WANdisco

The World Leader in Active Data Replication™

WANDISCO PLC ANNUAL REPORT AND ACCOUNTS 2016

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Patented technology created by the best and the brightest

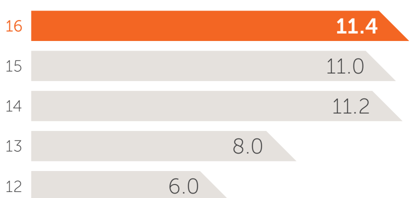
WANdisco is the world leader in Active Data Replication™. Our patented technology enables the replication of continuously changing data to the cloud and on-premises data centres with guaranteed consistency, no downtime and no business disruption. It also allows distributed development teams to collaborate as if they were all working at one location as software development projects are tracked in real time.

We have an OEM with IBM as well as partnerships with Amazon Web Services, Cisco, Google Cloud, Hewlett Packard Enterprise, Microsoft Azure and Oracle. We also work directly with Fortune 1000 companies around the world to ensure their data gives them the real insight they need.

Financial progress

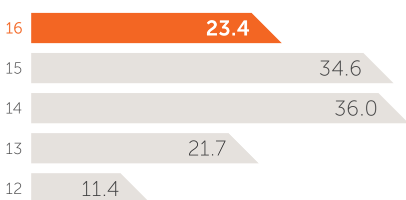
Financial highlights

Revenue ($m)



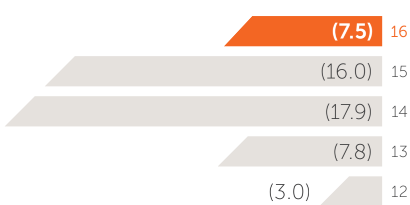
$11.4m
+4%

Cash overheads[1] ($m)



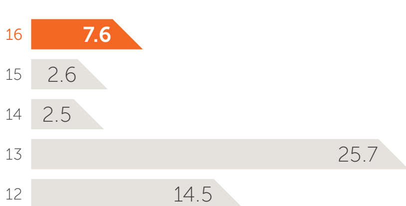
$23.4m
-32%

Adjusted EBITDA ($m)[2]



$(7.5)m
-53%

Cash ($m)



$7.6m
+192%

Operational and strategic highlights

- Added 15 new Big Data and Cloud Fusion customers for our patented WANdisco Fusion ("Fusion") technology
- Significant progress achieved in developing our channel partner network
  - » Strategic partnership agreements now in place with IBM, Amazon and Oracle, and seeing good contract momentum as a result of these channel partners
  - » Secured landmark IBM OEM agreement for WANdisco Fusion
- WANdisco Fusion is now ideally positioned to leverage the rapid growth in the Big Data and Cloud markets
- Major contract wins include:
  - » $1m order for Fusion to be deployed as part of Dubai's Smart City Project through partnership with Hewlett Packard Enterprise
  - » $1.5m order for Fusion from a major US bank in association with Oracle
  - » $1m order for Fusion from a major multinational automobile manufacturer in association with IBM
- Renewed sales focus generating positive margin contribution from ALM product set (ALM now referred to as Source Code Management)
- Filed eight new patents (both US and foreign) and had six US patents issued in 2016
- Strong order book and sales pipeline going into 2017

1 Operating expenses, excluding amortisation and depreciation, exceptional items, equity-settled share-based payment and capitalised product development costs – see Note 6.

2 EBITDA loss excluding exceptional items, equity-settled share-based payment, capitalised product development costs and acquisition-related items – see Note 6.

Our year in review

Q2

IBM OEM agreement for WANdisco Fusion to be sold as IBM Big Replicate

Major contract for WANdisco Fusion to be part of Dubai's Smart City Project

Q3

$1.5m order for WANdisco Fusion from a major US bank via an Oracle reseller

$0.8m order for Subversion, our Source Code Management product, from a major European bank

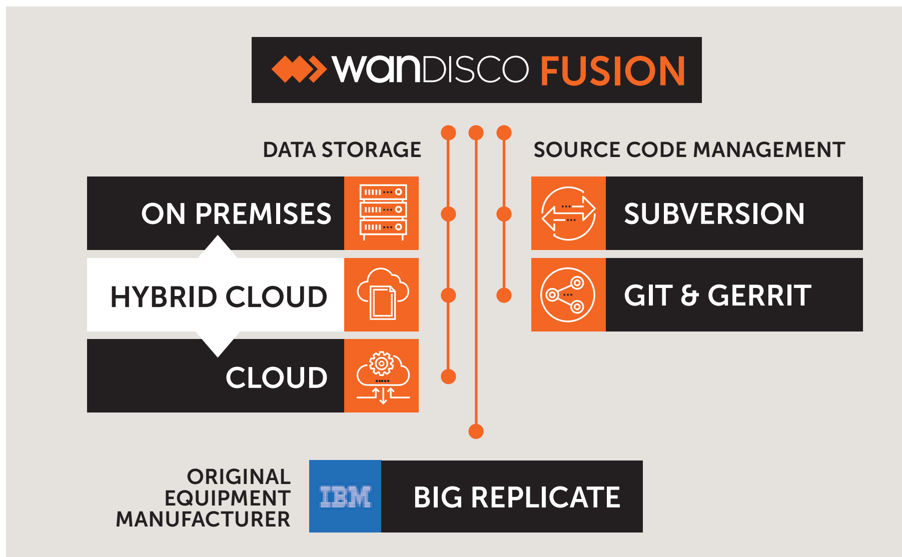
Q4

Contract with IBM for a major automotive multinational worth approximately $1.0m in royalties to WANdisco

Contract for Amazon S3 Cloud solution with global online gaming company Playtika

We think differently with future-proof technology

WANdisco is the world leader in Active Data Replication™. Our new product WANdisco Fusion, created in 2015, is a general-purpose replication platform able to work across the cloud, on-premises file systems and Hadoop as well as with Subversion, Access, Git and Gerrit. It transfers data as it changes across different environments with guaranteed consistency, no downtime and no data loss.



