26 September 2016

Tax Systems plc (formerly Eco City Vehicles Plc)
("Tax Systems" or the "Company")

Unaudited results for the six months ended 30 June 2016

Tax Systems announces its results for the six months ended 30 June 2016. The results for the period are not representative of the Company going forward as the Company successfully concluded the acquisition of Tax Computer Systems Limited ("TCSL") after the period end (the "Acquisition").

Background

From 1 January to 30 June 2016, the period under review, the Company was an Investing Company as classified under the AIM Rules.

As an Investing Company, the Company's strategy was to invest and/or acquire companies and/or assets in the telecommunications, media and technology sectors, where the board believed there are opportunities for growth which, if achieved, would be earnings enhancing for shareholders.

The Company's principal activity during the period under review was to identify, negotiate and conduct detailed technical, commercial, financial and legal due diligence on TCSL, a leading supplier of corporation tax software to the large corporate sector and the accounting profession in the UK and Ireland.

The majority of the costs incurred in connection with the Acquisition were incurred on a contingent basis and under accounting rules fall to be recognised outside the period under review. Of the costs incurred, £414,000 were not contingent on the completion of the Acquisition and have accordingly been recognised in these financial statements.

Post period end, on 25 July 2016, the Company's shareholders approved, *inter alia*, the acquisition of the entire issued share capital of TCSL and the change of the Company's name to Tax Systems plc.

Cash balances and funding

Cash balances at 30 June 2016 were £4.6m (2015: £0.1m), following a £5 million share subscription which raised a total of £5 million in December 2015.

Outlook

The acquisition of TCSL completed on 26 July 2016. While it has only been a short time since taking control, the board believes the prospects for the business are every bit as strong as considered at the time of the Acquisition.

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

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Statement of Comprehensive Income

For the period ended 30 June 2016

	Notes	Unaudited 6 months ended 30 June 2016 £000	Unaudited 6 months ended 30 June 2015 Restated £000	Audited Year ended 31 December 2015 £000
Revenue		-	-	-
Cost of sales		-	-	-
Gross profit		**-**	**-**	**-**
Administrative expenses		(478)	(225)	(345)
Other income		-	-	-
Loss from operations before non-recurring items		-	(82)	(200)
Non-recurring items	**3**	-	(143)	(145)
Loss from continuing operations		**(478)**	**(225)**	**(345)**
Finance costs		-	-	-
Loss for the period and total comprehensive loss		**(478)**	**(225)**	**(345)**
Loss for year attributable to owners of parent		**(478)**	**(225)**	**(345)**
Loss per share	**4**	**Pence**	**Pence**	**Pence**
Basic and diluted loss per share:		(5.41)	(55.67)	(67.06)

All amounts relate to continuing activities.

Statement of financial position

As at 30 June 2016

Assets	Notes	Unaudited 30 June 2016 £000	Unaudited 30 June 2015 £000	Audited 31 December 2015 £000
Total non-current assets		-	-	-
Current				
Trade and other receivables		65	13	24
Cash and cash equivalents		4,617	56	5,027
Total current assets		**4,682**	**69**	**5,051**
Total assets		**4,682**	**69**	**5,051**
Equity and liabilities				
Equity				
Equity attributable to owners of the parent:				
Share capital	**5**	4,419	288	4,419
Share premium		3,655	3,190	3,655
Share based payment reserve		444	-	444
Retained deficit		(4,066)	(3,468)	(3,588)
Total equity		**4,452**	**10**	**4,930**
Current liabilities				
Trade and other payables		230	59	121
Total current liabilities		**230**	**59**	**121**
Total non-current liabilities		-	-	-
Total liabilities		**230**	**59**	**121**
Total equity and liabilities		**4,682**	**69**	**5,051**

Statement of changes in equity

As at 30 June 2016

Unaudited	**Share capital £000**	**Share premium £000**	**Share based payment reserve £000**	**Retained deficit £000**	**Total Equity £000**
At 1 January 2015	4,713	3,190	-	(7,918)	(15)
Total comprehensive loss for the period	-	-	-	(225)	(225)
Restructuring of shares	(4,675)	-	-	4,675	-
Issue of shares	250	-	-	-	250
At 30 June 2015	288	3,190	-	(3,468)	10
Total comprehensive loss for the period	-	-	-	(120)	(120)
Issue of warrants	-	(444)	444	-	-
Conversion of loan notes	-	-	-	-	-
Issue of share capital	4,131	909	-	-	5,040
At 31 December 2015	4,419	3,655	444	(3,588)	4,930
Total comprehensive loss for the period	-	-	-	(478)	(478)
At 30 June 2016	4,419	3,655	444	(4,066)	4,452

Statement of cash flows

For the period ended 30 June 2016

	Unaudited 6 months ended 30 June 2016 £000	Unaudited 6 months ended 30 June 2015 £000	Audited Year ended 31 December 2015 £000
Net cash inflow from operating activities			
Loss for the period	(478)	(225)	(345)
	(478)	**(225)**	**(345)**
(Increase) in debtors	(41)	(13)	(24)
Increase in creditors	109	44	106
Cash generated from operations and net cash flows from operating activities	**(410)**	**(194)**	**(263)**
Financing activities			
Net cash generated from share issue	-	250	5,040
Proceeds from loan notes	-	-	250
Net cash used in financing activities	**-**	**250**	**5,290**
Increase/(decrease) in cash	**(410)**	**56**	**5,027**
Cash and cash equivalents at beginning of the period	5,027	-	-
Cash and cash equivalents at end of the period	**4,617**	**56**	**5,027**

1. General Information

Tax Systems PLC is a company incorporated in the United Kingdom and quoted on AIM, the market of that name operated by the London Stock Exchange. The address of the registered office is 5th Floor, One New Change, London, EC4M 9AF.

