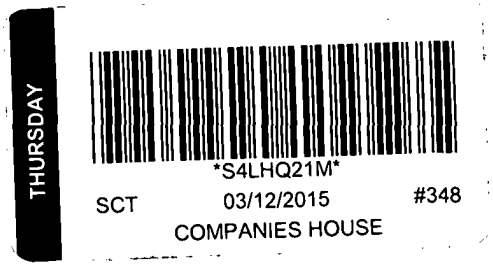
Craneware plc

Craneware plc

Annual Report and Financial Statements

For the year ended 30 June 2015

Registered Number SC196331



Craneware plc

Annual Report and Financial Statements

for the year ended 30 June 2015

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Chairman's statement

I am pleased to report that the solid performance in the first half of the year continued into the second half, with total contract value reported ("TCV") continuing at record levels. The sound financial management of the business means this has flowed through into good growth in EBITDA and a strong cash balance.

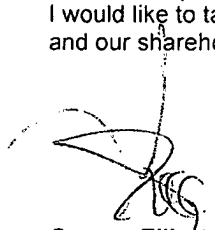
The total value of contracts signed in the year increased to $72.9m (FY14: $71.0m). As the Group's revenue recognition policy retains focus on long term sustainable growth and mitigates against year on year fluctuations in the total value of contracts signed, the vast majority of the revenue from these sales has not been recognised in the year to 30 June 2015, and will instead benefit future years. Revenues increased by 5% to $44.8m (FY14: $42.6m) and adjusted EBITDA increased by 10% to $14.4m (FY14: $13.1m).

Other key performance indicators for the Group continue to trend well including renewals above 100% (by $ value) in the year. Additionally, cash generation was strong resulting in cash reserves of $41.8m at 30 June 2015 (2014 $32.6m), after having returned $5.4m to shareholders in dividends and completed a share buy-back of $3.6m of shares in the year. This, as previously reported, included the scheduled clearing of accrued revenue balances relating to a third party contract.

The US healthcare market continues to evolve as we have predicted towards value-based care. While financial metrics clearly remain an important tool for hospital boards to measure their performance, there is now a growing focus on the value being delivered to patients. The new value-driven healthcare market is reorienting around best outcomes for best cost. Craneware's product suite is ideally positioned to support the market in this evolution and we believe we have a continued, significant market opportunity ahead of us.

Looking forward we are confident that the levels of contracted revenue secured in the current and prior periods coupled with the opportunities for our enhanced and expanding range of products and solutions will enable us to deliver future sustainable growth.

I would like to take this opportunity to thank our employees for their hard work and dedication, and our shareholders for your support throughout the period.



George Elliott
Chairman
7 September 2015

Craneware plc

Strategic Report:
Operational and Financial Review

We believe that over the first 16 years of the business we successfully anticipated the majority of the stages that have occurred in the evolution of the US healthcare industry and aligned our business to succeed in that market in a timely fashion. This has resulted in over a quarter of all US hospitals using one or more elements of our software and $123.4m of future visible revenue.

We are now poised to enter the next phase of growth for Craneware which will see the expansion and positioning of our product suite into other areas of the hospital, supporting the drive towards value-based care. This is the key development in the US healthcare industry in the year and has spurred the next stage of evolution in our marketplace. Where hospital CFOs were previously focused on financial metrics, such as billing and reimbursement to ensure the wellbeing of their businesses, changes to the reimbursement and care delivery models mean their focus must now expand to include operational efficiency and quality of care. The new, value-driven healthcare market is reorienting around best outcomes for best cost.

Craneware's product suite is ideally positioned to support the market in this evolution, helping healthcare providers drive their value cycle through the discovery, conversion and optimisation of their assets.

Market and Strategy

Overview

There are many factors driving the growth of healthcare expenditures. One is the aging of the US population. The so-called "baby boomers" have reached, or are soon to reach, retirement age pushing the number of Americans aged 65 or older to an all-time high. At the same time, utilisation of health services has increased dramatically, including those over the age of 65.

While the need to address the healthcare requirements of a more consumptive population grows more urgent, the existing healthcare system is struggling. Hospital operating margins continue to be under pressure and there is still significant waste and inefficiency. Hospital leadership teams are focusing on controlling costs, while consumers are faced with fast-rising out-of-pocket costs.

Concurrently, the number of people insured is growing due in large part to the Affordable Care Act, with an additional 16.4 million Americans having access to compensated care since passage of the Act, increasing the demand for healthcare.

Combine these factors with the introduction of a consumer healthcare model that shifts significant payment responsibility to the patient, via high deductible plans, and it is evident that US healthcare providers are facing significant changes in their business model which creates new challenges. Hospitals that historically have managed several business relationships (State and Federal authorities, insurance companies and large employers) for their reimbursement in addition now face a considerable business to consumer (i.e., the patient) model. The implication of this new purchaser of healthcare is a different kind of transparency demand - healthcare consumerisation.

To successfully manage the cultural change toward greater operational efficiency and quality care delivery there are significant challenges that provider executives will need to address.

We believe by using advanced analysis of clinical, operational and financial data to drive quality outcomes and make intelligent cost-management decisions, healthcare organisations can meet these challenges.

Craneware plc

Strategic Report:
Operational and Financial Review (continued)

Market and Strategy (continued)

Emerging, large, high growth market for financial analytics and performance platforms

Major changes in reimbursement and care delivery models have made understanding and controlling the cost of care mission-critical for every healthcare stakeholder in the US.

The movement from traditional revenue cycle management and managing the "top line" to a margin and outcomes management approach of improving the "bottom line" is driving the need to understand cost at a much deeper level.

The end result is an emerging, large, high-growth market for financial analytics and performance platforms that help providers understand and drive out cost on a continuous basis.

Three data sets need to be analysed: financial, operational and clinical

Hospital management teams now need to be able to analyse three sets of data to ensure the success of their businesses: financial, operational and clinical.

A key element of a healthcare system's success is in understanding and managing the financial data associated with an episode of care. From prior authorisation to charge capture to claims billing to denials and audit management, this has historically been looked at as the revenue cycle. Craneware has long been a leader in this space, pioneering chargemaster automation and building solutions around optimising reimbursement, increasing operational efficiency and mitigating compliance risk in order to achieve revenue integrity.

At the same time, systems must utilise operational data - including cost analysis, pricing, and financial planning - to manage the operational and cost side of their financial equations.

Finally there is clinical data critical to successful outcomes. A new paradigm for success is focused on: the right patient, right place, right diagnosis, and the right treatment. When done in the appropriate setting and cost, patient outcomes are optimised, as well as providing a more predictable financial outcome that allows for investment in the future.

All of these elements must be considered, measured and monitored, in order to achieve the dual goals of patient health and financial health. Together these vital factors become the value cycle.

Delivering the Value Cycle

The Value Cycle is the process and culture by which healthcare providers pursue quality patient outcomes and optimal financial performance, through the management of clinical, operational and financial assets.

Without this data, and the insight into that data, to enable action, healthcare systems cannot optimally fulfil their core values and mission aspirations.

Craneware's software operates in this value cycle which systems are moving towards. Our solutions monitor the points in their system where clinical and operational data transform into financial transactions, delivering value in the discovery, conversion and optimisation of these assets.

Craneware plc

Strategic Report:
Operational and Financial Review (continued)

Market and Strategy (continued)

Craneware's Product Roadmap: Trisus Enterprise Value Platform

Over the coming months and years Craneware solutions will be strengthened and combined in an enterprise platform to enable value discovery, conversion and optimisation for our clients both in areas that are familiar to us today but also in a more expanded range of areas as we leverage the data assets we have built over the years.

The distribution agreement signed with Aridhia in February 2015 added data analytics alongside our products, which give us the ability to draw benchmarks from our customers' underlying data and our proprietary data sets and provide insight into their hospital operations.

As Craneware's tools are updated to strengthen their effectiveness within the value cycle, they will each become a constituent part of a new cloud-based platform named Trisus that gives even more powerful insights into disparate localised data sets, normalising that data in order to report it in ways that enable informed operational decisions.

The acquisition of Kestros Limited in August 2014, renamed Craneware Health, is enabling us to develop a new fourth gateway product in the patient access and consumerism area which is on track for launch in the next financial year while we continue to bring enhancements to this product for the UK market. This is the start of our integrated mobile strategy.

Ultimately the current product portfolio will converge into Trisus Enterprise Value Suite, combining revenue integrity, cost management and decision enablement functionality in a versatile, customisable solution that fully delivers on Craneware's primary purpose to help healthcare systems improve margins and enhance patient outcomes.

Operational Review

The Group delivered good levels of sales to all segments of the US healthcare market, demonstrating continued sales momentum and the benefits of a supportive market environment. Whilst revenue growth in the year was relatively modest we have delivered adjusted EBITDA and EPS growth of 10% and 11% respectively, while continuing to invest in the future of the business. Continued sales momentum during the period has resulted in an increase in revenue to be recognised in future years, providing us with a growing platform on which to build.

The period has seen a wealth of operational successes, particularly focused around building the strength and value of our product suite. We launched several enhancements to our existing products and secured the first sales for the newly established Craneware Health division, formed following the acquisition of Kestros Ltd. We also secured the exclusive US distribution rights to a data analytics platform called Analytixagility developed by Aridhia, already highly thought of in the UK market. This will add greater depth to our product suite in future periods and allow our customers to benefit from the wealth of data that has already been collected by our software.

The sales pipeline continues to be at a record high across all strata of hospital, providing confidence that we are on the right path towards accelerated revenue and profit growth in future years.

Sales and Marketing

The average length of new hospital contracts continues to be in-line with our historical norms of approximately five years. Where Craneware enters into new product contracts with its existing customers, contracts are occasionally made co-terminus with the customer's existing contracts, and as such, the average length of these contracts remains greater than three years, in-line with our expectations.

Craneware plc

Strategic Report:
Operational and Financial Review (continued)

Operational Review (continued)

Sales and Marketing (continued)

The sales mix remained healthy throughout the period with comparable level of sales between new customers and existing customers, both mid-contract and at renewal time. Similarly, splits between the revenue cycle family of products, services and the other product families were evenly spread. We would expect to see the other families' percentage of sales continue to increase in future years as the value cycle gains further traction.

Awards

Once again, two of our solutions ranked first in two distinct revenue cycle categories in the annual "2014 Best in KLAS Awards: Software & Services" report, published in January 2015. In this new KLAS report, Craneware's flagship product, Chargemaster Toolkit®, earned the number one ranking in the "Revenue Cycle – Chargemaster Management" market category for the ninth consecutive year, and Craneware's Bill Analyzer software ranked number one in the "Revenue Cycle – Charge Capture" category, winning a "Category Leader" designation award for the fourth year in a row.

Financial Review

Revenues reported for the financial year under review were $44.8m (FY14: $42.6m) which has resulted in an adjusted EBITDA of $14.4m (FY14: $13.1m). This growth is reflective of the continued record levels of contracts (TCV) in the year translating into long-term but increasing levels of revenue and adjusted EBITDA growth.

Overall the total contract value of sales recorded in the year was $72.9m (FY14: $71.0m). This includes both new sales and renewals of customers coming to the end of their current contracts. The Group's business model and associated revenue recognition policies mean sales and revenue have separate meanings and cannot be interchanged. As it is highly likely that sales levels will fluctuate between individual years, the annuity SaaS (Software-as-a-Service) business model adopted by the Group delivers a 'smoothing' of these fluctuations and provides for more even and consistent growth over the long-term, and as such the vast majority of the revenue from these sales has not been recognised in the current year and will instead benefit future years.

During the year we have leveraged the significant investment in prior years in the increased bandwidth and expertise of our sales function to deliver higher levels of sales. With the successes seen in these areas we have re-targeted our investment increasingly towards our product management and development functions. This has supported the progression of the 'Café' research, discussed in detail in the prior year report, to the announcement and product roadmap for our new cloud based 'Trisus' platform.

Our average contract for a new hospital customer continues to be five years, with contracts for customers renewing and buying additional products part way through an existing contract both averaging over three years, continuing to be in line with our historical norms.

Renewal rates by dollar value is a financial metric which specifically ties to the three-year visible revenue detailed below. This metric at 113% is within expected norms of 85-115% including cross sell to renewing clients. Variations are driven by the timing of individual renewals, additional product sales and contract negotiation or cancellation. The current and previous financial years have seen a significant proportion of our customer base renew on multiyear contracts. As a result the number of customers due to renew in the coming year is less, which whilst not impacting revenue may impact the total value of renewal contracts signed.

Craneware plc

Strategic Report:
Operational and Financial Review (continued)

Financial Review (continued)

Business Model

The Group continues to recognise the vast majority of revenue under its annuity SaaS revenue recognition model. The strategy behind this business model is to ensure the long-term growth and stability of the Group. The annuity SaaS business model adopted by the Group delivers a 'smoothing' of any sales fluctuations and focusing on growth over the long-term. Under this model we recognise software licence revenue and any minimum payments due from our 'other route to market' contracts evenly over the life of the underlying signed contracts. As we sign new hospital contracts over an average life of five years, we will see the revenue from any new sales over this underlying contract term.

As well as the incremental licence revenues we generate from each new sale, we normally expect to deliver an associated professional services engagement. This revenue is typically recognised as we deliver the service to the customer, usually on a percentage of completion basis. The nature and scope of these engagements will vary depending on both our customer needs and which of our solutions they have contracted for. However these engagements will always include the implementation of the software as well as training the hospital staff in its use. As a result of the different types of professional services engagement, the period over which we deliver the services and consequently recognise all associated revenue will vary, however we would normally expect to recognise this revenue over the first year of the contract.

In any individual year we would normally expect around 10% - 20% of revenues reported by the Group to be from services performed.

Sales, Revenue and Revenue Visibility

The difference between revenue and sales under the annuity SaaS business model continues to be demonstrated by reviewing the last six years' sales levels to the reported revenue numbers. In the table below we show our total contracts signed in the relevant years between sales of new products (to both new and existing hospital clients) and clients who are renewing their contracts at the end of their terms, our total sales and compare this total to the revenue reported.

Fiscal Year	**2011**	**2012**	**2013**	**2014**	**2015**
	$m	$m	$m	$m	$m
New Product Sales	16.9	21.6*	20.8	35.1	35.9
Renewals**	7.5	12.7	17.7	35.9	37.0
Total Contract Value	24.4	34.3	38.5	71.0	72.9
Reported Revenue	38.1	41.1	41.5	42.6	44.8

*FY12 included the large white label and reseller agreement that added $7.5m to new product sales and therefore total contract value in the year, with the $3.5m white label revenue recognised in the year and the remaining $4m recognised over the related 28 month period.

**As the Group signs new customer contracts for between three to nine years, the number and value of customers' contracts coming to the end of their term ("renewal") will vary in any one year. This variation along with whether customers auto-renew on a one year basis or renegotiate their contracts for up to a further nine years, will impact the total contract value of renewals in any one year.

Strategic Report:
Operational and Financial Review (continued)

Financial Review (continued)

Sales, Revenue and Revenue Visibility (continued)

However, as well as the vast majority of the revenue from any new sale not being recognised in the year of sale, the financial statements do not represent the valuable 'asset' this contracted, but not recognised, revenue represents to the Group. The balance of this unrecognised revenue gives the Group, "Future Revenue Visibility".

The revenue that is under contract and will be recognised in future years, plus the revenue that is subject to the renewal of the contract at the end of its original life, forms an annuity base of revenue for the Group that increases with each new sale.

The Group illustrates this annuity base and the asset the contracted but yet to be recognised revenue represents, through its "Three Year Visible Revenue" metric. This metric includes:

- future revenue under contract
- revenue generated from renewals (calculated at 100% dollar value renewal)
- other recurring revenue

The different categories of revenue reflect any inherent future risk in recognising these revenues. Future revenue under contract, is, as the title suggests, subject to an underlying contract and therefore only has to be invoiced to be recognised in the respective years (subject to future collection risk that exists with all revenue). Renewal revenues are contracts coming to the end of their original contract term (e.g., five years) and will require their contracts to be renegotiated and renewed for the revenue to be recognised. The average value of customers renewed in any period (including cross sell and upsell to those customers on renewal) is over 100% renewals by dollar value, therefore it is reasonable to conclude little additional risk is associated to this revenue. The final category "Other recurring revenue" is revenue that we would expect to recur in the future but is monthly or transactional in its nature and as such there is potential for this revenue not to be recognised in future years.