READ MORE IN OUR MARKETS **PAGES 8 AND 9**

Why companies are choosing WANdisco

Organisations around the world can work more effectively and efficiently with the benefits our patented technology provides.

Insight
Data ingest and analysis across disparate environments and locations leads to a greater understanding of your client base giving you a competitive advantage.

Productivity
Real-time data availability enhances collaboration leading to more effective decision making.

Profitability
No downtime and no data loss increases revenue and employee productivity as you operate around the clock.

Cost saving
All servers are used for backup and disaster recovery with no redundancy.

Selectivity
Analyse your data without moving sensitive information across borders to remain compliant with data security and privacy protection regulations.

Security
Only our servers are exposed through the firewall reducing vulnerability to hackers.

Flexibility
Analyse your data in the way you want as we replicate changes across different environments with guaranteed consistency and no vendor lock-in.

Consistency
Ensure the availability of the same real-time data across multiple storage environments and locations whether on-premises or in the cloud.

Our achievements in 2016

15
new Big Data and Cloud Fusion customers

1
new OEM with IBM

2
new channel partnerships

3
major contract wins in excess of $1m

Our customers

Our patented technology is creating remarkable results for our customers across all sectors.

Automotive
Improves self-driving car technology and enables predictive maintenance.

Developer collaboration
Enables collaboration across multiple locations to improve productivity.

Entertainment
Allows players to continue to enjoy entertainment experiences with no downtime.

Financial services
Meets government regulations and reduces losses due to fraud with no downtime.

Government
Gains actionable insights from real-time data analysis of unstructured data.

Healthcare
Monitors patients outside of hospital and contributes to groundbreaking research with continuous access to data.

Telecommunications
Improves mobile and location services for hundreds of millions of customers.

Utilities
Provides valuable insights into energy usage and improves engineering operations.

READ MORE ABOUT OUR PRODUCTS IN ACTION **PAGES 13 AND 14**

A key technology for Cloud and Big Data

2016 has been a year of financial transformation and operational progress.

David Richards
Interim Chairman and CEO

In summary

- Secured IBM OEM agreement
- Significant channel partnerships with Oracle and Amazon
- Major contract wins for WANdisco Fusion®
- Accelerated market penetration and traction

In 2016 we realigned our cost base, which we now believe is at an appropriate level to deliver cash flow break-even and EBITDA positivity. We continue to focus on the following strategic priorities:

- To capitalise on the significant growth in the Cloud and Big Data markets to ensure the transfer of data is consistent, continuously available and delivered with zero business disruptions.
- Continue to develop key channel partners in order to capitalise on the significant market opportunity.
- Invest in and support the Company's profitable Source Code Management product.

One of the Group's key focuses for 2016 was to establish our partner network and during the year we successfully secured our IBM OEM agreement, as well as two significant channel partnerships with Oracle and Amazon. These partnerships are strategically important to WANdisco as they accelerate Fusion's access to blue-chip customers whilst leveraging global sales channel networks. Through the partnership with IBM, and the white labelling of Fusion as IBM Big Replicate, we are confident we will be able to achieve accelerated market penetration with the support of the IBM sales team.

These strategic partnerships are already significantly contributing to our strong bookings performance, with customers secured through all three key partnerships with IBM, Amazon and Oracle in the year.

Big Data – WANdisco Fusion

2016 was the year that WANdisco Fusion gained significant traction in the market adding 15 new customers.

WANdisco Fusion, our Big Data replication product developed in 2015, uniquely addresses the need for replication of large amounts of constantly changing data both between the cloud and on-premises, and is increasingly seen by our customers as a "must have" as they adopt cloud computing solutions. No other solution in the world can achieve consistent replication, whilst the data is constantly changing, with no downtime. We believe the increasing adoption of Fusion by customers, both direct and through our strategic partnerships, will be a significant driver of our revenue growth for years to come.

We secured a number of major contracts for Fusion in the year: Hewlett Packard Enterprise selected us to be part of the platform underpinning Dubai's Smart City Project; Oracle chose us for work with a large commercial bank; we secured a contract with a multinational automotive manufacturer via our OEM Partnership with IBM, and with a global online gambling company, Playtika, to use our Amazon S3 Cloud solution, available on Amazon's AWS Marketplace.

In addition, many of our existing Big Data customers have expressed their intent to significantly scale up their use of WANdisco solutions. During the year we also secured five contract expansions with existing customers, some of them even before our product went live.

