'000	£'000	**£'000**	£'000
Fixed asset timing differences	**(115)**	(54)	**(115)**	(54)
Other timing differences	**-**	3	**-**	3
	(115)	(51)	**(115)**	(51)

The movement in the deferred taxation account during the year was:

	Group		*Company*	
	30 June 2016	30 June 2015	**30 June 2016**	30 June 2015
	£'000	£'000	**£'000**	£'000
At 1 July 2015	**(51)**	(1)	**(51)**	(1)
Profit and loss account movement arising during the year	**(64)**	(50)	**(64)**	(50)
At 30 June 2016	**(115)**	(51)	**(115)**	(51)

18 Share-based payments

Equity-settled share-based payments

The company has a share option scheme certain employees (including executive directors). Options are exercisable at a price equal to the average market price of the company's shares on the date of grant. The vesting condition for employees is that they must be an eligible employee, and have neither given nor received notice of termination of their employment, up until the vesting date which is the earlier of:

I. The date falling forty days subsequent to the completion date of a Takeover or
II. The date falling forty days subsequent to the completion date of a Sale or
III. On such date as the board determine at their sole discretion.

If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the company before the options vest.

Notes to the financial statements for the year ended 30 June 2016 (continued)

18 Share-based payments (continued)

8,167 share options are outstanding at the year end, with a weighted average exercise price (WAEP) of £18.40. Each option relates to one B Ordinary share of the company.

	30 June 2016		30 June 2015	
	No	WAEP £	No	WAEP £
Outstanding at the beginning of the year	8,500	18.40	8,500	18.40
Exercised during the year	(333)	-	-	-
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	8,167	18.40	8,500	18.40
Exercisable at the end of the year	8,167	18.40	8,500	18.40

The Directors have assessed the fair value of the options and no charge has been made to the profit and loss account in respect of share based payments as the directors believe this to be insignificant.
During the year Mr Clive Consterdine exercised his option to purchase 333 shares.

19 Called-up share capital

	30 June 2016	30 June 2015
	£	£
Allotted, called up and fully paid		
104,500 A Ordinary shares of £0.01 each	1,045	1,045
333 B Ordinary Shares of £0.01 each	3	-
	1,048	1,045

Both A and B shareholders are entitled to attend and vote at general meetings on a one vote per share basis and rank pari passu with regards to voting rights.

Notes to the financial statements for the year ended 30 June 2016 (continued)

20 Reconciliation of operating profit to cash inflow from operating activities

	30 June 2016	30 June 2015
	£	£
Profit after tax	**2,746**	2,142
Depreciation	**799**	868
Amortisation of goodwill	**324**	251
Foreign Exchange Movement	**(60)**	(15)
Profit on sale of TFA	**(71)**	(42)
Interest received	**(23)**	(9)
Interest payable	**34**	25
Taxation	**519**	172
	4,268	3,392
Operating cash flows before movements in working capital		
Decrease / (Increase) in stocks	**79**	242
Decrease / (Increase) in debtors	**(267)**	607
(Decrease) /Increase in creditors	**(964)**	(709)
Cash generated from/(used in) operations	**3,116**	3,532

21 Analysis of changes in funds

	At 1 July 2015	Cash Flows	Non cash movements	Other Changes	**At 30 June 2016**
	£'000	£'000	£'000	£'000	**£'000**
Cash at bank and in hand	5,071	1,620	-	-	**6,691**
Hire purchase creditors	(1,041)	321	-	-	**(720)**
	4,030	1,941	-	-	**5,971**

Notes to the financial statements for the year ended 30 June 2016 (continued)

22 Reserves

Group	Foreign Exchange Reserve	Profit and Loss account	Share Premium	Total
	£'000	£'000	£'000	£'000
At 1 July 2014	(32)	9,692	-	9,660
Profit for the year		2,143		2,143
Equity dividends paid	-	(512)	-	(512)
Exchange differences arising on translation	54	-	-	54
At 1 July 2015	22	11,323	-	11,345
Profit for the year	-	2,746	-	2,746
Equity dividends paid	-	(503)		(503)
Share option exercised	-	-	6	6
Exchange differences arising on translation	(68)	-	-	(68)
At 30 June 2016	**(46)**	**13,566**	**6**	**13,527**

Company	Profit and loss account
	£'000
At 1 July 2014	9,478
Equity dividends paid	(512)
Profit for the year	2,225
At 1 July 2015	11,191
Equity dividends paid	**(503)**
Share Premium from grant of share options	**6**
Profit for the year	**2,390**
At 30 June 2016	**13, 085**

Notes to the financial statements for the year ended 30 June 2016 (continued)

23 Reconciliation of movement in shareholders' funds

Group	30 June 2016	30 June 2015
	£'000	£'000
Profit for the financial year	2,746	2,143
Exchange differences arising on translation	(68)	54
Equity dividends paid	(503)	(512)
Share Option Proceeds	6	-
	2,181	1,685
Opening shareholders' funds	11,346	9,661
At 30 June 2016	13,527	11,346

Company	30 June 2016	30 June 2015
	£'000	£'000
(Loss) /Profit for the financial year	2,390	2,225
Equity dividends paid	(503)	(512)
Share Option proceeds	6	-
	1,893	1,713
Opening shareholders' funds	11,193	9,479
At 30 June 2016	13,086	11,192

Notes to the financial statements for the year ended 30 June 2016 (continued)

24 Commitments under operating leases

The company as a lessee:
The total future minimum payments under non-cancellable operating leases for plant and machinery are as follows:

	30 June 2016	30 June 2015
Group	**£'000**	*£'000*
Amounts due:		
Within one year	**-**	-
Between one and five years	**1,590**	1,249
After five years	**651**	992

The company as a lessee:
The total future minimum payments under non-cancellable operating leases for plant and machinery are as follows:

	30 June 2016	30 June 2015
Company		
	£'000	*£'000*
Amounts due:		
Within one year	**-**	-
Between one and five years	**1,590**	1,249
After five years	**651**	992

Notes to the financial statements for the year ended 30 June 2016 (continued)

25 Related party transactions

Advantage has been taken of the exemption granted by FRS102 Section 33, Related Party Disclosures, not to report details of transactions with entities which are 100% controlled by a common parent undertaking.

No other transactions with related parties were undertaken such as are required to be disclosed under FRS102.

Net balances due to Zonal Retail Data Systems Ltd from related parties at 30 June 2016 are - Zonal Hospitality Systems Inc £613k, TXD Limited £225k, and for LiveRes Limited £441k.

The parent undertaking has provided a guarantee over the outstanding liabilities at the balance sheet date of the following subsidiaries pursuant to sections 479A-C of the Companies Act 2006. These subsidiaries are exempt from the requirements of the UK Companies Act 2006 relating to the audit of the individual accounts by virtue of section 479A of that Act.

- Liveres Limited (07273782)
- TXD Limited (05326496)

26 Ultimate controlling party

In the opinion of the Directors, Morton Fraser Trustees Limited, who were appointed on the 6 July 2010 as Trustees on behalf of the McLean Family Trust, are considered to be the ultimate controlling party by virtue of the McLean Family Trust's majority shareholding in the company.

27 FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under previous UK GAAP were for the year ended 30 June 2015. The date of transition to FRS 102 was 1 July 2014. These changes have no impact upon the profit for the year to 30 June 2016, nor on the equity of the Company with brought forward total equity being equal to that reported previously under UK GAAP as at 30 June 2015.