The Group's total visible revenue for the three years as at 30 June 2015 (i.e., visible revenue for FY16, FY17 and FY18) shows how, combined with renewals and other recurring revenue, we expect the current excess of contracted value of sales to revenue reported to benefit the Group in this next three year period. The total of this visible revenue is $123.4m and breaks down as follows:

- future revenue under contract contributing $93.1m of which $38.8m is expected to be recognised in FY16, $30.3m in FY17 and $24.0m in FY18
- revenue generated from renewal activities contributing $28.9m; being $3.0m in FY16, $9.8m in FY17 and $16.1m in FY18
- other revenue identified as recurring in nature of $1.4m

Gross Margins

The gross profit for the year was $42.4m (FY14: $40.6m) which represents a stable gross margin percentage of 95% in both the current and prior year. We historically expect the gross profit margin to be between 90 - 95% and the continued stability of the gross profit margin towards the top of this range reflects the correct matching of incremental costs incurred as a result of sales with the associated revenue being recorded.

Strategic Report:
Operational and Financial Review (continued)

Financial Review (continued)

Earnings

The Group presents an adjusted earnings figure as a supplement to the IFRS based earnings figures. The Group uses this adjusted measure in our operational and financial decision making as it excludes certain one-off costs, so as to focus on what the Group regards as a more reliable indicator of the underlying operating performance. We believe the use of this measure is consistent with other similar companies and is frequently used by analysts, investors and other interested parties.

Adjusted earnings represent operating profits excluding costs incurred as a result of acquisition related activities, share related costs including IFRS 2 share based payments charge, depreciation and amortisation ("Adjusted EBITDA").

Adjusted EBITDA has grown in the year to $14.4m (FY14: $13.1m) an increase of 10%. This reflects an Adjusted EBITDA margin of 32.0% (FY14: 30.7%). This is consistent with the Group's measured approach to the release of additional investment, continuing to make investments in line with the revenue growth occurring, whilst continually managing to ensure the efficiency of the investments we make.

Operating Expenses

Net operating expenses (to Adjusted EBITDA) have, through the re-focusing of the non-recurring investment spend in prior years, only increased marginally to $28.0m (FY14: $27.6m) despite the investments made in the areas referred to earlier. Going forward we will continue to invest in the future growth of the Group whilst looking to leverage the investments we have made to date. Continued investment in line with the revenue growth of the Group will provide us the opportunity to deliver on the Group's strategy.

Innovation will continue to be core to the Group's future. As discussed earlier in the Operational Review, the 'Café' project has moved forward with the announcement of the 'Trisus' platform. This platform will be a focus of our investment in the coming years and as a result levels of capitalised development will return to our historical norms, having been minimal in the prior year whilst we were in the research phase of this project. We continue to invest in overall product development. In this current year we have invested $7.0m after capitalising $0.8m (FY14: $0.1m), this compares to $7.0m in the prior year after capitalisation.

Cash

We measure the quality of our earnings through our ability to convert them into operating cash. During the year we have seen exceptional levels of cash conversion, this has been due, in part, to the previously discussed accrued revenue relating to a partner contract clearing the Group's balance sheet. However, even after adjusting for this, we still have very high levels of cash conversion (over 100% of Adjusted EBITDA) which has enabled us to grow our cash reserves to $41.8m (FY14: $32.6m). These cash levels are after paying $2.5m in taxation (FY14: $2.2m), completing a share buy-back utilising $3.6m (detailed below) and a further $5.4m (FY14: $5.4m) returned to our shareholders by way of dividends.

We retain a significant level of cash reserves and balance sheet strength to fund acquisitions as suitable opportunities arise.

Strategic Report:
Operational and Financial Review (continued)

Financial Review (continued)

Balance Sheet

The Group maintains a strong balance sheet position with rigorous controls over working capital.

The level of trade and other receivables has reduced in comparison to the prior year. This is primarily a result of the accrued revenue amount that related to the guaranteed minimum revenues associated to a partner deal entered into in February 2012. This accrued balance relating to this contract reached its maximum level of $4m at 30 June 2014, at which point it was invoiced in line with the underlying contractual terms and was recorded in trade receivables. As reported previously this balance has now been cleared.

The prepayment related to sales commission has increased, as expected, in the year from $2.4m to $3.2m. The prepayment results from sales commissions being based on the total value of the contract sold, however as only a small proportion of revenue from the contract value is recognised in the year, we only recorded the equivalent percentage of the sales commission cost. As we only pay the sales commission upon receipt of the first annual payment from the customer, we remain cash flow positive from any new sale.

Deferred income levels reflect the amounts of the revenue under contract that we have invoiced and/or been paid for in the year, but have yet to recognise as revenue. This balance is a subset of the total visible revenue we describe above and reflected through our three year visible revenue metric.

Deferred income, accrued income and the prepayment of sales commissions all arise as a result of our annuity SaaS business model described above and we will always expect them to be part of our balance sheet. They arise where the cash profile of our contracts does not exactly match how revenue and related expenses are recorded in the income statement. Overall levels of deferred income are significantly more than accrued income and the prepayment of sales commissions, confirming we remain cash flow positive in regards to how we recognise revenue from our contracts.

Acquisition of Kestros Limited and Other Share Related Transactions

On 28 August 2014, Craneware acquired the entire share capital of Kestros Limited (now trading as Craneware Health) for a maximum consideration of $2.14m (£1.25m) which will be adjusted according to revenue milestones. Of the consideration, £150,000 has been paid in cash, the remainder of the consideration was satisfied through the issue of 211,539 ordinary shares at the then market price of £5.20. Full details of the provisional acquisition accounting for this acquisition are detailed in note 16 of the financial statements, with the majority of the purchase price relating to the intellectual property.

The acquired assets and intellectual property of this emerging technology company, will provide Craneware with a technology platform in the high growth patient access market, addressing the growing level of consumerisation within the healthcare industry.

Prior to this acquisition, on 16 July 2014, the Company completed a 'share buy-back' of 393,816 shares at a price of 527.5p per share, with these shares being immediately cancelled. In addition, options were exercised pursuant to the Company's share option schemes, resulting in the allotment of 6,096 new ordinary shares.

The net effect of these three transactions was to reduce the Company's issued share capital by 176,181 (less than 1% of the total issued share capital) to a total issued share capital at 30 June 2015 of 26,832,582 ordinary shares.

Craneware plc

Strategic Report:
Operational and Financial Review (continued)

Financial Review (continued)

Currency

The functional currency for the Group (and cash reserves) is US dollars. Whilst the majority of our cost base is US located and therefore US dollar denominated, we do have approximately one quarter of the cost base based in the UK relating primarily to our UK employees (and therefore denominated in Sterling). As a result, we continue to closely monitor the Sterling to US dollar exchange rate, and where appropriate consider hedging strategies. During the year, we have been impacted through exchange rate movements, with the average exchange rate throughout the year being $1.5750 as compared to $1.6262 in the prior year. However, this has been immaterial to our results.

Taxation

The Group's effective tax rate remains dependent on the proportion of profits generated in the UK and the US and the applicable tax rates in the respective jurisdictions. As detailed above, the sales performance in the current and previous years has increased the levels of income in both jurisdictions, and as such we continue to see our effective tax rate return to more 'normalised' levels. However this will be impacted by the levels of professional services delivered in the US in any one year. As a result of the mix of profits in the current year the effective tax rate is 25% (FY14: 24%). Effective tax rates in any one year will reflect the relative tax rates in the UK and the US, the ratio of underlying professional services to software licence revenues and the overall level of sales increase.

EPS

In the year adjusted EPS has increased to $0.378 (FY14: $0.340) and adjusted diluted EPS has increased to $0.375 (FY14: $0.338). The increase in EPS is driven by the increased levels of EBITDA with the effects of the increased effective tax rate and the reduction in the issued share capital being immaterial.

Dividend

The Board recommends a final dividend of 7.7p (12.1 cents) per share giving a total dividend for the year of 14.0p (22.0 cents) per share (FY14: 12.5p (21.37 cents) per share). Subject to confirmation at the Annual General Meeting, the final dividend will be paid on 15 December 2015 to shareholders on the register as at 20 November 2015, with a corresponding ex-Dividend date of 19 November 2015.

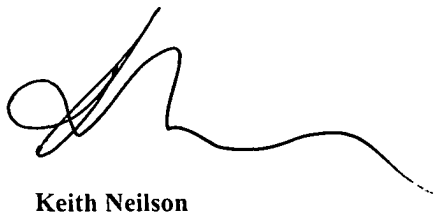
The final dividend of 7.7p per share is capable of being paid in US dollars subject to a shareholder having registered to receive their dividend in US dollars under the Company's Dividend Currency Election, or who register to do so by the close of business on 20 November 2015. The exact amount to be paid will be calculated by reference to the exchange rate to be announced on 20 November 2015. The final dividend referred to above in US dollars of 12.1 cents is given as an example only using the Balance Sheet date exchange rate of $1.5717/£1 and may differ from that finally announced.

Craneware plc

Strategic Report:
Operational and Financial Review (continued)

Outlook

This year has seen Craneware continue its record level of sales, but perhaps more importantly has seen the anticipated emergence of a high growth financial analytics and performance market. Major changes in reimbursement and care delivery models have made understanding and reducing the cost of care mission-critical for every healthcare provider in the US. As we expand our offerings into this value-driven healthcare market and pioneer the Value Cycle, we are confident that our position as a trusted financial performance partner will strengthen. This provides a significant opportunity for the expansion of Craneware. This opportunity combined with the business' financial strength means we look to the future with confidence.



Keith Neilson
Chief Executive Officer
7 September 2015



Craig Preston
Chief Financial Officer
7 September 2015

Craneware plc

Strategic Report:
Key Performance Indicators and Principal Risks and Uncertainties

Key Performance Indicator Review

Revenue Growth	2015	2014
Revenue	$44.8m	$42.6m
Growth	5%	3%

Revenue for the year grew by 5%, The Group's annuity SaaS revenue recognition model means the full benefit of current year's sales will be recognised in later years. Therefore revenue has yet to fully reflect the sales levels achieved in this and the prior years. However, revenue continues to increase, albeit the rate of growth is yet to reach our historical norms.

Adjusted EBITDA Growth	2015	2014
EBITDA	$14.4m	$13.1m
Growth	10%	6%

We continue to invest in the future growth of the Group whilst ensuring the efficiency of all that we spend. We are able to leverage the investments we have made in prior years and have benefited from certain non-recurring costs, such as recruitment costs. By taking a measured approach to investment we aim to release additional investment, in line with revenue growth, with the focus on delivering profitable growth to all stakeholders.

Adjusted EPS	2015	2014
Adjusted EPS	37.8 cents	34.0 cents
Growth	11%	3%

Adjusted EPS growth is a factor of the Group's overall profitability after taking into account the taxation in the year. The Group's effective tax rate remains dependent on the proportion of profits generated in the UK and the US and the applicable tax rates in the respective jurisdictions, which is a function of both the level of sales in the year and the level of professional services income.

Cash	2015	2014
Cash	$41.8m	$32.6m
Operating Cash Flow Generation	$22.0m	$10.2m

The Group continues to convert very high levels of the Adjusted EBITDA reported in the year into operating cash flows. From these cash flows tax of $2.5m has been paid and, $5.4m has been returned to our shareholders by way of dividends and $3.6m of Ordinary shares were 'bought-back'. This has resulted in a net increase in cash of 28% over the prior year.

Three Year Revenue Visibility	2015	2014
Three Year Revenue Visibility	$123.4m	$111.9m

The three year revenue visibility metric compares the three years contracted revenue subject to renewal and other recurring revenue, for the same three year period starting 1 July 2015. Full details of how this is calculated are detailed in the financial review section of the Operational Review. The growth in this metric is a result of sales in the year and reflects the growing annuity revenue base that results.

Craneware plc

Strategic Report:
Key Performance Indicators and Principal Risks and Uncertainties (cont.)

Principal Risks and Uncertainties

To deliver continued sustainable growth, the Group recognises the need to minimise the likelihood and impact of key risks. These risks are both general in nature i.e., business risks faced by all businesses, and more specific to the Group and the market in which it operates. The nature of the US healthcare industry and associated risks are detailed in the Operational Review on pages 2 to 11.

The risks outlined here are those principal risks and uncertainties that are material to the Group. They do not include all risks associated with the Group and are not set out in any order of priority.

US Healthcare Evolution and Reform

Issue: The US healthcare industry continues to evolve, with the emergence of new payer models such as value based reimbursement and a shift towards consumerisation, the outcome and nature of this market is subject to continual change and as such could impact the Group's market opportunity.
Actions: The Group has taken steps to ensure it stays at the forefront of how the industry is interpreting current proposals and actions they are taking. It does this through, amongst other things, its:

- key hires adding to the industry expertise across the Group, both at operational and strategic levels;
- having independent industry experts attend and speak at internal and external Company events;
- regular attendance by senior management at healthcare forums and industry education events; and
- client forums.

Significant industry expertise exists at both the Operations Board and the PLC Board. During the year the Group launched "the value cycle" to industry acclaim. This strategy keeps the Group at the forefront of industry developments.

Competitive Landscape

Issue: New entrants to the market or increased competition from existing competitors could significantly impact the Group's market opportunity.
Actions: The Group continually monitors its competitive landscape, including both existing and potential new market entrants. Significant barriers to entry continue to exist, including but not limited to the significant data content built over the Group history which exists within its products. The Group continues to ensure its products are platform agnostic and actively seeks partnerships with other healthcare IT vendors.

Management of Growth

Issue: The Group continues to plan for significant growth both organically and through acquisition, which could place strain on the current management and other resources of the Group.
Actions: The Group has made significant investments over the prior years to increase bandwidth at both the Operations and PLC Board levels. The Group's annuity SaaS business model combined with the detailed forecasting processes provide visibility to expected growth rates. This provides a foundation when planning in advance, including any additional resourcing necessary as a result of this growth. To ensure the correct infrastructure to support growth, assessments are performed and improvements are made within systems, policies and procedures and business controls are upgraded, as appropriate, across the Group.

Craneware plc

Strategic Report:
Key Performance Indicators and Principal Risks and Uncertainties (cont.)

Principal Risks and Uncertainties (continued)

Dependence on Key Executives and Personnel

Issue: Due to the size of the Group significant reliance is placed on a few members of the executive and senior management team, the retention of which cannot be guaranteed.
Actions: In prior years, the Group has significantly expanded and strengthened its senior management team, as well as making a further appointment to the PLC Board in the current year. In addition, the Group has utilised its 'leadership framework' to help develop its leaders of the future. In regards to retention, the Remuneration Committee continues to monitor and develop the remuneration packages of key personnel to ensure they are both competitive and include appropriate long term incentives.

Failure to develop or acquire appropriate software solutions
Issue: Reliance on a small number of products could significantly limit the Group's market opportunity and leave it unable to meet its customers' needs.
Actions: In the year the Group has launched "The Value Cycle" to industry acclaim and has moved from the research phase of 'Café' (discussed in the prior year's Operational Review") to the development stage of the 'Trisus' platform. The platform will initially be launched in January 2017 and will become the basis for all current and future Craneware products. Both initiatives re-enforce Craneware's position in the evolving US Healthcare Industry.

Intellectual Property Risk
Issue: Failure to protect, register and enforce (if appropriate) the Group's Intellectual Property Rights could materially impact the Group's future performance.
Actions: The Group will continue to register its trademarks and copyrights and protects access to its confidential information, as appropriate. The Group would vigorously defend itself against a third-party claim should any arise. The Group also has in place strict physical and data security processes and encryption to protect its intellectual property.

Acquisition Risk
Issue: The Group has a stated acquisition strategy. Any acquisition carries with it an inherent risk, including failure to identify material matters that could adversely affect future Group performance.
Actions: The Group has increasing experience of acquisitions and Board members individually have significant experience in regards to completing acquisitions, gained prior to joining the Group. In addition, and where appropriate, the Board appoints independent professional advisors to assist in the consideration of the acquisition and to assist management in the due diligence process.

The principal *financial risks* are detailed in Note 3 to the financial statements. How the Board determines and manages risks is detailed in the Corporate Governance report on pages 24 to 32.

In summary, the US healthcare market is not immune to the macro-economic climate and, with the increasing focus and requirements of the evolving healthcare marketplace, the Group expects the market to continue to be competitive. The Group therefore aims to remain at the forefront of product innovation and delivery, through a combination of in-house development and specific acquisition opportunities. This requires the recruitment, retention, and reward of skilled staff, alongside responsiveness to changes, and the opportunities that result, as they arise.