Source Code Management

In 2016 we renewed our sales emphasis for our Source Code Management products and we continue to see an opportunity in the segment of the ALM market that we focus on. This is evident as customers continue to move from legacy proprietary platforms to modern, agile, open source platforms. Software development continues to become more geographically and organisationally distributed, bringing greater challenges in control and efficiency, both amongst software publishers and in industry more generally driving the greater need for Source Code Management products.

Our ongoing success in the Source Code Management market confirms that we have the right products for the market at this stage in its evolution. Our Subversion MultiSite and GIT MultiSite products fit with customers' needs in replicated open source version control and we believe there are further growth opportunities in traditional industries developing internal software as well as with newer software vendors developing gaming, media and mobile applications for consumers.

We have chosen to direct our sales efforts towards traditional industry segments where open source adoption is strong, and have renewed our focus on upselling and renewals for our installed base of over 200 customers. During the year we received a $0.8m order for Subversion from a major European bank, along with significant renewal and expansion orders from our existing customers.

People

Our people are key to our success. We endeavour to recruit, develop and maintain the best people across our organisation. We believe in creating an environment of trust, and giving people access to learning opportunities and challenging work assignments, so they can realise their true potential as individuals as well as contribute to the Company's progress.

We are only able to deliver our innovative products because of the efforts of all the people at WANdisco, from the development staff, to customer support, marketing and sales, and those in finance and administration.

The Board

The Board has been significantly strengthened over the period, with the appointment of both Grant Dollens and Karl Monaghan as Non-executive Directors, and Erik Miller as Chief Financial Officer. In addition, post year-end, Dr Yeturu Aahlad, who is part of the team that founded WANdisco, was appointed to the Board. Co-founder, David Richards, Interim Chairman and Chief Executive Officer, also remains on the Board. James Campigli, Chief Operating Officer, Co-Founder and member of the Board, has stepped down from the Board to pursue other business interests.

WANdisco continues to explore the opportunity to further strengthen the Board, in particular to appoint a Chairman with experience in working with both UK and US-listed technology businesses.

Big Data and Cloud marketplace

The amount of data being produced daily is growing exponentially. As the amount of data produced grows more quickly than the budgets of enterprises looking to store it, businesses are increasingly shifting a proportion of their data processing workloads to the cloud. In 2015 the market for Big Data in the cloud was $1.1bn (5% of all Big Data revenues), with this number expected to grow to $21.8bn by 2026 (24% of all Big Data revenues)[1].

Migrating data to the cloud is challenging, particularly when the data set is active and constantly being changed. WANdisco's Fusion technology is the only solution able to address this challenge and is enabling enterprises to move to a cloud-based model with guaranteed consistency, no downtime and no business disruption.

Royalties received from IBM

In February 2017, the Group received $1.1m from IBM, representing their Q4 2016 sales of WANdisco Fusion branded as "IBM Big Replicate". These amounts will flow through to revenue in H1 2017.

Second line of stock

At the time of the Company's placing in July 2016 a second line of stock was created due to United States Securities regulations. This line of stock, WAN2, is required to remain in place until July 2017, however, it is the intention of the Board to revert to a single line of stock as soon as is practical within the regulatory restrictions.

Outlook

As the Big Data market evolves we continue to see a significant market opportunity unfold as the full impact of Cloud migration materialises. Our Fusion product is fast establishing itself as a crucial technology enabling customers to migrate onto our partners' emerging Cloud data platforms. With partners such as IBM, Amazon and Microsoft, we are working increasingly closely on data migration offerings and go-to-market activities.

In our Source Code Management business, we are pleased with our improved sales bookings towards the end of the year, responding to our increased focus on this market. Our offering remains well suited to today's increasingly distributed software development operations, and our live customer base of over 200 corporations offers ample sales opportunities.

The establishment of our partner network enabled us to significantly realign our cost base, which we now believe is at an appropriate level to deliver on our strategic ambitions. Whilst the timing of contract wins remains variable, we are confident that WANdisco enters 2017 on a strengthened operational footing and is moving closer to cash flow break-even. With a compelling product for Big Data in the Cloud, increasing engagement of our channel partners and a well established Source Code Management product, we expect continued improvement in our results for 2017.

David Richards
Interim Chairman and CEO
24 March 2017

1 "Wikibon Big Data in the Public Cloud Forecast, 2016–2026", Ralph Finos, 31 May 2016.

Data consistency across the world

The global public cloud market will top $146bn in 2017, up from $87bn in 2015, and is growing at a 22% compound annual growth rate. The lion's share of this growth will come from Amazon.com, Microsoft, Google and IBM, which have emerged as mega-cloud providers.

Dave Bartoletti, Analyst, Forrester

Big Data and Cloud

The world is producing more data than ever before. Such data is very valuable if you can make use of it – the UK government has called it "the raw material of the new industrial revolution".

However, such large volumes of data are a problem for enterprises looking to use it – how can they store it efficiently and safely in a cost-effective manner? They can either keep the data on site (on-premises), which requires a large upfront investment in infrastructure, or they can use the cloud, which delivers on-demand computing resources over the internet on a pay-for-use basis.

Over the last year as data grew faster than the budgets of enterprises looking to store and analyse it, enterprises increasingly shifted some of their data processing workloads to the cloud. In 2015 the market for Big Data in the public cloud was $1.1bn (5% of all Big Data revenue). This is expected to grow to $21.8bn by 2026 (24% of all Big Data revenue)[1].