This unaudited interim report is presented in British Pounds Sterling, the currency of the primary economic environment in which the Company operates.

The unaudited interim financial information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The financial information for the year ended 31 December 2015 has been extracted from the statutory accounts for that year which have been delivered to the Registrar of Companies. The Independent Auditors' Report on those accounts was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

2. Basis of preparation

The unaudited interim financial information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) as adopted by the European Union.

The same accounting policies, presentation and method of computation are followed in this financial information as were applied in the Company's latest annual audited financial statements and using accounting policies that are expected to be applied for the financial year ending 31 December 2016. Practice is continuing to evolve on the application and interpretations of IFRS. Further standards may be issued by the International Accounting Standards (IASB) and standards currently in issue and endorsed by the EU may be subject to interpretations issued by IFRIC.

3. Non-recurring items

	Unaudited 6 months ended 30 June 2016 £000	Unaudited 6 months ended 30 June 2015 £000	Audited Year ended 31 December 2015 £000
Professional fees:			
Restructuring	-	143	143
Other	-	-	2
	-	143	145

4. Loss per share

	Unaudited 6 months ended 30 June 2016 £000	Unaudited 6 months ended 30 June 2015 £000	Audited Year ended 31 December 2015 £000
Losses			
Total comprehensive loss for the period, used in the calculation of total basic and diluted loss per share	(478)	(225)	(345)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	8,837,709	404,149	514,489
Loss per share			
Basic and diluted loss per share (pence)	(5.41)	(55.67)	(67.06)

Following the passing of resolutions proposed at a general meeting of the Company held on 25 July 2016, a 1 for 50 share consolidation became effective. The 30 June 2016, 30 June 2015 and 31 December 2015 loss per share has been restated to illustrate the share consolidation after the reporting date. As a result of the losses incurred in each of the periods, potential ordinary shares are anti-dilutive and therefore excluded from the weighted average number of ordinary shares for the purposes of calculating diluted loss per share.

5. Share capital

	30 June 2016 £000	30 June 2015 £000	31 December 2015 £000
Authorised			
600,000,000 ordinary shares of 1p each	6,000	6,000	6,000
	6,000	6,000	6,000
Allotted, called up and fully paid			
441,885,446 (31 December 2015: 441,885,446) ordinary shares of 1p each*	4,419	288	4,419
	4,419	288	4,419

* Number of shares in issue following the 1 for 50 share consolidation – 30 June 2016 8,837,709 (31 December 2015 8,837,709).

6. Events after the reporting period

On 1 July 2016 the Company announced the following:

- that it had agreed to acquire Tax Computer Systems Limited ("TCSL"), a leading supplier of corporation tax software to the large corporate sector and the accounting profession in the UK and Ireland for cash consideration of £73 million in addition to a cash for cash payment estimated to be £34.5 million;
- that it had conditionally raised £45 million, before associated costs, of approximately £4 million by way of a placing of 67,164,180 new ordinary shares at 67 pence per share;
- that it had arranged new debt facilities of £30 million comprising a £9 million term loan and £11 million revolving credit facility to be provided by HSBC Bank plc and £10 million unsecured loan notes issued to the Business Growth Fund plc;
- a proposed consolidation of every 50 existing ordinary shares into one new ordinary share; and
- proposed change of name to Tax Systems plc

The capital reorganisation, buy back of the deferred shares and change of name became effective on 25 July 2016 and the acquisition of TCSL, placing and debt facilities became effective on 26 July 2016.

Also on 1 July 2016 the Company announced:

- that the Company and MXC Guernsey Limited had entered into a warrant instrument whereby MXC Guernsey Limited will be issued with warrants to subscribe for 4,409,299 new ordinary shares exercisable from the third anniversary of the date of grant dependent on share price performance; and
- that the Company had established an employee share scheme, designed to assist in the recruitment, motivation and retention of staff and which, for executive directors and senior managers, carries performance conditions which align the interests of the management team with those of shareholders and that participants in the new employee share scheme will be entitled in aggregate to 6 per cent of future shareholder value generated, to be calculated by reference to the growth in the market capitalisation of the Company following readmission to AIM over a period of between 3 to 7 years as adjusted for the issue of new shares after readmission and taking into account dividends and capital returns.

Acquisition of TCSL

The acquisition of TCSL was in pursuance of the Company's stated strategy to seek an investment in the technology sector where the directors believe there are opportunities for growth. TCSL is a business that met the stated criteria and represents a strong and stable platform from which to build a UK tax automation and compliance software business of scale.

The acquisition of TCSL constituted a reverse takeover under Rule 14 of the AIM Rules for Companies.

The consideration for the acquisition of TCSL of £73 million was satisfied wholly in cash on completion, in addition to a cash for cash payment estimated to be £34.5 million.