Craig Preston
Chief Financial Officer
7 September 2015

Craneware plc

Directors, Secretary, and Advisors

Directors

G R Elliott (non-executive, Chairman)
K Neilson
C T Preston
N P Heywood (non-executive)
R F Verni (non-executive)
C Blye (non-executive)
R Rudish (non-executive), appointed 28 August 2014

Company Secretary and Registered Office

C T Preston
1 Tanfield
Edinburgh
EH3 5DA

Stockbrokers and Nominated Advisors

Peel Hunt LLP
120 London Wall
London
EC2Y 5ET

Registrars

Capita Registrars Ltd
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Bankers

The Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh
EH2 2YB

Clydesdale Bank
20 Waterloo Street
Glasgow
G2 6DB

Barclays Commercial Bank
Aurora House
120 Bothwell Street
Glasgow
G2 7JT

HSBC Bank plc
7 West Nile Street
Glasgow
G1 2RG

Lloyds TSB
Henry Duncan House
120 George Street
Edinburgh
EH2 4LH

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Solicitors

Pinsent Masons LLP
Princes Exchange
1 Earl Grey Street
Edinburgh
EH3 9AQ

Craneware plc

Board of Directors

The Directors of the Company and their responsibilities within the Group are set out below:

George R Elliott, 62
Non-Executive Chairman
Appointed 10 August 2007

George is non-executive Chairman of Calnex Solutions Ltd, an Ethernet test equipment manufacturer, Cooper Software Ltd, an enterprise and business intelligence solution consultancy and Traceall Global Ltd, which develops and provides remote sensor monitoring and asset verification products for the global food and beverage industry. He is also a non-executive director of Two Big Ears Ltd, which develops audio content and development tools for emerging mobile technologies. Since 2007 he has been non-executive chairman/director of a number of technology companies, including MicroEmissive Displays Group plc, Corsair Components Inc, Kewill plc, Summit Corporation plc and Cupid plc (now Castle Street Investments plc). From 2000-2007 George was Chief Financial Officer of Wolfson Microelectronics plc, a leading global provider of high performance mixed-signal semiconductors to the consumer electronics market. Previously, he was Business Development Director at McQueen International Ltd (now Sykes), a manufacturing and support services provider, where he was responsible for strategic sales and marketing. George, formerly a partner of Grant Thornton, is a member of the Institute of Chartered Accountants of Scotland and has a degree in Accountancy and Finance from Heriot-Watt University.

Keith Neilson, 46
Chief Executive Officer & Co-founder

Keith co-founded Craneware in 1999 and has served as its CEO ever since. Under Keith's guidance, Craneware became recognised as the pioneer in revenue integrity management and a leading provider of superior products and professional services. Keith's direction has helped Craneware to win multiple prestigious awards in such areas as international achievement, business growth strategy and innovation. Keith was named The Entrepreneurial Exchange's "Emerging Entrepreneur of the Year 2003" and was a finalist in the 2004 World Young Business Achiever Award, winning the Award of Excellence in the Business Strategy category. He received the UK Software & Technology Entrepreneur of the Year Award from Ernst & Young in 2008 and was the Insider Elite Young Business Leader of the Year in 2009. Prior to launching Craneware, Keith worked primarily in international management, where he handled sales, marketing and technical consulting for companies with operations around the world. He studied Physics at Heriot-Watt University, Edinburgh, receiving a bachelor's degree in 1991. Keith is a syndicate member and Partner in Par Equity LLP. Keith is also proud to be a Patron of the Princes Trust and a Trustee of the Polar Academy both charitable organisations that work for the benefit of young people.

Craig T Preston, 44
Chief Financial Officer
Appointed 15 September 2008

Craig was appointed to the Board on 15 September 2008, just as the company was entering its second year as a publicly traded corporation on the London Stock Exchange. As CFO, he directs Craneware's financial operations in both the United Kingdom and United States. Craig has significant experience in senior financial roles with other private and public technology companies, including those with a multi-national presence. Prior to Craneware, he was group director of finance and company secretary at Intec Telecom Systems plc. Earlier, he served as corporate development manager at London Bridge Software plc. During his time there, he also held the role of CFO for Phoenix International, a previously NASDAQ-traded software company, following its acquisition by London Bridge. Earlier in his career, Craig worked for Deloitte in both the United Kingdom and United States. Craig has a degree in Accounting and Financial Management from the University of Sheffield. He is also a member of the Institute of Chartered Accountants in England and Wales.

Board of Directors (continued)

Neil P Heywood, 53
Non-Executive Director
Appointed 31 January 2002

Neil is chairman of Codeplay Software Ltd and Two Big Ears Ltd, and a non-executive director at DeltaDNA Ltd. He is also a director of Matrix Alpha Analytics, a company providing services to the hedge fund sector, and an advisory panel member at Par Equity LLP. Previously he was CEO of Quadstone, a marketing analytics company, and head of the Edinburgh Parallel Computing Centre at the University of Edinburgh.

Ronald F Verni, 67
Non-Executive Director
Appointed 1 May 2009

Ron is currently a director of On Deck Capital, and on the Board of Advisors of the Robinson College of Business. Before that he was President & CEO of Sage Software, Inc, and a member of the Board of Directors of the Sage Group plc. Under his leadership, the company grew from less than $160 million in revenue to over $1 billion, from under 1,000 employees to over 5,000, and from 1 million business customers to over 2.5 million. Ron also engineered over 20 acquisitions and oversaw their successful integration into the company. Prior to Sage Software, Ron was President and CEO of Peachtree Software, Inc., a leading pioneer in business management solutions for small to medium size businesses. Ron also was a Vice President of Marketing with Automatic Data Processing, President and CEO of NEBS Software, Inc., and the founder and CEO of ASTEC Software.

Colleen Blye, 55
Non-Executive Director
Appointed 12 November 2013

Colleen Blye is the Executive Vice President and Chief Financial Officer for Catholic Health Systems of Long Island ("CHS"), an integrated healthcare delivery system which includes six hospitals, three nursing homes, a regional home care and hospice group and a community-based agency for persons with special needs.
Colleen Blye joined CHS in 2010 from Catholic Health Initiatives (CHI), where she served as Executive Vice President and Chief Financial Officer since 2005. She was with CHI for over twenty years, serving in various roles of increasing responsibility. Ms. Blye started her career in Finance with Ernst and Young in Philadelphia, PA. She has been a certified public accountant since 1984 and is a member of the American Institute of Certified Public Accountants, and the Pennsylvania Institute of Public Accountants. She is also a member of the Healthcare Financial Management Association.

Russ Rudish, 63
Non-Executive Director
Appointed 28 August 2014

Russ Rudish has more than 30 years' experience in serving the healthcare industry, both in the United States and internationally. Russ holds a directorship in Rudish Health Solutions, LLC, a healthcare consulting firm. Russ is also a principal in Healthcare IT Leaders and Run Consultants, both of which provide IT staff augmentation services. Between 2006 and 2014, Russ served as partner and Global Sector Leader for Healthcare at Deloitte Touche Tohmatsu, where he led the $2 billion global consulting, audit, tax and financial advisory business, developing the firm's global health care strategy. He is an active speaker and contributor to thought leadership on today's most pressing healthcare business issues.

Craneware plc

Directors' Report

The Directors present herewith their report and the audited consolidated financial statements for the year ended 30 June 2015.

Principal Activities and Business Review

The Group's principal activity continues to be the development, licensing and ongoing support of computer software for the US healthcare industry.

The Company is required by the Companies Act to include a business review in this report. This includes an analysis of the development and performance of the Group during the financial year and its position at the end of the financial year, including relevant key performance indicators (principally revenue, adjusted operating profit (before acquisition costs and share related payments, share based payments, depreciation and amortisation), visibility of revenue over the next three years and cash generation during the year). Detailed information on all matters required is presented in the Strategic Report contained in pages 2 to 14 and is incorporated into this report by reference. A description of the principal risks and uncertainties facing the Group is also presented in the Strategic Report.

Where the Directors' Report, Chairman's Statement and Operational Review contain forward looking statements, these are made by the Directors in good faith, based on the information available to them at the time of their approval of this report. Consequently, such statements should be treated with caution due to their inherent uncertainties, including both economic and business risk factors underlying such forward looking statements or information.

Financial Results and Dividends

The Group's revenue for the year was $44.8m (2014: $42.6m) which has generated an adjusted operating profit (before acquisition related matters) of $13.2m (2014: $11.8m). The full results for the year, which were approved by the Board of Directors on 7 September 2015, are set out in the accompanying financial statements and the notes thereto.

During the year the Company paid an interim dividend of 6.3p (9.8 cents). The Directors are recommending the payment of a final dividend of 7.7p (12.1 cents) per share giving a total dividend of 14.0p (22.0 cents) per share based on the results for 2015 (2014: 12.5p (21.37 cents)). Subject to approval at the Annual General Meeting, the final dividend will be paid on 15 December 2015 to shareholders on the register as at 20 November 2015.

The level of dividend proposed for the year continues the Company's stated progressive dividend policy based on the Group's retained annual earnings. The level of distributions will be subject to the Group's working capital requirements and the ongoing needs of the business.

Research and Development Activities

The Group continues its development programme of software products for the US healthcare industry. The primary focus of this development during the year has been the move from the 'Café' research phase to the development phase of the new 'Trisus' platform. The 'Trisus' platform will bring together the Group's existing portfolio of market leading products as well as research and development into new complimentary products, integration (where appropriate) of products acquired through acquisitions and further enhancements to all products. The Directors regard investment in development activities as a prerequisite for success in the medium and long-term future. During the year development expenditure amounted to $7.0m (2014: $7.0m) net of expenditure capitalised of $0.8m (2014: $0.1m).

Financial Instruments

The financial risk management strategy of the Group, its exposure to currency risk, interest rate risk, counterparty risk and liquidity is set out in Note 3 to the financial statements.

Craneware plc

Directors' Report (continued)

Going Concern

The Directors, having made suitable enquiries and analysis of the financial statements, including the consideration of:

- cash reserves;
- no debt or debt related covenants;
- continued cash generation; and
- annuity SaaS business model;

have determined that the Group has adequate resources to continue in business for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing these financial statements.

Directors

The Directors of the Company are listed on pages 16 and 17.

The Directors have the power to manage the business of the Company, subject to the provisions of the Companies Act, the Memorandum and Articles of Association of the Company, and to any directions given by special resolution, including the Company's power to purchase its own shares. The Company's Articles of Association may only be amended by a special resolution of the Company's shareholders.

Details of the Directors' service contracts and their respective notice terms are detailed in the Remuneration Committee Report on page 35.

Authorised and Issued Share Capital

The Company's authorised share capital at the Balance Sheet date was 50,000,000 ordinary shares of 1p each of which 26,832,582 were issued and fully paid up. During the year, options were exercised pursuant to the Company's share option schemes, resulting in the allotment of 6,096 new ordinary shares (2014: No options were exercised).

Also during the year, on 16 July 2014 the Company purchased for cancellation a total of 393,816 issued ordinary shares and on 1 September 2014 the Company allotted 211,539 ordinary shares in respect of the acquisition of Kestros Limited.

Directors and their Interests

The interests of the Directors who held office at 30 June 2015 and up to the date of this report in the share capital of the company, were as follows:-

	2015	2014
G R Elliott	**15,650**	15,650
N P Heywood	**80,606**	96,356
K Neilson	**3,504,130**	3,488,380
	3,600,386	3,600,386

Directors' interests in share options are detailed in the Remuneration Committee Report on page 36.

Craneware plc

Directors' Report (continued)

Substantial Shareholders

As at 1 August 2015, the Company had been notified of the following beneficial interests in 3% or more of the issued share capital pursuant to section 793 of the Companies Act 2006:

	No. of Ordinary £0.01 Shares	% of issued share capital
Liontrust Investment Partners	**4,746,547**	**17.69**
K Neilson	**3,504,130**	**13.06**
W G Craig	**2,699,038**	**10.06**
Hargreave Hale	**2,184,341**	**8.14**
AXA Framlington	**1,425,000**	**5.31**
Artemis Fund Managers	**1,398,599**	**5.21**
Baillie Gifford	**1,149,960**	**4.29**
Shroder Investment Management	**1,040,000**	**3.88**
D Paterson	**873,800**	**3.26**
Fidelity Worldwide Investment	**857,787**	**3.20**

Indemnity of Directors and Officers

Under the Company's Articles of Association and subject to the provisions of the Companies Act, the Company may and has indemnified all Directors or other officers against liability incurred by them in the execution or discharge of their duties or exercise of their powers, including but not limited to any liability for the costs of legal proceedings where judgement is given in their favour. In addition, the Company has purchased and maintains appropriate insurance cover against legal action brought against Directors and officers.

Corporate Social Responsibility & Environmental Policy

The Group is committed to maintaining a high level of social responsibility. It is the Group's policy to support and encourage environmentally sound business operations, with aspects and impact on the environment being considered at Board level. Recognising that the Group's operations have minimal direct environmental impact, the Group aims to ensure that:

- it meets all statutory obligations;
- where sensible and practical, it encourages working practices, such as teleconferencing, teleworking and electronic information exchange that reduce environmental impact; and
- re-cycles waste products wherever possible, encouraging use of environmentally friendly materials, and disposing safely of any non-recyclable materials.

Customers

The Group treats all its customers with the utmost respect and seeks to be honest and fair in all relationships with them. The Group provides its customers with products and levels of customer service of outstanding quality.

Community

The Group seeks to be a good corporate citizen respecting the laws of the countries in which it operates and adhering to best social practice where feasible. It aims to be sensitive to the local community's cultural, social and economic needs.

Directors' Report (continued)

Employees and Employee Involvement

The Group recognises the value of its employees and that the success of the Group is due to their efforts. The Group respects the dignity and rights of all its employees. The Group provides clean, healthy and safe working conditions. An inclusive working environment and a culture of openness are maintained by the regular dissemination of information. The Group endeavours to provide equal opportunities for all employees and facilitates the development of employees' skill sets. A fair remuneration policy is adopted throughout the Group.

The Group does not tolerate any sexual, physical or mental harassment of its employees. The Group operates an equal opportunities policy and specifically prohibits discrimination on grounds of colour, ethnic origin, gender, age, religion, political or other opinion, disability or sexual orientation. The Group does not employ underage staff.

The general policy of the Group is to welcome employee involvement as far as it is reasonably practicable. Employees are kept informed by meetings, regular updates and web page postings. In addition the Group's UK and US senior management teams meet regularly to review performance against the Group's strategic aims and development roadmaps.

The Group maintains core values of Honesty, Integrity, Hard Work, Service and Quality and actively promotes these values in all activities undertaken on behalf of the Group.

Employment of Disabled Persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, is identical to that of a person who does not suffer from a disability.

Policy on Payment of Payables

Relationships with suppliers and subcontractors are based on mutual respect, and the Group seeks to be honest and fair in its relationships with suppliers and subcontractors, and to honour the terms and conditions of its agreements in place with such suppliers and subcontractors.

The Group does not believe that the giving or accepting of bribes is acceptable business conduct.

It is the Group's normal practice to make payments to suppliers in accordance with agreed terms and conditions, generally within 30 days, provided that the supplier has performed in accordance with the relevant terms and conditions. Trade payables at 30 June 2015 represented, on average 16 days purchases (2014: 19 days) for the Group and 19 days purchases (2014: 16 days) for the Company.

Directors' Report (continued)

Charitable and Political Contributions

As part of the Group's commitment to Corporate Social Responsibility it has continued to develop its "Craneware Cares" program. The focus of Craneware Cares is to raise awareness and funds for charity. The focus for 2015 has been the continued support of the Polar Academy where staff at Craneware have given their time and expertise to help support this charity to deliver its aim of inspiring and motivating thousands of young adults, positively demonstrating that by inspiring through exploration anybody can achieve their absolute potential.

Neither the Company nor its subsidiaries made any donation for political purposes in fiscal years 2015 or 2014.

Annual General Meeting

The resolutions to be proposed at the Annual General Meeting, together with explanatory notes, appear in a separate Notice of Annual General Meeting which is sent to all shareholders. The proxy card for registered shareholders is distributed along with the notice.

Company Registration

The Company is registered in Scotland as a public limited company with number SC196331.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual 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 prepared the Group and Parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing these financial statements, the Directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB). 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 Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union and IFRSs issued by IASB 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 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Craneware plc

Directors' Report (continued)

Statement of Directors' Responsibilities (continued)

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

Auditors and Disclosure of Information to Auditors

Each Director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board by:

Craig Preston
Company Secretary
7 September 2015

Craneware plc

Corporate Governance Report

The Board of Directors ("the Board") acknowledges the importance and continued applicability for this reporting period of the principles set out in the UK Corporate Governance Code issued in September 2012 (the "Code"). Although the Code is not compulsory for AIM listed companies, the Board recognises the importance of good corporate governance practices and therefore has applied the principles as far as practicable for a public company of its size. This Report identifies how it has complied with both the individual principles and the 'spirit' of the Code as a whole.

The Code itself defines the purpose of corporate governance being "to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the company." It is this overarching objective that the Board has sought to achieve in applying the Code principles.

Leadership

The role of the Board
"Every Company should be headed by an effective Board which is collectively responsible for the long-term success of the company."

The Company's Board continues to be headed by its Chairman George Elliott and comprises two executive Directors, Keith Neilson, Chief Executive Officer and Craig Preston, Chief Financial Officer along with four further non-executive Directors, Ron Verni (Senior Independent Director), Neil Heywood, Colleen Blye and Russ Rudish (appointed August 2014). Detailed biographies of all Directors are contained on pages 16 and 17. The Board meets regularly to discuss and agree on the various matters brought before it, including the Group's trading results. The Board is well supported by the Group's Operations Board (details of which are provided below) and a broader senior management team, who collectively have the qualifications and experience necessary for the day to day running of the Group.