Migrating data to the cloud is difficult – particularly when the data involved is active (constantly being used or changed) – as is the case with cardiograms and stock portfolios for instance. WANdisco's Fusion technology is enabling enterprises to move such active data to the cloud with guaranteed consistency, no downtime and no business disruption. It also supports "Internet of Things" applications such as industrial sensors, smart meters and self-driving cars. As a result, WANdisco is now partnered with the biggest names in the technology industry and this continues to underpin our medium-term growth expectations.

1 "Wikibon Big Data in the Public Cloud Forecast, 2016–2026", Ralph Finos, 31 May 2016.

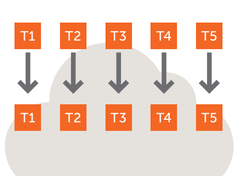
WE SOLVE ACTIVE DATA REPLICATION TO THE CLOUD

Without WANdisco Fusion

- Downtime
- Time-based one-way copy for low-volume "cold" data
- Data movement always behind
- Data consistency not guaranteed

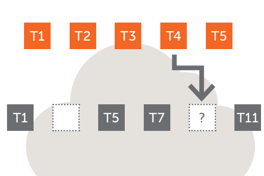
Small data

Data moved in "blocks" at specific times



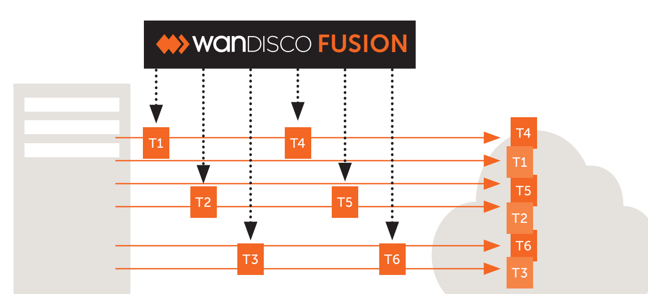
Big Data

Time-based transfer does not work at scale



With WANdisco Fusion replication

- No downtime
- Moves data as it changes
- Supports migration and hybrid use cases
- Petabyte scale with guaranteed data consistency



The only way to replicate active data at scale in and out of the cloud.

2.5
quintillion bytes volume of data created every day (IBM 2015)

90%
of data in the world created in the last two years (IBM 2015)

19m
software developers

57%
of software developers are in businesses that do not sell software

60%
of developers use open source version control

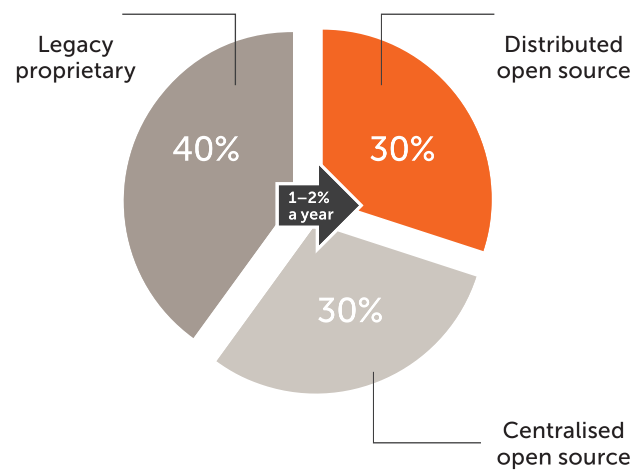
Source Code Management

Source Code Management, the tracking of modifications to code, is assisted by WANdisco's Fusion technology. WANdisco Fusion enables distributed development teams to collaborate as if they were all working at one location by providing continuous and consistent connectivity to Subversion, Git, Gerrit and Access source code repositories.

As more and more software developers work remotely on modern, agile, open source platforms such as Subversion, they are increasingly in need of software like WANdisco Fusion to manage changes in a controlled manner. In the version control market, customers are steadily moving off old proprietary platforms and on to modern, agile, open source platforms such as Subversion.

Our assessment of the Source Code Management market confirms that we have the right products for the market at this stage in its evolution. Our product for Subversion fits with customers' needs in replicated open source version control. There is untapped potential in traditional industries developing internal software, in addition to newer software vendors developing gaming, media and mobile applications for consumers.

Share of developers, 2015



Sources: Gartner, Evans Data Corporation, US Bureau of Labor Statistics.

Identical data: Anywhere, anytime, always

We aim to be the leading provider of enterprise-scale data replication.

BUILD – BUILD OUR PRODUCTS

Our progress in 2016

- Further enhanced Fusion to address the mixed-storage data platform market
- Built new features into Fusion, responding to customers' and partners' requirements
- Continued to bring together all our Source Code Management and Big Data products on the single Fusion platform
- Further simplicity and openness of Fusion facilitated cost efficiencies

Our priorities for 2017

- Complete single Fusion platform
- Build out further storage and file system choices

GO TO MARKET – ATTRACT NEW CUSTOMERS, EVOLVE OUR PARTNERSHIPS

Our progress in 2016

- Attracted a further 15 global corporations to our Fusion platform
- Refocused on Subversion open source version control within the Source Code Management market
- Established OEM agreement with IBM for them to resell Fusion and further deepened our partnerships with Oracle, Amazon and Microsoft

Our priorities for 2017

- Further deepen our partnerships
- Attract further global corporations
- Become a referenceable part of standard data platform architecture

REVENUE – REALISE CUSTOMER POTENTIAL TO SCALE UP SOLUTIONS

Our progress in 2016

- Expanded Big Data customer base
- A number of contract scale-ups by Big Data customers
- Source Code Management new sales bookings in growth

Our priorities for 2017

- Further grow the Big Data customer base
- Further and significant Big Data contract scale-ups
- Continued focus on Source Code Management sales to new and renewing customers

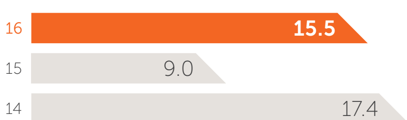
Measuring success through progress

Our KPIs reflect the business' financial performance in 2016.

Commentary on the actual performance of the Group against each of these KPIs is set out in the Interim Chairman and Chief Executive's report and the Financial review.

Indicator and description | **Performance in 2016**

New sales bookings ($m)



$15.5m
+72%

Links to strategy:

New sales bookings increased compared to prior year. This was primarily due to Big Data and Cloud where bookings increased to $7.1m (2015: $2.5m). In addition, the actions taken in 2015 to sharpen our focus on the Source Code Management market resulted in bookings increasing to $8.4m (2015: $6.5m).

Revenue ($m)

$11.4m
+4%

Links to strategy:

Revenue for the year ended 31 December 2016 was $11.4m (2015: $11.0m). Despite new sales bookings growing 72% in 2016 revenue growth was only 4%. This was due to the release of deferred revenue from prior period bookings, which experienced a decline in 2015.

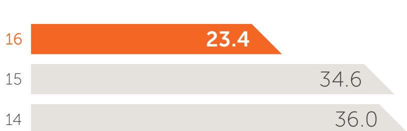
Big Data and Cloud Fusion customer wins

15
-6%

Links to strategy:

During the year we continued to evolve our Fusion product in response to customer and channel partner requirements. Our customer base expanded by 15, a number of these have come through the new channel relationships established during the year, such as the IBM OEM.

Cash overheads ($m)



$23.4m
-32%

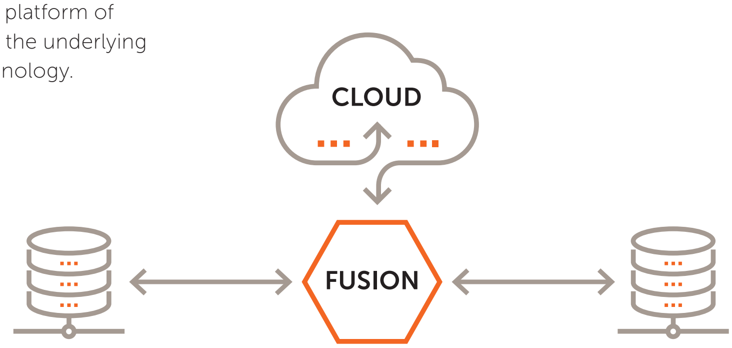
Links to strategy:

We continued to reduce operating costs progressively throughout the year, with cash overheads, as expected, lower in the second half than in the first half. These reductions have resulted both from the simplicity and openness of the Fusion product's architecture and from generalised cost disciplines across all operating functions.

Increasing customer and partner adoption

DEVELOP OUR ALL-PURPOSE DATA REPLICATION ENGINE

Maintain and develop our Fusion platform of replication products, drawing on the underlying patented DConE replication technology.



LEVERAGE THE RAPID GROWTH IN THE BIG DATA AND CLOUD MARKETS

Direct

Address global enterprises which need to move large volumes of data at speed across both on-premises and cloud environments.

Indirect

Continue to work with key channel partners to capitalise on the significant market opportunity.

Online

Showcase Fusion on online marketplaces where it is sold as self-service.

INCREASE OUR REVENUE

Capture

With new customers we capture initial levels of replication activity.

Scale up

With Fusion in live production customers bring more data under replication.

Renew

Licences are renewed at end of subscription term enhancing predictability of revenue.