There is a formal schedule of matters reserved for the Board, which include approval of the Group's strategy, annual budgets and business plans, acquisitions, disposals, business development, annual reports and interim statements, plus any significant financing and capital expenditure plans. As part of this schedule, the Board has clearly laid out levels of devolved decision making authority to the Group's Operations Board.

The Board has further established an Audit Committee and a Remuneration Committee details of which are provided below. The Board does not have a separate Nominations Committee as the Company has again taken advantage of the Codes relaxations available to smaller companies and incorporated this function within the remit of the entire Board. In the year it was determined appropriate to add a further independent non-executive Director which resulted in the appointment of Russ Rudish as detailed above.

Attendance of Directors at Board and Committee meetings convened in the year, along with the number of meetings that they were invited to attend, are set out below:

	Board	Nominations Committee	Remuneration Committee	Audit Committee
No. Meetings in year	10	-	3	2
Executive Directors				
K Neilson	10/10	-	-	-
C T Preston	10/10	-	-	-
Non Executive Directors				
G R Elliott	9/10	-	-	-
N P Heywood	10/10	-	3/3	2/2
R Verni	10/10	-	3/3	1/2
C Blye	10/10	-	3/3	2/2
R Rudish	8/8	-	-	-

Corporate Governance Report (continued)

Leadership (continued)

Where any Board member has been unable to attend Board or Committee meetings during the year, their input has been provided to the Company Secretary ahead of the meeting. The relevant Chairman then provides a detailed briefing along with the minutes of the meeting following its conclusion.

As detailed in the Directors' Report on page 20, the Company maintains appropriate insurance cover against legal action brought against Directors and officers. The Company has further indemnified all Directors or other officers against liability incurred by them in the execution or discharge of their duties or exercise of their powers.

Division of Responsibilities
"There should be a clear division of responsibilities at the head of the company between the running of the Board and the executive responsible for the running of the company's business. No one individual should have unfettered powers of decision"

The Board has established clearly defined and well understood roles for George Elliott as Chairman of the Company, and Keith Neilson as Chief Executive Officer. The Chairman is responsible for the leadership of the Board, ensuring its effectiveness and setting its agenda. Once strategic and financial objectives have been agreed by the Board, it is the Chief Executive Officer's responsibility to ensure they are delivered upon. To facilitate this, Keith Neilson as CEO chairs the Group's Operations Board which comprises the Chief Financial Officer and six further members of the Senior Management Team. The day-to-day operation of the Group's business is managed by this Board, subject to the clearly defined authority limits.

The Chairman
"The chairman is responsible for leadership of the Board and ensuring its effectiveness on all aspects of its role"

George Elliott was appointed Chairman of the Board in August 2007, shortly before the Company listed on the AIM market. At that time the then Board satisfied themselves that he was independent, fulfilling the requirements of the Code.

In setting the Board agendas, the Chairman, in conjunction with the Company Secretary, ensures input is gathered from all Board Directors on matters that should be included. 'Board papers' are issued in advance of meetings to ensure Board members have appropriate detail in regards to matters that will be covered, thereby encouraging openness and healthy debate.

Non-Executive Directors
"As part of their role as members of a unitary board, non-executive directors should constructively challenge and help develop proposals on strategy."

The Board has appointed Ron Verni as Senior Independent Director. In this role, Ron provides a sounding board for the Chairman as well as providing an additional channel of contact for shareholders, other Directors or employees, if the need arises.

In addition to matters outlined above, there is regular communication between executive and non-executive Directors, including where appropriate, updates on matters requiring attention prior to the next Board meeting. The non-executive Directors meet, as appropriate but no less than annually, without executive Directors being present and further meet annually without the Chairman present.

Craneware plc

Corporate Governance Report (continued)

Effectiveness

The Composition of the Board
"The Board and its committees should have the appropriate balance of skills, experience, independence and knowledge of the company to enable them to discharge their respective duties and responsibilities effectively"

The composition of the Board has been designed to give a good mix and balance of different skill sets, including significant experience in:

- High growth companies;
- Software and healthcare sectors;
- Entrepreneurial cultures;
- Senior financial reporting;
- Both UK and US companies;
- Acquisitions; and
- Other listed plc companies.

Through this mix of experience the Board and the individual Directors are well positioned to set the strategic aims of the Company as well as drive the Group's values and standards throughout the organisation, whilst remaining focused on their obligations to shareholders and meeting their statutory obligations.

The Board reviews on an annual basis the independence of each non-executive Director. In making this consideration the Board determines whether the Director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. In regards to Neil Heywood, the Board considered his appointment to the original Craneware Limited Board being in January 2002. Whilst Neil's tenure is over 10 years, the Company and the Board have significantly changed since the Company's IPO in 2007, as a result of this and Neil's conduct, the Board has concluded this has not affected his independence.

Appointments to the Board
"There should be a formal, rigorous and transparent procedure for the appointment of new directors to the Board"

When a new appointment to the Board is to be made, consideration is given to the particular skills, knowledge and experience that a potential new member could add to the existing Board composition. A formal process is then undertaken, usually involving external recruitment agencies, with appropriate consideration being given, in regards to executive appointments, to internal and external candidates. Before undertaking the appointment of a non-executive Director, the Chairman establishes that the prospective Director can give the time and commitment necessary to fulfil their duties, in terms of availability both to prepare for and attend meetings and to discuss matters at other times.

Commitment
"All directors should be able to allocate sufficient time to the company to discharge their responsibilities effectively"

All Board Directors recognise the need to allocate sufficient time to the Company for them to be able to meet their responsibilities as Board members. All non-executive Directors' contracts include minimum time commitments; however these are recognised to be the minimums.

Corporate Governance Report (continued)

Effectiveness (continued)

Details of the other directorships held by each Board member are provided in the Director biographies on pages 16 and 17. The Board has evaluated the time commitments required by these other roles and does not believe it affects their ability to perform their duties with the Company. No executive Director currently holds any other plc directorship. The non-executive Director contracts are available for inspection at the Company's registered office and are made available for inspection both before and during the Company's Annual General Meeting.

Development
"The Board should be supplied in a timely manner with the information in a form and a quality appropriate to enable it to discharge its duties."

The Chairman is responsible for ensuring that all the Directors continually update their skills, their knowledge and familiarity with the Group in order to fulfil their role on the Board and the Board's Committees. Updates dealing with changes in legislation and regulation relevant to the Group's business are provided to the Board by the Company Secretary/Chief Financial Officer and through the Board Committees.

All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are properly complied with and that discussions and decisions are appropriately minuted. Directors may seek independent professional advice at the Company's expense in furtherance of their duties as Directors.

Training in matters relevant to their role on the Board is available to all Board Directors. New Directors are provided with an induction in order to introduce them to the operations and management of the business.

In addition, the Directors periodically meet with the Group's Operations Board on an informal basis. This provides all Directors with direct access to the senior management of the Company and allows for better understanding of how the strategy set by the Board is being implemented across the Group.

Evaluation
"The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors."

During the year, a formal evaluation was conducted by means of a detailed questionnaire which was completed by each Director. The results of this process were collated by the Chairman and are under review by the Board as a whole. This evaluation included a review of the performance of individual Directors including the Chairman and the Board Committees. This evaluation is ongoing and the Board is currently reviewing and developing plans to implement certain agreed upon suggestions. It was this process in the prior year that lead to the recruitment, in the year, of Russ Rudish as a further independent non-executive Director. Overall the Board has concluded that its performance in the past year had been satisfactory. This review process will be repeated and updated as appropriate.

The Board has considered the Code's recommendation that the evaluation of the Board be carried out externally at least every three years. The Board recognises this recommendation is not applicable to AIM listed companies and has determined it was not necessary to carry out an external review in the current year.

Craneware plc

Corporate Governance Report (continued)

Effectiveness (continued)

Re-election
"All directors should be submitted for re-election at regular intervals, subject to continued satisfactory performance"

Under the Company's Articles of Association, at every Annual General Meeting, at least one-third of the Directors who are subject to retirement by rotation, are required to retire and may be proposed for re-election. In addition, any Director who was last appointed or re-appointed three years or more prior to the AGM is required to retire from office and may be proposed for re-election. Such a retirement will count in obtaining the number required to retire at the AGM. New Directors, who were not appointed at the previous AGM, automatically retire at their first AGM and, if eligible, can seek re-appointment.

However, the Board recognises the Code's recommendation that all Directors should stand for re-election every year, and whilst not a requirement, the Board has decided to adopt this recommendation as best practice. As such, all Directors will retire from office at the Company's forthcoming AGM and stand for re-appointment.

Accountability

Financial and Business Reporting
"The Board should present a balanced and understandable assessment of the company's position and prospects"

The Board recognises its responsibilities, including those statutory responsibilities laid out on pages 22 and 23. An assessment of the Group's market, business model and performance is presented in the Chairman's Statement and the Operational Review on pages 1 to 14.

As detailed on page 19 of the Directors' Report, the Board has confirmed that it is appropriate to adopt the going concern basis in preparing financial statements.

Risk Management and Internal Control
"The Board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The Board should maintain sound risk management and internal control systems"

The Directors recognise their responsibility for the Group's system of internal control, and have established systems to ensure that an appropriate and reasonable level of oversight and control is provided. These systems are reviewed for effectiveness annually by the Audit Committee and the Board. The Group's systems of internal control are designed to help the Group meet its business objectives by appropriately managing, rather than eliminating, the risks to those objectives. The controls can only provide reasonable, not absolute, assurance against material misstatement or loss.

Executive Directors and senior management meet to review both the risks facing the business and the controls established to minimise those risks and their effectiveness in operation on an ongoing basis. The aim of these reviews is to provide reasonable assurance that material risks and problems are identified and appropriate action taken at an early stage. From this review the Company maintains its internal risk register which forms the foundation of the Board and the Audit Committee review process.

The annual financial plan is reviewed and approved by the Board. Financial results with comparisons to plan and forecast results are reported on at least a quarterly basis to the Board together with a report on operational achievements, objectives and issues encountered. The quarterly reports are supplemented by interim monthly financial information. Forecasts are updated no less than, quarterly in the light of market developments and the underlying performance and expectations. Significant variances from plan are discussed at Board meetings and actions set in place to address them.

Corporate Governance Report (continued)

Accountability (continued)

Approval levels for authorisation of expenditure are at set levels and cascaded through the management structure with any expenditure in excess of pre-defined levels requiring approval from the executive Directors and selected senior managers.

Measures continue to be taken to review and embed internal controls and risk management procedures into the business processes of the organisation and to deal with areas of improvement which come to the management's and the Board's attention. Metrics and quality objectives continue to be actively implemented and monitored as part of a continual improvement programme.

Details of the principal risks and uncertainties facing the Group are detailed in the Strategic Report on pages 13 to 14. The principal *financial risks* are detailed in Note 3 to the financial statements.

Audit Committee and Auditors
"The Board should establish formal and transparent arrangements for considering how they should apply the corporate reporting risk management and internal control principles and for maintaining an appropriate relationship with the Company's auditor."

An Audit Committee has been established to assist the Board with the discharge of its responsibilities in relation to internal and external audits and controls. The Audit Committee will normally meet at least three times a year. The Audit Committee is chaired by Neil Heywood and its other members are Colleen Blye and Ron Verni. The Chief Financial Officer, Chief Executive Officer and other senior management attend meetings by invitation and the Committee also meets the external auditors without management present. Colleen Blye, as a member of the Audit Committee has recent and relevant financial experience.

Details of how the Audit Committee has discharged its responsibilities are provided below.

Remuneration

The Level and Components of Remuneration
"Levels of remuneration should be sufficient to attract, retain and motivate directors of the quality required to run the company successfully, but a company should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance"

The Company has established a Remuneration Committee to assist the Board in this area. This Committee is chaired by Ron Verni and its other members are Colleen Blye and Neil Heywood. When appropriate Keith Neilson, as Chief Executive Officer, is invited to attend meetings (except where matters under review by the Committee relate to him).

The Committee has responsibility for making recommendations to the Board on the remuneration packages of the executive Directors, and monitor the level and structure of remuneration for senior management, this includes:

- making recommendations to the Board on the Company's policy on Directors' and senior staff remuneration, and to oversee long term incentive plans (including share option schemes);
- ensuring remuneration is both appropriate to the level of responsibility and adequate to attract and/or retain Directors and staff of the calibre required by the Company; and
- ensuring that remuneration is in line with current industry practice.

The Committee has presented its Remuneration Report on pages 33 to 37, which details the work undertaken operating under its terms of reference (which are available at the Company's registered office), to discharge its responsibilities.

Craneware plc

Corporate Governance Report (continued)

Remuneration (continued)

Procedure
"There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his or her own remuneration"

Details of how the Committee and Board have discharged their responsibilities in this area are detailed in the Remuneration Report on pages 33 to 37.

Relations with Shareholders

Dialogue with Shareholders
"There should be a dialogue with shareholders based on mutual understanding of objectives. The Board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place"

The Company engages in full and open communication with both institutional and private investors and responds promptly to all queries received. In conjunction with the Company's brokers and other financial advisors all relevant news is distributed in a timely fashion through appropriate channels to ensure shareholders are able to access material information on the Company's progress.

To facilitate this:

- all shareholders are invited to attend the AGM and are encouraged to take the opportunity to ask questions;
- the primary point of contact for shareholders on operational matters is Keith Neilson as CEO and Craig Preston as CFO;
- the primary point of contact for shareholders on corporate governance and other related matters is George Elliott as Chairman. Ron Verni as Senior Independent Director is available as a point of contact should a shareholder not wish to contact the Chairman for any reason.

Keith Neilson and Craig Preston meet regularly with shareholders, normally immediately following the Company's half year and full year financial results announcements, to discuss the Group's performance and answer any questions. The Board monitors the success of these meetings through anonymous evaluations from both shareholders and analysts performed by the Company's Broker and Financial PR advisor.

The Company's website has a section for investors which contains all publicly available financial information and news on the Company.

Constructive Use of the AGM
"The Board should use the AGM to communicate with investors and to encourage their participation"

The Board encourages attendance at its AGM from all shareholders. The Notice of AGM together with all resolutions and explanations of these resolutions are sent at least 21 working days before the meeting. All Directors, where possible, make themselves available to answer any questions shareholders may have. Results of all votes on resolutions are published as soon as practicable on the Company's website.

Corporate Governance Report (continued)

The Audit Committee

During the year the Audit Committee, operating under its terms of reference (which are available at the Company's registered office), discharged its responsibilities, including reviewing and monitoring:

- interim and annual reports information including consideration of the appropriateness of accounting policies and material assumptions and estimates adopted by management;
- developments in accounting and reporting requirements;
- external auditors' plan for the year-end audit of the Company and its subsidiaries;
- the Committee's effectiveness;
- the Internal Risk Register covering the systems of internal control and their effectiveness, reporting and making new recommendations to the Board on the results of the review and receiving regular updates on key risk areas of financial control;
- the requirements or otherwise for an internal audit function;
- the performance and independence of the external auditors concluding in a recommendation to the Board on the reappointment of the auditors by shareholders at the Annual General Meeting. The auditors provide annually a letter to the Committee confirming their independence and stating the methods they employ to safeguard their independence;
- the audit and non-audit fees charged by the external auditors; and
- the formal engagement terms entered into with the external auditors.

The Committee has also reviewed the arrangements in place for internal audit and concluded, due to the current size and complexity of the Company, that a formal internal audit function was not required.

Under its terms of reference the Audit Committee is responsible for monitoring the independence, objectivity and performance of the external auditors, and for making a recommendation to the Board regarding the appointment of external auditors on an annual basis. The Group's external auditors, PricewaterhouseCoopers LLP, were first appointed as external auditors of the Company for the year ended 30 June 2003.

The Audit Committee has also implemented procedures relating to the provision of non-audit services by the Company auditors, which include non-audit work and any related fees over and above a de-minimis level to be approved in advance by the Chairman of the Audit Committee. Details of the fees paid to the auditors for audit and non-audit services are shown in Note 6 to the financial statements.

The Audit Committee has considered the level of non-audit services and the related fees paid and has concluded they do not compromise auditor independence.

Craneware plc

Corporate Governance Report (continued)

AIM Rule Compliance Report

Craneware plc is quoted on AIM and as a result the Company has complied with AIM Rule 31 which requires the following:

- have in place sufficient procedures, resources and controls to enable its compliance with the AIM Rules;
- seek advice from its Nominated Advisor ("Nomad") regarding its compliance with the AIM Rules whenever appropriate and take that advice into account;
- provide the Company's Nomad with any information it reasonably requests in order for the Nomad to carry out its responsibilities under the AIM Rules for Nominated Advisors, including any proposed changes to the Board and provision of draft notifications in advance;
- ensure that each of the Company's Directors accepts full responsibility, collectively and individually, for compliance with the AIM Rules; and
- ensure that each Director discloses without delay all information which the Company needs in order to comply with AIM Rule 17 (Disclosure of Miscellaneous Information) insofar as that information is known to the Director or could with reasonable diligence be ascertained by the Director.