DRIVING CAR TECHNOLOGY FORWARD

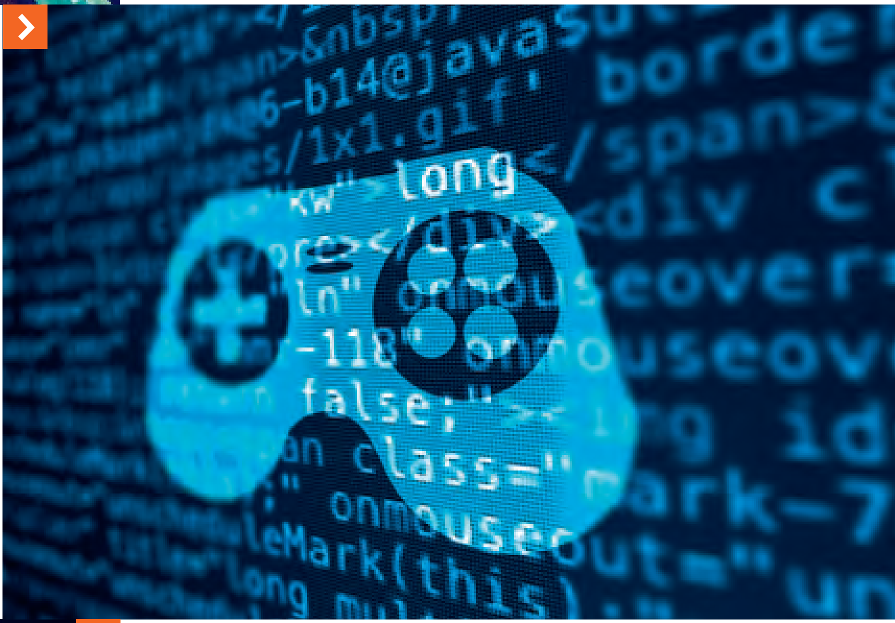
A major automotive multinational needed to ensure vehicle data moved seamlessly between data centres and the cloud to fulfil the growing demand in the sector for driverless technology and predictive maintenance. IBM Big Replicate, powered by WANdisco Fusion, was found to be the only solution on the market capable of moving such continuously changing data sets with no downtime and no disruption.

With our patented technology, the automotive manufacturer is now confident it is set up to handle the increasing volumes of data produced as cars become smarter and the sector moves towards self-driving technology. It can now also analyse data about how its cars are used, e.g. how fast someone drives or hits the brakes, which enables them to quickly pinpoint areas for upgrading and adjust the car appropriately.

KEEPING PLAYERS ON TOP OF THEIR GAME

Global gaming company Playtika wanted to ensure its 6 million daily players across 190 countries could continue to enjoy its games anytime and anywhere with no downtime and no disruption. With 300 terabytes of data stored in an on-premises Cloudera Hadoop cluster, it wanted to continuously replicate that data to Amazon S3 to ensure it would be protected in the event of an outage. It found WANdisco Fusion's patented active data replication technology was the only solution available which enabled it to continuously move large volumes of constantly changing data to the cloud whilst remaining in sync with its growing on-premises Cloudera Hadoop cluster.

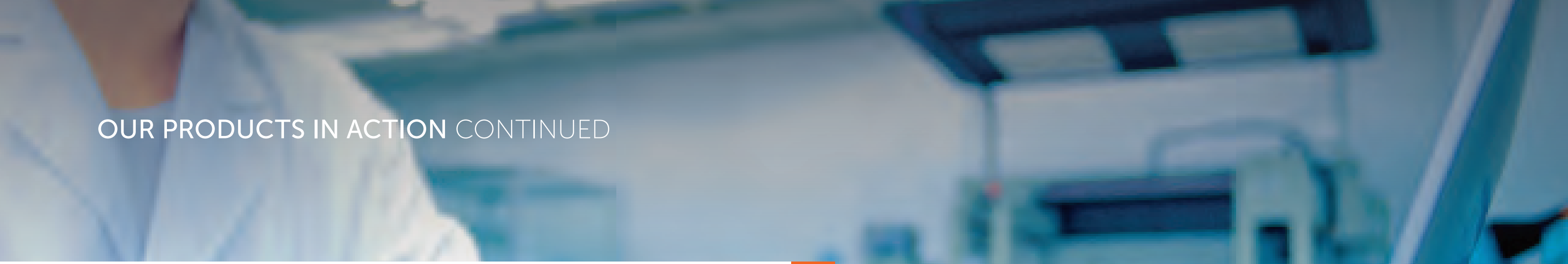
Now in case of an unplanned outage, Playtika can rest assured that recovery will be seamless. It can also use Amazon Web Services to scale up with no additional investment in on-premises infrastructure and, if required, move its data to another cloud provider.



MEETING REGULATORY REQUIREMENTS

A leading US business and consumer banking firm, with more than $200bn in assets, needed to roll out new Big Data applications supporting credit card fraud detection and loan risk analysis whilst meeting its business and regulatory requirements for availability and performance. After evaluating a number of alternatives, it deployed WANdisco Fusion's patented Active Data Replication™ with Oracle's Big Data Appliance across multiple data centres. The bank is one of Oracle's largest Big Data Appliance customers.

Using WANdisco Fusion, the bank plans to include Oracle's cloud offering to extend its storage and computing capacity on demand. This gives it the option of a hybrid cloud deployment or migrating entirely to Oracle's cloud environment with no disruption and no downtime.



INCREASING PRODUCTIVITY IN A GLOBAL WORKFORCE

WANdisco secured its largest deal in two years for its Subversion MultiSite Plus Source Code Management software with a major global bank headquartered in Europe. The bank wanted its 8,000 staff in 13 locations across nearly every continent to be able to operate around the clock with no downtime and no disruption. It implemented Subversion MultiSite Plus so that users at every site could have access to the latest changes regardless of where they originated. When a server is taken offline, users automatically and transparently failover to another server and keep on working. As soon as the server comes back online it resynchronises automatically without administrators having to do anything. The returns are similar to those shown in a recent Forrester Total Economic Impact Report, which revealed that Subversion MultiSite delivered a return on investment of 357% with a payback period of less than two months.

MAKING CITIES SMARTER

Dubai wanted to use mobile devices and sensors integrated with real-time monitoring systems to collect and analyse data to improve municipal services and respond to residents' needs as efficiently as possible. Given the critical nature of many government services, continuous availability was a hard requirement.

Hewlett Packard Enterprise and the municipal government evaluated all the options available on the market and determined WANdisco Fusion was the only solution to guarantee continuous availability – essential when the problems smart city systems tackle can be a matter of life and death. Dubai aspires to be the smartest in the world and this initiative, underpinned by our patented technology, is one of its kind.

USING BIG DATA TO FIGHT DEMENTIA

An EU-funded initiative with the University of Sheffield's Centre for Computational Imaging & Simulation Technologies in Biomedicine wanted to use Big Data to learn more about the underlying pathology of dementia. They needed to analyse a rich library of unstructured biomedical data from over 6,000 patients by moving it between eight different cloud providers so it could be analysed by over 950 different applications. They found WANdisco Fusion was the only solution that could transfer continually changing data to the cloud at the speed and volume they required.

With WANdisco's Fusion technology the researchers can now analyse the unstructured patient data. They hope to be able to combine the insight this brings with novel biomarkers to provide new and feasible ways to screen for dementia before symptoms appear. This would enable the provision of the right care at the right time, while maximising the quality of life for the patients and reducing the burden on health systems.

Working with our partners

WANdisco Fusion is integrated into solutions from the leading software providers highlighted below. In 2016 we successfully secured an OEM agreement with IBM and we also signed partnership agreements with Oracle and Amazon.

Amazon Web Services

WANdisco Fusion became purchasable directly through the Amazon Web Services marketplace in March 2016. Without WANdisco's technology, Amazon customers would have to transfer data to the cloud using Amazon's hard drive, Snowball – a batch-based approach. This is fine for archive data but is of no use if the data is active.

IBM

In April 2016, we announced an OEM deal with IBM where it will resell the WANdisco Fusion software as a white-labelled product called IBM Big Replicate. Big Replicate is embedded in IBM Big Insights 4.0. In December 2016, we announced a contract with a major automotive worth $1m through this partnership.

Cisco

WANdisco Fusion enables Cisco customers to have continuous availability and performance with guaranteed data consistency across clusters any distance apart (deployed on any combination of Hadoop distributions, Hadoop-compatible storage systems or cloud environments).

Microsoft Azure

WANdisco Fusion enables Microsoft's clients to move their transactional data at petabyte scale to Microsoft Azure.

Google

WANdisco is a partner of Google Dataproc which resells our technology through its website.

Oracle

WANdisco Fusion works with Oracle's Big Data Appliance. In October 2016, we announced a $1.5m sale to a regional US bank with circa $200bn in assets.

Hewlett Packard Enterprise

WANdisco has a resale agreement in place with Hewlett Packard and was involved in a recent project to make Dubai into the world's smartest city.

Key risks and risk management

The Group's operations expose it to a variety of risks.

Effective risk management aids decision making, underpins the delivery of the Group's strategy and objectives and helps to ensure that the risks the Group takes are adequately assessed and actively managed.

The Group regularly monitors its key risks and reviews its management processes and systems to ensure that they are effective and consistent with good practice. The Board is ultimately responsible for the Group's risk management.

The risk management process involves the identification and prioritisation of key risks, together with appropriate controls and plans for mitigation, which are then reported to the Board. As with all businesses, the Group is affected by a number of risks and uncertainties, some of which are beyond our control.

The table below shows the principal risks and uncertainties which could have a material adverse impact on the Group.

This is not an exhaustive list and there may be risks and uncertainties of which the Board is not aware, or which are believed to be immaterial, which could have an adverse effect on the Group.

PEOPLE

Risk description

Our future success depends on retention of senior management and key technical personnel. Whilst much of our proprietary knowledge is documented, our technical experts contribute valuable skills and knowledge and, despite contractual confidentiality agreements, there can be no guarantee that those individuals will not in future join competitors or establish themselves in competition.

During the year the headcount reduced from 143 to 118 heads. These reductions resulted mainly from the continued simplification of our product portfolio and channel strategy. It is essential that we retain and motivate our remaining workforce and attract the right talent in the case of any replacement hires in the future.

Links to strategy:

Risk mitigation

Our People Services function oversees employee communications to ensure, given our rapidly developing markets, employees' understanding of our strategic direction enables them to make meaningful contributions to the achievement of our goals.

Stock-based compensation has proved to be an important component of retaining, motivating and attracting key talent. During the year we have addressed concerns by reissuing underwater options and reviewed our policy to provide a wider distribution of stock ownership to employees.

Risk change

Decrease

↓

FINANCING RISK

Risk description

Our product, Fusion, addresses a still emerging market in which we have limited forward visibility. We are a loss-making business; however, in 2016 we halved our losses and in Q4 our cash burn reduced significantly to $0.2m.

Risk mitigation

Our own and partner sales pipelines continue to grow. Operating costs continued to be reduced throughout the year, resulting in cash overheads of $23.4m. We have prepared a detailed budget and forecasts of the Group's expected performance over a period covering at least the next twelve months from the date of these financial statements. As well as modelling the realisation of the sales pipeline, these forecasts also cover a number of scenarios. We maintain close relationships with our principal and potential providers of finance and continue to review the need for additional or alternative funding. See also Note 2.