Approved by the Board of Directors and signed on behalf of the Board by:

Craig Preston
Company Secretary
7 September 2015

Craneware plc

Remuneration Committee Report

This report sets out Craneware plc's remuneration and benefits for the financial year under review. A resolution to approve the report will be proposed at the Annual General Meeting of the Company at which the financial statements will be presented for approval.

Remuneration Committee

The Company has a Remuneration Committee ("the Committee") in accordance with the recommendations of the UK Corporate Governance Code. The members of the Committee are Ron Verni (Chairman), Neil Heywood and Colleen Blye. None of the Committee has any personal financial interests, other than as shareholders, in matters directly decided by this Committee, nor are there any conflicts of interests arising from cross directorships or day to day involvement in the running of the business.

The Company's Chief Executive Officer on occasion will attend meetings, at the invitation of the Committee, to advise on operational aspects of implementing existing and proposed policies. The Company Secretary acts as secretary to the Committee. Under the Committee Chairman's direction, the Chief Executive Officer and the Company Secretary have responsibility for ensuring the Committee has the information relevant to its deliberations. In formulating its policies, the Committee has access, as required, to professional advice from outside the Company and to publicly available reports and statistics.

The remuneration of the non-executive Directors is determined by the Board as a whole within limits set out in the Articles of Association.

Policy

Executive remuneration packages are designed to attract, motivate and retain Directors of the calibre necessary to achieve the Group's growth objectives and to reward them for enhancing shareholder value. The main elements of the remuneration package for executive Directors are:

- basic annual salary and benefits in kind;
- annual performance related bonus;
- pension entitlement; and,
- share option awards.

The Company's policy is that a substantial proportion of the remuneration of executive Directors should be performance related.

None of the executive Directors holds any outside appointments.

Craneware plc

Remuneration Committee Report (continued)

Directors' remuneration

The Committee develops overall Directors' remuneration packages to ensure both the short and long-term objectives of the Company are met and potentially exceeded, thereby ensuring that the Directors are incentivised to maximise return to the Company's shareholders.

The remuneration package comprises:

(i) Basic salary and pension entitlement

This is normally reviewed annually, or when an individual's position or responsibilities change and is normally paid as a fixed cash sum monthly. In April 2015, Director's basic salary levels were reviewed as part of the Group wide remuneration review, and adjustments were made in line with percentage increases across the Group.

As required by legislation, the Company has introduced a Company open enrolment pension scheme in which all UK employees, including Directors, are entitled to participate. As part of this scheme, the Company has matched personal contributions into the scheme, up to 1%. In addition, the Company pays a fixed sum to a personal pension plan on behalf of the Chief Executive Officer.

(ii) Annual performance related bonus

Under the annual performance related bonus plan executive Directors are eligible to earn a cash bonus payment based on targets that are set by the Committee. In determining these targets, the Committee's objective is to set targets that reflect challenging financial performance in the current year, but also provide for the future growth of the Company. Maximum bonus entitlements were set at a level that allowed additional growth of overall remuneration for out-performance of targets but still remains below the appropriate levels of the benchmarking exercise referred to above.

As these financial targets were partially met in the current year, a proportion of the performance related bonus entitlement has been paid and is detailed in the table below.

(iii) Share options

The Company operates the Craneware Employees' Share Option Plan 2007 ("Share Option Plan") from which, and at the discretion of the Committee, executive Directors and other employees (including senior management) may be awarded share options under this scheme.

During the year, the executive Directors were awarded share options under this scheme, details of which are shown in the table on page 36.

These options are normally exercisable three years after the date the options were granted, provided the executive is still employed at the date of exercise. These options are subject to stringent performance criteria based on the share price performance in the preceding three year period as compared to a comparator base of companies that make up the Techmark 100. Each option grant is split into three tranches (of no more than a 1/3 of the total options granted) which allows the performance criteria to be assessed annually (against the preceding three year period). If performance is below the median of the comparator group over the relevant three year period then no options vest that year. The amount of options that vest increases as performance reaches top quartile when the relevant tranche of options vests. No more than 1/3 of each option grant can vest in any single year and options do not become exercisable until three years from the original grant date. As a result performance criteria are based on share price performance over a five year period which must be maintained over that period if all options granted are to become exercisable.

These performance criteria were met in the current year and as a result all options that were subject to vesting in the current year vested but only become exercisable on the third anniversary of the grant of the original option.

Craneware plc

Remuneration Committee Report (continued)

Directors' remuneration (continued)

(iii) Share options (continued)

Share option grants in the year remain at a level consistent with prior years but still remain below the levels recommended by previous benchmarking exercises.

Service Contracts

The executive Directors and the non-executive Directors are employed under individual employment arrangements or letters of appointment where appropriate. Details of these service contracts are set out below.

	Contract Date	Unexpired Term	Normal Notice Period
K Neilson	Founder	Rolling	3 months*
C T Preston	15 September 2008	Rolling	3 months*
G R Elliott	10 August 2007	11 months	1 month
N P Heywood	11 January 2002	Rolling	1 month
R Verni	1 May 2009	Rolling	1 month
C Blye	12 November 2013	Rolling	1 month
R Rudish	28 August 2014	Rolling	1 month

* The notice terms for Keith Neilson and Craig Preston are normally three months, however in the event of a change of control, these notice periods are automatically extended to twelve months.

Directors' Interests

The Directors' interests in the ordinary shares of the Company are set out in the Directors' Report on page 20.

Directors' Emoluments (audited)

For Directors who held office during the course of the year, emoluments[1] for the year ending 30 June 2015 were as follows (note: with the exception of R Verni, C Blye and R Rudish, all directors are paid in UK Sterling; the amounts below are translated at the relevant average exchange rate for period being reported) :

	Salary/Fees $	Benefits[2] $	Bonus $	Pension $	2015 $	2014 $
Executives						
K Neilson	325,813	590	84,366	11,133	**421,902**	341,059
C T Preston	306,697	694	79,347	3,067	**389,805**	313,638
Non-Executives						
G R Elliott	97,675	-	-	-	**97,675**	99,605
N P Heywood	52,226	-	-	522	**52,748**	53,258
R Verni	53,055	-	-	-	**53,055**	52,400
C Blye	47,385	-	-	-	**47,385**	31,200
R Rudish (appointed Aug 2014)	39,585	-	-	-	**39,585**	-
Total	922,436	1,284	163,713	14,722	**1,102,155**	891,160

1. Aggregate emoluments disclosed above do not include any amounts for the value of options to acquire ordinary shares in the Company held by the Directors.

2. Benefits represent payments for health insurance, death in service and disability insurance.

Craneware plc

Remuneration Committee Report (continued)

Directors' Emoluments (continued)

The following Directors were paid in Sterling:

	Salary/Fees	Benefits	Bonus	Pension	2015	2014
	£	£	£	£	£	£
Executives						
K Neilson	206,866	374	53,678	7,069	**267,987**	209,728
C T Preston	194,728	441	50,485	1,947	**247,601**	192,866
Non-Executives						
G R Elliott	62,016	-	-	-	**62,016**	61,250
N P Heywood	33,159	-	-	332	**33,491**	32,750
Total	496,769	815	104,163	9,348	**611,095**	496,594

Directors' interests in share options

Directors' share options as at 30 June 2015 were in respect of Directors who held office during the course of the year:

	Exercise Price (cents)	Exercise Price (pence)	Issue Date	Held At 30/06/14	Granted During Year	Exercised During Year	Lapsed During Year	Held At 30/06/15
K Neilson								
Ordinary shares	534.0	335.0	Dec-09	28,580	-	-	-	28,580
Ordinary shares	618.0	401.0	Sept-10	13,383	-	-	-	13,383
Ordinary shares	650.0	400.0	Sept-12	17,438	-	-	-	17,438
Ordinary shares	621.0	395.0	Sept-13	34,472	-	-	-	34,472
Ordinary shares	839.0	514.0	Sept-14	-	39,090	-	-	39,090
C T Preston								
Ordinary shares	365.0	208.0	Sep-08	72,115	-	-	-	72,115
Ordinary shares	534.0	335.0	Dec-09	25,099	-	-	-	25,099
Ordinary shares	618.0	401.0	Sept-10	11,721	-	-	-	11,721
Ordinary shares	650.0	400.0	Sept-12	16,027	-	-	-	16,027
Ordinary shares	621.0	395.0	Sept-13	32,459	-	-	-	32,459
Ordinary shares	839.0	514.0	Sept-14	-	36,808	-	-	36,808

Craneware plc

Remuneration Committee Report (continued)

Employee share options as at 30 June 2015 were:

	Exercise Price (cents)	Exercise Price (pence)	Issue Date	Held At 30/06/14	Granted During Year	Exercised During Year	Lapsed During Year	Held At 30/06/15
Ordinary shares	534.0	335.0	Dec-09	32,355	-	-	-	32,355
Ordinary shares	618.0	401.0	Sept-10	27,487	-	(6,096)	(1,330)	20,061
Ordinary shares	572.0	360.0	Sept-12	68.626	-	-	(15,300)	53,326
Ordinary shares	520.0	343.0	June-13	32,051	-	-	-	32,051
Ordinary shares	621.0	395.0	Sept-13	141,198	-	-	(28,561)	112,637
Ordinary shares	755.0	467.0	Oct-13	2,650	-	-	-	2,650
Ordinary shares	839.0	514.0	Sept-14	-	230,867	-	(9,988)	220,879

On behalf of the Remuneration Committee:

Ronald Verni
Chairman of the Remuneration Committee
7 September 2015

Craneware plc

Independent auditors' report to the members of Craneware plc

Report on the financial statements

Our opinion

In our opinion:

- Craneware plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2015 and of the group's profit and the group's and the parent company's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements comprise:

- the consolidated and company balance sheets as at 30 June 2015;
- the consolidated statement of comprehensive income for the year then ended;
- the statements of cash flow for the year then ended;
- the statements of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report and Financial Statements, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Independent auditors' report to the members of Craneware plc (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 22, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

Independent auditors' report to the members of Craneware plc (continued)

Responsibilities for the financial statements and the audit (continued)

What an audit of financial statements involves (continued)

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Kenneth Wilson

Kenneth Wilson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
7 September 2015

a) The maintenance and integrity of the Craneware plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Craneware plc

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2015

	Notes	**Total 2015 $'000**	Total 2014 $'000
Continuing operations:			
Revenue	4	**44,817**	42,574
Cost of sales		**(2,421)**	(1,943)
Gross profit		**42,396**	40,631
Operating expenses	5	**(29,984)**	(29,407)
Operating profit	6	**12,412**	11,224
Analysed as:			
Adjusted EBITDA*		**14,356**	13,069
Acquisition costs and share related transactions		**(219)**	-
Share based payments	8	**(247)**	(198)
Depreciation of plant and equipment		**(467)**	(575)
Amortisation of intangible assets		**(1,011)**	(1,072)
Finance income	9	**84**	66
Profit before taxation		**12,496**	11,290
Tax on profit on ordinary activities	10	**(3,108)**	(2,680)
Profit for the year attributable to owners of the parent		**9,388**	8,610
Total comprehensive income attributable to owners of the parent		**9,388**	8,610

The accompanying notes are an integral part of these financial statements.

*Adjusted EBITDA is defined as operating profit before share based payments, depreciation, amortisation, acquisition costs and share related transactions.

Earnings per share for the year attributable to equity holders

	Notes	**2015**	2014
Basic ($ per share)	12a	**0.350**	0.319
*Adjusted Basic ($ per share)	12a	**0.378**	0.340
Diluted ($ per share)	12b	**0.348**	0.317
*Adjusted Diluted ($ per share)	12b	**0.375**	0.338

*Adjusted Earnings per share calculations allow for the tax adjusted acquisition costs and share related transactions together with amortisation on acquired intangible assets to be better understood and allow a better comparison of the underlying performance with previous years.

Craneware plc

Statements of Changes in Equity for the year ended 30 June 2015

Group	Share Capital $'000	Share Premium Account $'000	Other Reserves $'000	Retained Earnings $'000	Total Equity $'000
At 1 July 2013	539	15,496	212	25,074	41,321
Total comprehensive income - profit for the year	-	-	-	8,610	8,610
Transactions with owners:					
Share-based payments	-	-	198	146	344
Impact of share options exercised/lapsed	-	-	(175)	175	-
Dividends (Note 11)	-	-	-	(5,359)	(5,359)
At 30 June 2014	539	15,496	235	28,646	44,916
Total comprehensive income - profit for the year	-	-	-	9,388	9,388
Transactions with owners:					
Share-based payments	-	-	247	182	429
Impact of share options exercised/lapsed	-	40	(104)	104	40
Issue of Ordinary shares related to business combination	4	1,820	-	-	1,824
Buy back of Ordinary shares	(7)	-	-	(3,572)	(3,579)
Dividends (Note 11)	-	-	-	(5,388)	(5,388)
At 30 June 2015	**536**	**17,356**	**378**	**29,360**	**47,630**
Company					
At 1 July 2013	539	15,496	187	20,559	36,781
Total comprehensive income - profit for the year	-	-	-	8,424	8,424
Transactions with owners:					
Share-based payments	-	-	120	111	231
Impact of share options exercised/lapsed	-	-	(115)	115	-
Dividends (Note 11)	-	-	-	(5,359)	(5,359)
At 30 June 2014	539	15,496	192	23,850	40,077
Total comprehensive income - profit for the year	-	-	-	9,094	9,094
Transactions with owners:					
Share-based payments	-	-	145	-	145
Impact of share options lapsed	-	40	(52)	177	165
Issue of Ordinary shares related to business combination	4	1,820	-	-	1,824
Buy back of Ordinary shares	(7)	-	-	(3,572)	(3,579)
Dividends (Note 11)	-	-	-	(5,388)	(5,388)
At 30 June 2015	**536**	**17,356**	**285**	**24,161**	**42,338**

The accompanying notes are an integral part of these financial statements.

Other reserves relate to share-based payments and are detailed in Note 1 and these reserves are not available for distribution.

Craneware plc

Consolidated Balance Sheet as at 30 June 2015

	Notes	2015 $'000	2014 $'000
ASSETS			
Non-Current Assets			
Plant and equipment	13	**1,242**	1,329
Intangible assets	14	**16,196**	14,325
Trade and other receivables	17	**2,432**	1,890
Deferred tax	18	**1,510**	1,644
		21,380	19,188
Current Assets			
Trade and other receivables	17	**15,010**	20,946
Current tax assets		**-**	110
Cash and cash equivalents	21	**41,832**	32,613
		56,842	53,669
Total Assets		**78,222**	72,857
EQUITY AND LIABILITIES			
Non-Current Liabilities			
Deferred income		**819**	2,077
		819	2,077
Current Liabilities			
Deferred income		**22,460**	19,355
Current tax liabilities		**1,289**	1,136
Trade and other payables	22	**6,024**	5,373
		29,773	25,864
Total Liabilities		**30,592**	27,941
Equity			
Share capital	19	**536**	539
Share premium account		**17,356**	15,496
Other reserves		**378**	235
Retained earnings		**29,360**	28,646
Total Equity		**47,630**	44,916
Total Equity and Liabilities		**78,222**	72,857

Registered Number SC196331

The accompanying notes are an integral part of these financial statements.

The financial statements on pages 41 to 76 were approved and authorised for issue by the Board of Directors on 7 September 2015 and signed on its behalf by:

Keith Neilson
Director

Craig Preston
Director

Craneware plc

Company Balance Sheet as at 30 June 2015

	Notes	2015 $'000	2014 $'000
ASSETS			
Non-Current Assets			
Investment in subsidiary undertakings	15	**11,112**	9,000
Plant and equipment	13	**842**	944
Intangible assets	14	**1,050**	764
Deferred Tax	18	**318**	156
Amounts due from subsidiary undertaking		**6,000**	6,000
		19,322	16,864
Current Assets			
Trade and other receivables	17	**11,951**	18,035
Cash and cash equivalents	21	**39,932**	30,242
		51,883	48,277
Total Assets		**71,205**	65,141
EQUITY AND LIABILITIES			
Non-Current Liabilities			
Deferred income		**819**	2,077
		819	2,077
Current Liabilities			
Deferred income		**20,762**	17,911
Current tax liabilities		**1,177**	1,136
Trade and other payables	22	**6,109**	3,940
		28,048	22,987
Total Liabilities		**28,867**	25,064
Equity			
Share capital	19	**536**	539
Share premium account		**17,356**	15,496
Other reserves		**285**	192
Retained earnings		**24,161**	23,850
Total Equity		**42,338**	40,077
Total Equity and Liabilities		**71,205**	65,141

Registered Number SC196331

The accompanying notes are an integral part of these financial statements.

The financial statements on pages 41 to 76 were approved and authorised for issue by the Board of Directors on 7 September 2015 and signed on its behalf by:

Keith Neilson
Director

Craig Preston
Director

Craneware plc

Statements of Cash Flows for the year ended 30 June 2015

		Group		Company	
	Notes	**2015**	2014	**2015**	2014
		$'000	$'000	**$'000**	$'000
Cash flows from operating activities					
Cash generated from operations	20	**22,025**	10,197	**21,953**	10,615
Interest received		**84**	66	**185**	159
Tax paid		**(2,527)**	(2,154)	**(2,413)**	(2,448)
Net cash from operating activities		**19,582**	8,109	**19,725**	8,326
Cash flows from investing activities					
Purchase of plant and equipment	13	**(378)**	(308)	**(148)**	(88)
Capitalised intangible assets	14	**(811)**	(106)	**(670)**	(89)
Acquisition of subsidiary, net of cash acquired	16	**(247)**	-	**(290)**	-
Net cash used in investing activities		**(1,436)**	(414)	**(1,108)**	(177)
Cash flows from financing activities					
Dividends paid to company shareholders	11	**(5,388)**	(5,359)	**(5,388)**	(5,359)
Buy back of Ordinary Shares		**(3,579)**	-	**(3,579)**	-
Proceeds from issuance of shares		**40**	-	**40**	-
Net cash used in financing activities		**(8,927)**	(5,359)	**(8,927)**	(5,359)
Net increase in cash and cash equivalents		**9,219**	2,336	**9,690**	2,790
Cash and cash equivalents at the start of the year		**32,613**	30,277	**30,242**	27,452
Cash and cash equivalents at the end of the year		**41,832**	32,613	**39,932**	30,242

The accompanying notes are an integral part of these financial statements.

Craneware plc

Notes to the Financial Statements

General Information

Craneware plc (the Company) is a public limited company incorporated and domiciled in Scotland. The Company has a primary listing on the AIM stock exchange. The address of its registered office and principal place of business is disclosed on page 15 of the financial statements. The principal activity of the Company is described in the Directors' Report.

Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, IFRS IC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historic cost convention and prepared on a going concern basis. The applicable accounting policies are set out below, together with an explanation of where changes have been made to previous policies on the adoption of new accounting standards in the year, if relevant.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The Company and its subsidiary undertakings are referred to in this report as the Group.

1 Principal accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

Reporting currency

The Directors consider that as the Group's revenues are primarily denominated in US dollars the Company's principal functional currency is the US dollar. The Group's financial statements are therefore prepared in US dollars.

Currency translation

Transactions denominated in foreign currencies are translated into US dollars at the rate of exchange ruling at the date of the transaction. The average exchange rate during the course of the year was $1.5750/£1 (2014: $1.6262/£1). Monetary assets and liabilities expressed in foreign currencies are translated into US dollars at rates of exchange ruling at the Balance Sheet date $1.5717/£1 (2014 : $1.7099/£1). Exchange gains or losses arising upon subsequent settlement of the transactions and from translation at the Balance Sheet date, are included within the related category of expense where separately identifiable, or administrative expenses.

Notes to the Financial Statements (continued)

1 Principal accounting policies (continued)

New Standards, amendments and interpretations effective in the year

The Directors have adopted the following Standards, amendments and interpretations (where relevant to the Group and subject to their endorsement by the EU) and they have concluded that they have no material financial impact on the financial statements of the Group or Company.

IFRS 10, 'Consolidated financial statements' (effective 1 January 2014*),
This amendment builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess.

IFRS 11, 'Joint arrangements' (effective 1 January 2014*),
This amendment provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence financial statements for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity financial statements for its interest. Proportional consolidation of joint ventures is no longer allowed.

IFRS 12, 'Disclosure of interests in other entities' (effective 1 January 2014*),
This amendment includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance-sheet vehicles.

IAS 27, 'Separate financial statements' (effective 1 January 2014*),
This amendment includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.

IAS 28, 'Associates and joint ventures' (effective 1 January 2014*),
This amendment includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.

IAS 32, 'Financial Instruments: Presentation' (effective 1 January 2014*),
This amendment updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

IAS 36, 'Impairment of assets' (effective 1 January 2014*),
This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

IAS 39, 'Financial instruments: Recognition and measurement' (effective 1 January 2014*),
These narrow-scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one).

*Effective for accounting periods starting on or after this date.

Notes to the Financial Statements (continued)

1 Principal accounting policies (continued)

New Standards, amendments and interpretations not yet effective

The Directors anticipate that the future adoption of the following Standards, amendments and interpretations (where relevant to the Group and subject to their endorsement by the EU) will have no material financial impact on the financial statements of the Group and Company in their current form. None of the below Standards, amendments or interpretations have been adopted early but their potential impact is continually monitored.

Annual improvements 2012 (effective 1 February 2015*),
This set of annual improvements addresses issues in the 2010-2012 reporting cycle which affects seven different standards.

Annual improvements 2013 (effective 1 January 2015*),
This set of annual improvements addresses issues in the 2011-2013 reporting cycle which affects four different standards.

Annual improvements 2014 (effective 1 January 2016*),
This set of annual improvements addresses issues in the 2012-2014 reporting cycle which affects four different standards

IFRS 9, 'Financial instruments: classification and measurement' (effective 1 January 2018*),
IFRS 10, 'Consolidated financial statements' (effective 1 January 2016*),
IFRS 11, 'Joint arrangements' (effective 1 January 2016*),
IFRS 14, 'Regulatory deferral accounts' (effective 1 January 2016*),
IAS 1, 'Presentation of financial statements' (effective 1 January 2016*),
IAS 16, 'Property, plant and equipment' (effective 1 January 2016*),
IAS 19, 'Employee benefits' (effective 1 February 2015*),
IAS 27, 'Separate financial statements' (effective 1 January 2016*),
IAS 28 (revised 2011), 'Investments in associates and joint ventures' (effective 1 January 2016*),
IAS 38, 'Intangible assets' (effective 1 January 2016*),
IAS 41, 'Agriculture' (effective 1 January 2016*)

The Directors continue to assess the potential implications of IFRS 15, 'Revenue from contracts with customers' (effective 1 January 2017*). The first year end that is expected to be affected is 30 June 2018.

*Effective for accounting periods starting on or after this date.

Basis of consolidation

The consolidated Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Statement of Cash flows include the financial statements of the Parent Company and its subsidiaries. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control transferred to the Group and are deconsolidated from the time control ceases. Intra Group revenue and profits/(losses) are eliminated on consolidation and all sales and profit figures relate to external transactions only. As permitted by Section 408(4) of the Companies Act 2006, the Statement of Comprehensive Income of the Parent Company is not presented although the Company performance can been seen in isolation in the Statements of Changes in Equity. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the Financial Statements (continued)

1 Principal accounting policies (continued)

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the acquisition date, of assets given, liabilities incurred or assumed, and the equity issued by the Group. The consideration transferred includes the fair value of any assets or liability resulting from a contingent consideration and acquisition costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 in the Statement of Comprehensive Income. Contingent consideration that is classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

Goodwill arising on the acquisition is recognised as an asset and initially measured at cost, being the excess of fair value of the consideration over the Group's assessment of the net fair value of the identifiable assets and liabilities recognised.

If the Group's assessment of the net fair value of a subsidiary's assets and liabilities had exceeded the fair value of the consideration of the business combination then the excess ('negative goodwill') would be recognised in the Statement of Comprehensive Income immediately. The fair value of the identifiable assets and liabilities assumed on acquisition are brought onto the Balance Sheet at their fair value at the date of acquisition.

Revenue recognition

The Group follows the principles of IAS 18, 'Revenue Recognition', in determining appropriate revenue recognition policies. In principle revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow into the Group.

Revenue is derived from sales of, and distribution agreements relating to, software licences and professional services (including installation). Revenue is recognised when (i) persuasive evidence of an arrangement exists; (ii) the customer has access and right to use our software; (iii) the sales price can be reasonably measured; and (iv) collectability is reasonably assured.

Revenue from standard licensed products which are not modified to meet the specific requirements of each customer is recognised from the point at which the customer has access and right to use our software. This right to use software will be for the period covered under contract and, as a result, our annuity based revenue model recognises the licensed software revenue over the life of this contract. This policy is consistent with the Company's products providing customers with a service through the delivery of, and access to, software solutions (Software-as-a-Service ("SaaS")), and results in revenue being recognised over the period that these services are delivered to customers. Incremental costs directly attributable in securing the contract are charged equally over the life of the contract and as a consequence are matched to revenue recognised. Any deferred contract costs are included in, both current and non-current, trade and other receivables.

'White-labelling' or other 'Paid for development work' is generally provided on a fixed price basis and as such revenue is recognised based on the percentage completion or delivery of the relevant project. Where percentage completion is used it is estimated based on the total number of hours performed on the project compared to the total number of hours expected to complete the project. Where contracts underlying these projects contain material obligations, revenue is deferred and only recognised when all the obligations under the engagement have been fulfilled.

Notes to the Financial Statements (continued)

1 Principal accounting policies (continued)

Revenue recognition (continued)

Revenue from all professional services is recognised as the applicable services are provided. Where professional services engagements contain material obligations, revenue is recognised when all the obligations under the engagement have been fulfilled. Where professional services engagements are provided on a fixed price basis, revenue is recognised based on the percentage completion of the relevant engagement. Percentage completion is estimated based on the total number of hours performed on the project compared to the total number of hours expected to complete the project.

Software and professional services sold via a distribution agreement will normally follow the above recognition policies.

Should any contracts contain non-standard clauses, revenue recognition will be in accordance with the underlying contractual terms which will normally result in recognition of revenue being deferred until all material obligations are satisfied.

The excess of amounts invoiced over revenue recognised are included in deferred income. If the amount of revenue recognised exceeds the amount invoiced the excess is included within accrued income.

Intangible Assets

(a) **Goodwill**

Goodwill arising on consolidation represents the excess of the cost of acquisition over the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is capitalised and recognised as a non-current asset in accordance with IFRS 3 and is tested for impairment annually, or on such occasions that events or changes in circumstances indicate that the value might be impaired.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(b) **Proprietary software**

Proprietary software acquired in a business combination is recognised at fair value at the acquisition date. Proprietary software has a finite life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the associated costs over their estimated useful lives of 5 years.

(c) **Contractual customer relationships**

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful economic life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship which has been assessed as 10 years.

(d) **Research and Development expenditure**

Expenditure associated with developing and maintaining the Group's software products is recognised as incurred. Where, however, new product development projects are technically feasible, production and sale is intended, a market exists, expenditure can be measured reliably, and sufficient resources are available to complete such projects, development expenditure is capitalised until initial commercialisation of the product, and thereafter amortised on a straight-line basis over its estimated useful life, which has been assessed as 5 years. Staff costs and specific third party costs involved with the development of the software are included within amounts capitalised.

Notes to the Financial Statements (continued)

1 Principal accounting policies (continued)

Intangible Assets (continued)

(e) **Computer software**

Costs associated with acquiring computer software and licensed to-use technology are capitalised as incurred. They are amortised on a straight-line basis over their useful economic life which is typically three to five years.

Impairment of non-financial assets

At each reporting date the Group considers the carrying amount of its tangible and intangible assets including goodwill to determine whether there is any indication that those assets have suffered an impairment loss. If there is such an indication, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any) through determining the value in use of the cash generating unit that the asset relates to. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the impairment loss is recognised as an expense.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset. A reversal of an impairment loss is recognised as income immediately. Impairment losses relating to goodwill are not reversed.

Plant and Equipment

All plant and equipment are stated at historical cost less depreciation, costs include the original purchase price of the asset and the costs attributable to bring the asset to its working condition for its intended use. Depreciation is provided to write off the cost less estimated residual values of tangible fixed assets over their expected useful lives. It is calculated at the following rates:

Computer equipment	- Between 20% - 33% straight line
Tenants improvements	- Between 10% - 20% straight line
Office furniture	- Between 14% - 25% straight line

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of assets are included in operating profit.

Repairs and maintenance are charged to the Statement of Comprehensive Income during the financial year in which they are incurred. The cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

Taxation

The charge for taxation is based on the profit for the period as adjusted for items which are non-assessable or disallowable. It is calculated using taxation rates that have been enacted or substantively enacted by the Balance Sheet date.

Craneware plc

Notes to the Financial Statements (continued)

1 Principal accounting policies (continued)

Taxation (continued)

Deferred taxation is computed using the liability method. Under this method, deferred tax assets and liabilities are determined based on temporary differences between the financial reporting and tax bases of assets and liabilities and are measured using enacted rates and laws that will be in effect when the differences are expected to reverse. The deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will arise against which the temporary differences will be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets and liabilities arising in the same tax jurisdiction are offset.

In the UK and the US, the Group is entitled to a tax deduction for amounts treated as compensation on exercise of certain employee share options under each jurisdiction's tax rules. As explained under "Share-based payments", a compensation expense is recorded in the Group's Statement of Comprehensive Income over the period from the grant date to the vesting date of the relevant options. As there is a temporary difference between the accounting and tax bases a deferred tax asset is recorded. The deferred tax asset arising is calculated by comparing the estimated amount of tax deduction to be obtained in the future (based on the Company's share price at the Balance Sheet date) with the cumulative amount of the compensation expense recorded in the Statement of Comprehensive Income. If the amount of estimated future tax deduction exceeds the cumulative amount of the remuneration expense at the statutory rate, the excess is recorded directly in equity against retained earnings.

Investment in subsidiaries

Investment in Group undertakings is recorded at cost, which is the fair value of the consideration paid, less any provision for impairment.

Kestros Ltd

Kestros Ltd (SC362481), one of Craneware plc's subsidiaries is exempt from the requirement for its financial statements to be audited under the provisions of section 479 A of the Companies Act 2006.

Operating leases

The costs of operating leases are charged on a straight line basis over the duration of the leases in arriving at operating profit.

Financial assets

The Group classifies its financial assets in the following categories: (i) at fair value through profit and loss, (ii) loans and receivables and (iii) available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. At each Balance Sheet date included in the financial information, the Group held only items classified as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the Balance Sheet date. These are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' or 'cash and cash equivalents' in the Balance Sheet.

Notes to the Financial Statements (continued)

1 Principal accounting policies (continued)

Financial assets (continued)

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairments. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Income within 'net operating expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against net operating expenses in the Statement of Comprehensive Income.

Financial liabilities

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

For the purpose of the Statements of Cash flows, cash and cash equivalents comprise cash on hand, deposits held with banks and short term highly liquid investments.

Employee benefits

The Group operates a defined contribution Stakeholder Pension Scheme as described in Section 3 of Welfare Reform and Pensions Act 1999. Private medical insurance is also offered to every employee. Amounts payable in respect of these benefits are charged to the Statement of Comprehensive Income as they fall due. The Group has no further payment obligations once the payments have been made. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Share-based payments

The Group grants share options to certain employees. In accordance with IFRS 2, "Share-Based Payments" equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of the Black-Scholes pricing model as appropriately amended. The fair value determined at the date of grant of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Statement of Comprehensive Income, with a corresponding adjustment to equity. When the options are exercised the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

The share-based payments charge is included in 'net operating expenses' and is also included in 'Other reserves'.

Share capital

Ordinary shares are classified as equity.

Notes to the Financial Statements (continued)

1 Principal accounting policies (continued)

Dividends

Dividends are recorded in the financial statements in the year in which they are approved by the shareholders. Interim dividends are recognised as a distribution when paid.

2 Critical accounting estimates and judgements

The preparation of financial statements in accordance with IFRS requires the Directors to make critical accounting estimates and judgements that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below:-

- **Impairment assessment**:- the Group tests annually whether Goodwill has suffered any impairment and for other assets including acquired intangibles at any point where there are indications of impairment. This requires an estimation of the value in use of the applicable cash generating unit to which the Goodwill and other assets relate. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the specific cash generating unit using certain key assumptions including growth rates and a discount rate. Reasonable changes to these assumptions such as increasing the discount rate by 5% (20% to 25%) and decreasing the long term growth rate applied to revenues by 1% (2% to 1%) would still result in no impairment.

- **Provisions for income taxes:-** the Group is subject to tax in the UK and US and this requires the Directors to regularly assess the applicability of its transfer pricing policy.

3 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (primarily currency risk and cash flow interest rate risk), credit risk and liquidity risk.

Risk management is carried out under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk.

(a) Market risk
(i) Foreign exchange risk
Foreign exchange risk arises when commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group operates primarily in the US however a significant proportion of costs are incurred in Sterling.

Management are therefore required to continually assess the Group's foreign exchange risk against the Group's functional currency, and whether any form of hedge should be entered into. The Group's policy has not been to enter into hedging arrangements, although the Board continues to assess the appropriateness of this approach.

The Directors believe that a 10% change in the value of Sterling relative to the Dollar would impact post-tax profits and equity between approximately $850,000 and $750,000 (dependent on whether lower or higher) as a result of foreign exchange gains/losses on Sterling denominated transactions and the translation of Sterling denominated current liabilities. The Directors believe that 10% is appropriate for the sensitivity analysis based on recent movements in the exchange rates.

Notes to the Financial Statements (continued)

3 Financial risk management (continued)

Financial risk factors (continued)

(ii) Cash flow and interest rate risk
The Group has no significant interest-bearing assets or liabilities, other than cash held on deposit at variable rates. The Directors believe that a 25 basis point move in interest rates would, with all variables held constant, alter post-tax profit and equity for the year in the region of $93,000 higher/lower respectively. The Directors believe that 25 basis points is appropriate for the sensitivity analysis based on recent market conditions.

(b) Credit risk
Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and trade receivables. In order to minimise the Group's exposure to risk, all cash deposits are placed with reputable banks and financial institutions. The Group's exposure to trade receivables is reduced due to contractual terms which require installation, training, annual licensing and support fees, to be invoiced annually in advance.

(c) Counterparty risk
The Group has significant cash and cash equivalent balances and in order to mitigate the risk of failing institutions management have treasury deposits spread across a range of reputable banks, the details of which are disclosed on page 15.

(d) Liquidity risk
Management review the liquidity position of the Group to ensure that sufficient cash is available to meet the underlying needs of the Group as they fall due for payment.

The table below analyses the Group's financial liabilities which will be settled on a net basis into relevant maturity grouping based on the remaining period from the Balance Sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 30 June 2014	$'000	$'000	$'000	$'000	$'000
Trade and Other Payables	4,946	-	-	-	4,946
At 30 June 2015					
Trade and Other Payables	**5,573**	-	-	-	**5,573**

There is no difference between the undiscounted liabilities and the amounts shown in Note 22 as the Group's financial liabilities are all short term in nature.

Capital risk management

The Group is cash generative and trading is funded internally. As a result, management do not consider capital risk to be significant for the Group. Contracts are normally billed annually in advance. Assuming timely receivables collection, the Group will have favourable movements from working capital by generating cash ahead of revenue recognition. Consequently funds are retained in the business to finance future growth, either organically or by acquisition.

Notes to the Financial Statements (continued)

4 Revenue

The chief operating decision maker has been identified as the Board of Directors. The Group revenue is derived almost entirely from the sale of software licences, white labelling and professional services (including installation) to hospitals within the United States of America. Consequently the Board has determined that Group supplies only one geographical market place and as such revenue is presented in line with management information without the need for additional segmental analysis. All of the Group assets are located in the United States of America with the exception of the Parent Company's, the net assets of which are disclosed separately on the Company Balance Sheet and are located in the UK.

	2015	2014
	$'000	$'000
Software licensing	**38,842**	37,717
White labelling	**-**	-
Professional services	**5,975**	4,857
Total revenue	**44,817**	42,574

5 Operating expenses

Operating expenses are comprised of the following:-

	2015	2014
	$'000	$'000
Sales and marketing expenses	**7,930**	8,482
Client servicing	**7,965**	7,461
Research and development	**6,985**	6,979
Administrative expenses	**5,222**	4,594
Acquisition Costs	**219**	-
Share-based payments (Note 8)	**247**	198
Depreciation of plant and equipment	**467**	575
Amortisation of intangible assets	**1,011**	1,072
Exchange (gain)/loss	**(62)**	46
Operating expenses	**29,984**	29,407

Notes to the Financial Statements (continued)

6 Operating profit

The following items have been included in arriving at operating profit:

	2015	2014
	$'000	$'000
Staff costs (Note 7)	**19,779**	18,708
Depreciation of plant and equipment	**467**	575
Amortisation of intangible assets	**1,011**	1,072
Impairment of trade receivables	**213**	83
Operating lease rents for premises	**994**	955

Services provided by the Group's auditors

During the year the Group obtained the following services from the Group's auditors as detailed below:

	2015	2014
	$'000	$'000
Statutory audit - Parent Company financial statements and consolidation	**83**	97
Tax compliance and other tax services	**128**	110
	211	207

7 Staff costs

The average number of persons employed by the Group during the year, excluding non-executive Directors, is analysed below:

	2015	2014
	Number	Number
Sales and distribution	**36**	36
Client servicing	**72**	70
Research and development	**68**	62
Administration	**26**	27
	202	195

Notes to the Financial Statements (continued)

7 Staff costs (continued)

Employment costs of all employees excluding non-executive Directors:-

	2015	2014
	$'000	$'000
Wages and salaries	**17,899**	17,004
Social security costs	**1,550**	1,490
Other pension costs	**83**	16
Share-based payments	**247**	198
Total direct costs of employment	**19,779**	18,708
Highest paid director:		
Salary and short-term employee benefits	**411**	333
Other pension costs	**11**	8
Share-based payments	**37**	38
	459	379

Directors' emoluments are detailed in the Remuneration Committee Report on page 35 and key management compensation is given in the Related Party Transaction note on pages 74 and 75. Retirement benefits are accruing to three of the executive Directors under a defined contribution scheme (2014: one).

8 Share-based payments

The Group has an equity-settled share-based payment scheme, whereby options over shares in Craneware plc can be granted to employees and Directors. A charge is shown in the Statement of Comprehensive Income of $247,196 (2014: $197,992) as detailed in Note 7 above.

Directors' and employees' interests in share options are set out in the Remuneration Committee Report on page 36 and 37.

The market value of share options exercised during the year ranged from $6.45 (£4.01) to $6.58 (£4.01). The market value at 30 June 2015 was $10.33 (£6.57).

Notes to the Financial Statements (continued)

8 Share-based payments (continued)

Options over Ordinary shares under the 2007 Share Options Plan may be granted with an exercise price no less than the market value of the Ordinary shares on the date of grant, and in the case of the Directors of the Company will be granted subject to sufficiently stretching performance targets. These options will be subject to time based vesting and will not normally be exercisable before the third anniversary of grant. Such options will lapse on the tenth anniversary of grant.

The fair value of options granted was estimated on the date of grant using the Black-Scholes option pricing model as appropriately adjusted. The Company estimates the number of options likely to vest by reference to the Group's staff retention rate, and expenses the fair value over the relevant vesting period. A sufficiently long trading history of the Company's own share price, dating from IPO to date of grant, results in an actual volatility calculation for all grants from December 2010. Prior to this date volatility had to be estimated by reference to similar companies whose shares are traded on a recognised stock exchange.

The assumptions for each option grant were as follows:

Date of Grant	22-Sep-14	21-Oct-13	10-Sep-13	28-Jun-13	21-Sep-12	04-Sep-12	23-Sep-11	06-Sep-10	22-Dec-09	08-Sep-08
Options over Ordinary shares										
Share price at date of grant	$8.39	$7.55	$6.21	$5.20	$6.50	$5.72	$8.66	$6.18	$5.34	$3.65
Share price at date of grant	£5.14	£4.67	£3.95	£3.43	£4.00	£3.60	£5.61	£4.01	£3.35	£2.08
Vesting period (years)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Expected volatility	33%	36%	36%	36%	37%	37%	28%	24%	23%	40%
Risk free rate	1.33%	0.90%	1.02%	0.73%	0.37%	0.16%	0.83%	1.18%	1.96%	4.41%
Dividend yield	2.4%	2.8%	2.8%	2.7%	2.6%	2.5%	1.6%	2.2%	1.5%	1.5%
Exercise price	$8.39	$7.55	$6.21	$5.20	$6.50	$5.72	$8.66	$6.18	$5.34	$3.65
Exercise price	£5.14	£4.67	£3.95	£3.43	£4.00	£3.60	£5.61	£4.01	£3.35	£2.08
Number of employees	36	1	26	1	2	28	25	20	10	1
Shares under option	306,765	3,975	321,855	48,076	100,394	230,034	255,520	255,655	170,303	72,115
Fair value per option	$2.28	$1.79	$1.48	$1.23	$0.94	$0.82	$1.42	$1.40	$1.34	$1.67

Notes to the Financial Statements (continued)

8 Share-based payments (continued)

The following options have been granted over Ordinary shares:

2007 Share option plan:	2015 options number	2014 options number
Ordinary share options (£2.08 exercise price)		
Outstanding at 1 July	**72,115**	72,115
Forfeited	-	-
Exercised	-	-
Outstanding at 30 June	**72,115**	72,115
Ordinary share options (£3.35 exercise price)		
Outstanding at 1 July	**86,034**	86,034
Forfeited	-	-
Exercised	-	-
Outstanding at 30 June	**86,034**	86,034
Ordinary share options (£4.01 exercise price)		
Outstanding at 1 July	**52,591**	52,591
Forfeited	**(1,330)**	-
Exercised	**(6,096)**	-
Outstanding at 30 June	**45,165**	52,591
Ordinary share options (£5.61 exercise price)		
Outstanding at 1 July	-	71,842
Forfeited	-	(71,842)
Outstanding at 30 June	-	-
Ordinary share options (£3.60 exercise price)		
Outstanding at 1 July	**68,626**	144,154
Forfeited	**(15,300)**	(75,528)
Outstanding at 30 June	**53,326**	68,626
Ordinary share options (£4.00 exercise price)		
Outstanding at 1 July	**33,464**	66,929
Forfeited	-	(33,465)
Outstanding at 30 June	**33,464**	33,464
Ordinary share options (£3.43 exercise price)		
Outstanding at 1 July	**32,051**	48,076
Forfeited	-	(16,025)
Outstanding at 30 June	**32,051**	32,051
Ordinary share options (£3.95 exercise price)		
Outstanding at 1 July	**208,129**	-
Granted	-	321,855
Forfeited	**(28,561)**	(113,726)
Outstanding at 30 June	**179,568**	208,129
Ordinary share options (£4.67 exercise price)		
Outstanding at 1 July	**2,650**	-
Granted	-	3,975
Forfeited	-	(1,325)
Outstanding at 30 June	**2,650**	2,650
Ordinary share options (£5.14 exercise price)		
Outstanding at 1 July	-	-
Granted	**306,765**	-
Forfeited	**(9,988)**	-
Outstanding at 30 June	**296,777**	-

Notes to the Financial Statements (continued)

9 Finance income

	2015	2014
	$'000	$'000
Deposit interest receivable	**84**	66
Total interest receivable	**84**	66

10 Tax on profit on ordinary activities

	2015	2014
	$'000	$'000
Profit on ordinary activities before tax	**12,496**	11,290
Current tax		
Corporation tax on profits of the year	**2,765**	2,542
Foreign exchange on taxation in the year	**(59)**	(36)
Adjustments for prior years	**86**	57
Total current tax charge	**2,792**	2,563
Deferred tax		
Origination & reversal of timing differences	**114**	63
Adjustments for prior years	**202**	55
Change in tax rate	**-**	(1)
Total deferred tax charge	**316**	117
Tax on profit on ordinary activities	**3,108**	2,680

The difference between the current tax charge on ordinary activities for the year, reported in the consolidated Statement of Comprehensive Income, and the current tax charge that would result from applying a relevant standard rate of tax to the profit on ordinary activities before tax, is explained as follows:

Profit on ordinary activities at the UK tax rate 20.75% (2014: 22.5%)	**2,592**	2,541
Effects of:		
Adjustment in respect of prior years	**288**	112
Change in tax rate	**-**	(1)
Additional US taxes on profits/losses 39% (2013: 39%)	**319**	89
Foreign Exchange	**(59)**	(36)
Expenses not deductible for tax purposes	**(32)**	(25)
Total tax charge	**3,108**	2,680

Notes to the Financial Statements (continued)

11 Dividends

The dividends paid during the year were as follows:-

	2015	2014
	$'000	$'000
Final dividend, re 30 June 2014 - 11.63 cents (6.8 pence)/share	**2,863**	2,783
Interim dividend, re 30 June 2015 - 9.8 cents (6.3 pence)/share	**2,525**	2,576
Total dividends paid to Company shareholders in the year	**5,388**	5,359

The proposed final dividend for 30 June 2015 is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

12 Earnings per share

a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of shares in issue during the year.

	2015	2014
Profit attributable to equity holders of the Company ($'000)	**9,388**	8,610
Weighted average number of Ordinary shares in issue (thousands)	**26,815**	27,009
Basic earnings per share ($ per share)	**0.350**	0.319

Profit attributable to equity holders of the Company ($'000)	**9,388**	8,610
Tax adjusted acquisition costs, share related transactions and amortisation of acquired intangibles ($'000)	**749**	574
Adjusted Profit attributable to equity holders ($'000)	**10,137**	9,184
Weighted average number of Ordinary shares in issue (thousands)	**26,815**	27,009
Adjusted Basic earnings per share ($ per share)	**0.378**	0.340

Notes to the Financial Statements (continued)

12 Earnings per share (continued)

b) Diluted

For diluted earnings per share, the weighted average number of Ordinary shares calculated above is adjusted to assume conversion of all dilutive potential Ordinary shares. The Group has one category of dilutive potential Ordinary shares, being those granted to Directors and employees under the share option scheme.

	2015	2014
Profit attributable to equity holders of the Company ($'000)	**9,388**	8,610
Weighted average number of Ordinary shares in issue (thousands)	**26,815**	27,009
Adjustments for Share options (thousands)	**188**	162
Weighted average number of Ordinary shares for diluted earnings per share (thousands)	**27,003**	27,171
Diluted earnings per share ($ per share)	**0.348**	0.317

Profit attributable to equity holders of the Company ($'000)	**9,388**	8,610
Tax adjusted acquisition costs, share related transactions and amortisation of acquired intangibles ($'000)	**749**	574
Adjusted Profit attributable to equity holders ($'000)	**10,137**	9,184
Weighted average number of Ordinary shares in issue (thousands)	**26,815**	27,009
Adjustments for Share options (thousands)	**188**	162
Weighted average number of Ordinary shares for diluted earnings per share (thousands)	**27,003**	27,171
Adjusted Diluted earnings per share ($ per share)	**0.375**	0.338

Notes to the Financial Statements (continued)

13 Plant and equipment

Group	Computer Equipment $'000	Office Furniture $'000	Tenants Improvements $'000	Total $'000
Cost				
At 1 July 2014	1,870	970	1,729	4,569
Additions	276	96	6	378
Acquisition of subsidiary (Note 16)	2	0	0	2
At 30 June 2015	2,148	1,066	1,735	4,949
Accumulated depreciation				
At 1 July 2014	1,621	750	869	3,240
Charge for year	191	125	151	467
At 30 June 2015	1,812	875	1,020	3,707
Net Book Value at 30 June 2015	**336**	**191**	**715**	**1,242**
Cost				
At 1 July 2013	1,732	861	1,668	4,261
Additions	138	109	61	308
At 30 June 2014	1,870	970	1,729	4,569
Accumulated depreciation				
At 1 July 2013	1,358	594	713	2,665
Charge for the year	263	156	156	575
At 30 June 2014	1,621	750	869	3,240
Net Book Value at 30 June 2014	**249**	**220**	**860**	**1,329**

Notes to the Financial Statements (continued)

13 Plant and equipment (continued)

Company	Computer Equipment $'000	Office Furniture $'000	Tenants Improvements $'000	Total $'000
Cost				
At 1 July 2014	786	624	1,510	2,920
Additions	139	5	4	148
At 30 June 2015	925	629	1,514	3,068
Accumulated depreciation				
At 1 July 2014	687	560	729	1,976
Charge for year	70	61	119	250
At 30 June 2015	757	621	848	2,226
Net Book Value at 30 June 2015	**168**	**8**	**666**	**842**
Cost				
At 1 July 2013	703	621	1,508	2,832
Additions	83	3	2	88
At 30 June 2014	786	624	1,510	2,920
Accumulated depreciation				
At 1 July 2013	605	454	610	1,669
Charge for year	82	106	119	307
At 30 June 2014	687	560	729	1,976
Net Book Value at 30 June 2014	**99**	**64**	**781**	**944**

Craneware plc

Notes to the Financial Statements (continued)

14 Intangible assets

Goodwill and Other Intangible assets

Group

	Goodwill	Customer Relationships	Proprietary Software	Development Costs	Computer Software	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
At 1 July 2014	11,188	2,964	1,222	3,035	862	19,271
Additions	-	-	-	761	50	811
Acquisition of subsidiary (Note 16)	250	-	1,821	-	-	2,071
At 30 June 2015	11,438	2,964	3,043	3,796	912	22,153
Accumulated amortisation						
At 1 July 2014	-	1,054	814	2,457	621	4,946
Charge for the year	-	330	244	302	135	1,011
At 30 June 2015	-	1,384	1,058	2,759	756	5,957
Net Book Value at 30 June 2015	**11,438**	**1,580**	**1,985**	**1,037**	**156**	**16,196**
Cost						
At 1 July 2013	11,188	2,964	1,222	3,004	787	19,165
Additions	-	-	-	31	75	106
At 30 June 2014	11,188	2,964	1,222	3,035	862	19,271
Accumulated amortisation						
At 1 July 2013	-	724	570	2,101	479	3,874
Charge for the year	-	330	244	356	142	1,072
At 30 June 2014	-	1,054	814	2,457	621	4,946
Net Book Value at 30 June 2014	**11,188**	**1,910**	**408**	**578**	**241**	**14,325**

In accordance with the Group's accounting policy, the carrying values of goodwill and other intangible assets are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. Goodwill arose on the acquisition of Craneware InSight Inc.

The carrying values are assessed for impairment purposes by calculating the value in use (net present value (NPV) of future cashflows) of the Craneware InSight cash generating unit. The goodwill impairment review assesses whether the carrying value of goodwill is supported by the NPV of the future cashflows based on management forecasts for five years and then using an assumed sliding scale annual growth rate which is trending down to give a long-term growth rate of 2% in the residual years of the assessed period. Management have made the judgement that this long-term growth rate does not exceed the long-term average growth rate for the industry and also estimated a pre-tax discount rate of 20%.

Sensitivity analysis was performed using a combination of different annual growth rates and a range of different weighted average cost of capital rates. Management concluded that the tempered growth rates resulting in 2% during the residual period and the pre-tax discount rate of 20% were appropriate in view of all relevant factors and reasonable scenarios and that there is currently sufficient headroom over the carrying value of the assets in the acquired business that any reasonable change to key assumptions is not believed to result in impairment.

Craneware plc

Notes to the Financial Statements (continued)

14 Intangible assets (continued)

Goodwill and Other Intangible assets (continued)

Company

	Development Costs	Computer Software	Total
	$'000	$'000	$'000
Cost			
At 1 July 2014	3,035	578	3,613
Additions	659	11	670
At 30 June 2015	3,694	589	4,283
Accumulated amortisation			
At 1 July 2014	2,457	392	2,849
Charge for the year	281	103	384
At 30 June 2015	2,738	495	3,233
Net Book Value at 30 June 2015	**956**	**94**	**1,050**
Cost			
At 1 July 2013	3,004	520	3,524
Additions	31	58	89
At 30 June 2014	3,035	578	3,613
Accumulated amortisation			
At 1 July 2013	2,101	293	2,394
Charge for the year	356	99	455
At 30 June 2014	2,457	392	2,849
Net Book Value at 30 June 2014	**578**	**186**	**764**

15 Investment in subsidiary undertakings

The following information relates to all of the subsidiaries of the Group:

Name of Company	Class of Shares held	Proportion of Nominal Value of Issued Shares held by Craneware plc	Nature of Business
Craneware Inc	Ordinary	100%	Sales & Marketing
Craneware InSight Inc	Ordinary	100%	Product Development & Professional Services
Craneware Health	Ordinary	100%	Software Development

Craneware Inc. and Craneware InSight Inc. are both incorporated in the United States of America and Craneware plc holds 10,000 (2014: 10,000) and 1,000 (2014: 1,000) common shares respectively with a nominal value of $0.01 each. Kestros Ltd (t/a Craneware Health) is incorporated within the United Kingdom and Craneware plc holds 1,075 (2014: 0) Ordinary shares respectively with a nominal value of £1 each.

The results of the Subsidiary companies have been included in the consolidated financial statements.

Craneware plc

Notes to the Financial Statements (continued)

15 Investment in subsidiary undertakings (continued)

Kestros Ltd

Kestros Ltd (SC362481), one of Craneware plc's subsidiaries is exempt from the requirement for its financial statements to be audited under the provisions of section 479 A of the Companies Act 2006.

16 Acquisition of subsidiary: Craneware Health

On 26th August 2014, the Company acquired 100% of the issued share capital of Kestros Ltd. The total consideration for the acquisition along with the fair value of the identified assets and assumed liabilities is shown below:

Recognised amounts of identifiable assets acquired and liabilities assumed	Book Value $'000	Fair Value Adjustments 31-Dec-14 $'000	Provisional Fair Value $'000
Tangibles fixed assets			
Plant and Equipment	2	-	2
Intangibles assets			
Proprietary Software	101	1,720	1,821
Other assets and liabilities			
Trade and other receivables	33	-	33
Bank and cash balances	43	-	43
Trade and other payables	(35)	-	(35)
	144	1,720	1,864
Goodwill			250
Fair Value			**2,114**

Satisfied by	$'000
Cash	290
Ordinary Shares issued – 211,539 shares at $8.623 (£5.20)	1,824
	2,114
Bank balances and cash acquired	43
Cash consideration	(290)
Net Cash on acquisition	**(247)**

16 Acquisition of subsidiary: Craneware Health (continued)

The value of the equity consideration is subject to revenue performance criteria through to 31 July 2016 and in the unlikely event that these Revenue targets are not met then a proportion of the consideration is repayable. Management believe that the revenue targets are easily achievable and as such the Fair Value of the transaction is deemed to be equal to the amount paid at acquisition. The acquisition costs, including all due diligence costs that relate to the transaction have been expensed as operating costs in compliance with IFRS 3 (revised). Had Kestros Ltd been consolidated from 1 July 2014, the consolidated statement of comprehensive income would be materially unaffected.

Goodwill of $250,000 has been recognised on acquisition and is attributable to the assembled workforce.

The initial accounting for the business combination is incomplete as at 30 June 2015 and is based on provisional amounts.

17 Trade and other receivables

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Trade receivables	**11,917**	16,589	**11,381**	16,084
less: provision for impairment of trade receivables	**(779)**	(658)	**(743)**	(621)
Net trade receivables	**11,138**	15,931	**10,638**	15,463
Other receivables	**99**	175	**94**	73
Amounts owed from group companies	**-**	-	**6,000**	6,000
Prepayments and accrued income	**3,032**	4,382	**1,219**	2,499
Deferred Contract Costs	**3,173**	2,348	**-**	-
	17,442	22,836	**17,951**	24,035
Less non-current receivables:	**-**	-	**(6,000)**	(6,000)
Deferred Contract Costs	**(2,432)**	(1,890)	**-**	-
Current portion	**15,010**	20,946	**11,951**	18,035

There is no material difference between the fair value of trade and other receivables and the book value stated above. All amounts included within trade and other receivables are classified as loans and receivables.

The $6,000,000 loan due to the Company from Craneware InSight Inc. is five years in its duration from the date of issue (the acquisition date) and interest is charged quarterly in accordance with the agreement at LIBOR plus 1%.

As at 30 June 2015, trade receivables of $716,904 (2014: $808,670) were past due and deemed to be impaired. The amount of the provision against these receivables was $716,904 as of 30 June 2015 (2014: $657,573). The individually impaired receivables mainly relate to customers' financial difficulties and unresolved disputes. It was assessed a portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

17 Trade and other receivables (continued)

	2015 $'000	2014 $'000
Less than 30 days past due	-	-
30 – 60 days past due	-	43
61 – 90 days past due	-	117
91 + days past due	717	649
	717	809

As at 30 June 2015, trade receivables of $6,160,565 (2014: $2,874,915) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2015 $'000	2014 $'000
Less than 30 days past due	4,335	1,275
31 – 60 days past due	697	79
61 – 90 days past due	623	1,422
91 + days past due	506	99
	6,161	2,875

As at 30 June 2015, trade receivables of $4,871,086 (2014: $12,905,004) were not past due or impaired, and the Group does not anticipate collection issues. A further $168,342 was not past due but deemed to be impaired due to a client in financial difficulty. The amount of the provision against these receivables was $61,854 as of 30 June 2015. (2014: None).

Movement on the provision for impairment of trade receivables is as follows:

	2015 $'000	2014 $'000
At 1 July	658	607
Provision for receivables impairment on revenue recognised	563	236
Receivables written off during year as uncollectable	(18)	(32)
Unused amounts reversed	(424)	(153)
At 30 June	779	658

The creation and release of provision for impaired receivables has been included in net operating expenses in the Statement of Comprehensive Income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.
The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

18 Deferred taxation

Deferred tax is calculated in full on the temporary differences under the liability method using a rate of tax of 20% (2014: 20%) in the UK and 39% (2014: 39%) in the US including a provision for state taxes.
The movement on the deferred tax account is shown below:-

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
At 1 July	**1,644**	1,615	**156**	(31)
(Charge)/credit to comprehensive income	**(316)**	(117)	**37**	76
Transfer direct to equity	**182**	146	**125**	111
At 30 June	**1,510**	1,644	**318**	156

The movements in deferred tax assets and liabilities during the year are shown below. Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net. The net deferred tax asset at 30 June 2015 was $1,510,193 (2014: $1,643,755).

Deferred tax assets - recognised	**Short term timing differences**		**Share**	
Group	**$'000**	**Losses $'000**	**Options $'000**	**Total $'000**
At 1 July 2014	451	2,341	278	3,070
(Charged)/Credited to comprehensive income	(16)	(1,059)	65	(1,010)
Credited to equity	-	-	182	182
Total provided at 30 June 2015	**435**	**1,282**	**525**	**2,242**
At 1 July 2013	452	2,350	36	2,838
(Charged)/Credited to comprehensive income	(1)	(9)	96	86
Credited to equity	-	-	146	146
Total provided at 30 June 2014	451	2,341	278	3,070

Deferred tax liabilities - recognised	**Long Term Timing differences**	**Accelerated tax depreciation**	
Group	**$'000**	**$'000**	**Total $'000**
At 1 July 2014	(454)	(972)	(1,426)
Credited to comprehensive income	454	240	694
Total provided at 30 June 2015	**-**	**(732)**	**(732)**
At 1 July 2013	-	(1,223)	(1,223)
(Charged)/Credited to comprehensive income	(454)	251	(203)
Total provided at 30 June 2014	(454)	(972)	(1,426)

18 Deferred taxation (continued)

The analysis of the deferred tax assets and liabilities is as follows:

Group	2015 $'000	2014 $'000
Deferred tax assets:		
Deferred tax assets to be recovered after more than 1 year	**1,702**	1,714
Deferred tax assets to be recovered within 1 year	**540**	1,356
	2,242	3,070
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 1 year	**(468)**	(1,061)
Deferred tax liabilities to be recovered within 1 year	**(264)**	(365)
	(732)	(1,426)
Net deferred tax assets	**1,510**	1,644

The Company's Deferred tax assets and liabilities are all expected to be recovered in the future.

Deferred tax assets - recognised

Company	Share Options $'000	Total $'000
At 1 July 2014	200	200
Credited to comprehensive income	27	27
Credited to equity	125	125
Total provided at 30 June 2015	**352**	**352**
At 1 July 2013	35	35
Credited to comprehensive income	54	54
Credited to equity	111	111
Total provided at 30 June 2014	200	200

Deferred tax liabilities - recognised

Company	Accelerated tax depreciation $'000	Total $'000
At 1 July 2014	(44)	(44)
Credited to comprehensive income	10	10
Total provided at 30 June 2015	**(34)**	**(34)**
At 1 July 2013	(66)	(66)
Credited to comprehensive income	22	22
Total provided at 30 June 2014	(44)	(44)

The Group continues to monitor the recoverability of deferred tax assets and are satisfied that the continuing profitability will utilise the assets in respect of losses and there remains the expectation that share options will be exercised which will give rise to the utilisation of the asset in this regard.

19 Share capital

Authorised

	2015		2014	
	Number	**$'000**	Number	$'000
Equity share capital				
Ordinary shares of 1p each	**50,000,000**	**1,014**	50,000,000	1,014

Allotted called-up and fully paid

	2015		2014	
	Number	**$'000**	Number	$'000
Equity share capital				
Ordinary shares of 1p each	**26,832,582**	**536**	27,008,763	539

The movement in share capital during the year is presented as follows:

- 6,096 Ordinary Share options were exercised in the year, as detailed in the Remuneration Committee Report on page 37.
- 393,816 Ordinary Share options were bought back on the 21 July 2014 as equity at a price of $9.09 (£5.275).
- 211,539 Ordinary Share options were issued on the 26 August 2014 as equity in respect of the consideration for Craneware health acquisition at a price of $8.62 (£5.20).

20 Cash flow generated from operating activities

Reconciliation of profit before taxation to net cash inflow from operating activities

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Profit before tax	**12,496**	11,290	**11,507**	10,878
Finance income	**(84)**	(66)	**(185)**	(159)
Depreciation on plant and equipment	**467**	575	**250**	307
Amortisation on intangible assets	**1,011**	1,072	**384**	455
Share-based payments	**247**	198	**145**	120
Movements in working capital:				
Decrease/(Increase) in trade and other receivables	**5,422**	(7,708)	**7,497**	(6,165)
Increase in trade and other payables	**2,466**	4,836	**2,355**	5,179
Cash generated from operations	**22,025**	10,197	**21,953**	10,615

21 Cash and cash equivalents

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Cash at bank and in hand	**41,832**	32,613	**39,932**	30,242

The effective rates on short term bank deposits were 0.23% (2014: 0.21%).

22 Trade and other payables

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Trade payables	**1,341**	1,228	**467**	344
Amounts owed to group companies	**-**	-	**3,592**	2,180
Social security and PAYE	**451**	427	**206**	179
Other creditors	**2**	26	**1**	1
Accruals	**4,230**	3,692	**1,843**	1,236
	6,024	5,373	**6,109**	3,940

Amounts owed to Group companies on trading financial statements are non-interest bearing and have no fixed repayment terms. Trade payables are settled in accordance with those terms and conditions agreed, generally within 30 days, provided that all trading terms and conditions on invoices have been met. The Group's average payment period at 30 June 2015 was 16 days (2014: 19 days). Trade and other payables are classified as financial liability at amortised cost.

23 Contingent liabilities and financial commitments

a) Capital commitments

The Group has no capital commitments at 30 June 2015 (2014: $nil).

b) Lease commitments

The Group leases certain land and buildings. The commitments payable by the Group under these operating leases are as follows:

	2015	2014
	$'000	$'000
Within one year	**818**	713
Between 2 and 5 years	**4,054**	3,788
More than 5 years	**3,021**	4,066
	7,893	8,567

The rents payable under these leases are subject to renegotiation at various intervals specified in the leases. The Group pays all insurance, maintenance and repairs of these properties.

Notes to the Financial Statements (continued)

24 Related party transactions

During the year the Group has traded in its normal course of business with shareholders and its wholly owned subsidiary in which Directors and the subsidiary have a material interest as follows:-

	2015		2014	
Group	**Charged**	**Outstanding at year end**	Charged	Outstanding at year end
	$	**$**	$	$
Fees for services provided as non-executive Directors				
Fees	**140,025**	-	83,600	-
Short-term employee benefits	**150,423**	-	152,863	-
Executive Directors				
Short-term employee benefits	**797,507**	**163,713**	646,566	-
Post employment benefits	**14,200**	-	8,131	-
Share-based payments	**70,574**	-	67,354	-
Other key management				
Short-term employee benefits	**1,710,387**	**206,484**	1,355,038	-
Post employment benefits	**13,882**	-	8,131	-
Share-based payments	**107,003**	-	64,768	-

24 Related party transactions (continued)

Company	2015 Charged	2015 Outstanding at year end	2014 Charged	2014 Outstanding at year end
	$	$	$	$
Fees for services provided as non-executive Directors				
Fees	**140,025**	-	83,600	-
Short-term employee benefits	**150,423**	-	152,863	-
Executive Directors				
Short-term employee benefits	**797,507**	**163,713**	646,566	-
Post employment benefits	**14,200**	-	8,131	-
Share-based payments	**70,574**	-	67,354	-
Other key management				
Short-term employee benefits	**695,914**	**93,005**	610,277	-
Post employment benefits	**13,882**	-	8,131	-
Share-based payments	**45,800**	-	28,993	-
Amounts due to Craneware Inc - Subsidiary company				
Sales commission	**16,420,947**	-	14,463,743	-
Net operating expenses	**2,403,678**	-	2,352,097	-
Balance	-	**2,109,602**	-	1,304,690
Net Amounts due from Craneware InSight Inc - Subsidiary company				
Balance	-	**4,249,414**	-	5,125,406
Net Amounts due from Kestros - Subsidiary company				
Balance	-	**269,041**	-	-

Key management are considered to be the Directors together with the Chief Intelligence Officer, Chief Technology Officer (President of US Operations), the Chief Marketing Officer, EVP of Human Resources, EVP of Sales and EVP of Revenue Integrity.

There were no other related party transactions in the year which require disclosure in accordance with IAS 24.

25 Ultimate controlling party

The Directors have deemed that there are no controlling parties of the Company.