Risk change

Decrease

↓

Links to strategy:

COMPETITION

Risk description

There can be no guarantee that competitors will not develop superior products. Competitors may have or develop greater financial, marketing or technical resources, enabling them to successfully develop and market competing products.

As the open source software on which we depend is licensed for free, our ability to sell value-added products may be limited by potential customers opting to rely purely on the underlying open source software, together with any free extensions that might be developed to address the same challenges as our software.

Risk mitigation

We protect our intellectual property by securing patents whenever possible. Seven key patents for our underlying replication technology have already been allowed or issued, and a further 25 patent applications are in process. We continue to dedicate significant resource to the constant enhancement of our core intellectual property.

Senior management devotes significant time and resource to monitoring product releases by potential competitors in the data replication software market both for replication of Source Code Management and Big Data and Cloud.

Risk change

No change

⇔

Links to strategy:

CHANNEL PARTNER ENGAGEMENT

Risk description

Our replication products serve both the Source Code Management and Big Data and Cloud markets. In the Big Data and Cloud market we are in partnership with an array of vendors that offer on-premises and cloud solutions.

Some of these partnerships are relatively new business relationships. There is a risk that we mismanage these relationships or that partners decide not to devote significant sales or product integration resource to our products.

Risk mitigation

We have devoted experienced leadership resource, recruited from within the business, focused on proactively developing our new partner relationships and creating new commercial propositions that derive long-term value from these relationships.

Risk change

No change

⇔

Links to strategy:

RESOURCE ALLOCATION AND OPERATIONAL EXECUTION

Risk description

We address a significant and rapidly growing market, but as a small company, we have limited people and capital resources. Over time it will be essential to keep adding to and refreshing this resource, but at all times it will remain essential that we ensure that resource is effectively directed to addressing and delivering on our strategic goals.

Risk mitigation

We have a business planning process which aims to ensure the investments we make and the allocation of existing resource are aligned with our strategic goals, which in turn are responsive to the evolution of our marketplace.

We have significantly improved internal financial reporting and cost control processes. These financial reports are regularly monitored by senior management and the Board.

Risk change

No change

Links to strategy:

PRODUCTS

Risk description

The software on which our products is based is complex and the products may contain undetected defects which may be discovered after first introduction. Such defects could damage the Group's reputation and reduce revenue from subscription renewals and extensions. Many of our products are designed for use with open source software, whose development, by the open source community, we do not solely control. Changes to its structure and development path may impair the effectiveness of our products.

Regulation of data transfer is rapidly evolving and additional compliance on user privacy, content liability, data encryption and copyright protection may reduce the value added by our products.

Risk mitigation

We have invested in quality control processes and training within our engineering team. We have a dedicated team committing code to relevant open source tools to ensure our products interact well with open source components and to monitor evolving open source projects to which we could potentially add commercial value.

Our product roadmap is based on requirements expressed by customers with whom we are pursuing sales opportunities. Features such as "selective replication" deal with regulatory constraints on data transfer. Our product managers are mandated to propose roadmap alterations if regulations render our intended features either more or less relevant.

Risk change

No change

Links to strategy:

SALES CYCLES, CAPABILITY AND CUSTOMERS' BUDGET CONSTRAINTS

Risk description

Any economic downturn may have an adverse effect on the funds available for customers to invest in our products. Increasing budget scrutiny may periodically extend sales cycles, from customers' evaluations through to commencement of subscription contracts.

Variability of sales cycles across different sizes and types of customer may bring volatility to our quarterly results.

Any new sales executives joining the business, in a rapidly changing marketplace, may take longer than expected to reach full productivity in concluding sales transactions.

Risk mitigation

Our products enable significant savings on data storage and processing and therefore, demand should be relatively insensitive to economic conditions.

Our strategy is oriented to generating a broad-based set of sales opportunities, across regions, industries, sizes of customer and technology use cases. We have invested in senior management and systems to manage the completion of sales engagement in an efficient and commercially beneficial manner.

Risk change

No change

Links to strategy:

Resilient revenue, effective cost control, reduced losses

Revenue for the year ended 31 December 2016 was $11.4m (2015: $11.0m), driven by an increase in new sales bookings to $15.5m in 2016 compared with $9.0m in 2015.

Erik Miller
Chief Financial Officer

In summary

- Revenue growth from new sales bookings
- Significantly reduced operating expenses
- Adjusted EBITDA[2] loss more than halved
- Cash burn reduced to $0.2m in Q4 2016

Deferred revenue from sales booked during 2016 and in previous years, and not yet recognised as revenue, was $12.5m at 31 December 2016 (31 December 2015: $9.8m). Our deferred revenues represent future revenue from new and renewed contracts, many of them spanning multiple years.

We delivered significant improvements in cost control over the year, with cash overheads materially below the prior year, resulting in the Adjusted EBITDA[2] loss narrowing to $7.5m (2015: $16.0m loss).

Big Data – WANdisco Fusion

Big Data revenue was $3.2m (2015: $1.8m), showing strong growth on the prior year and a consistent revenue stream from our new and existing contracts.

In Q2 2016, we signed an OEM agreement with IBM for WANdisco Fusion to be sold as IBM Big Replicate, a significant milestone in establishing the credibility of our products in the large enterprise market. IBM, along with our other channel partners Amazon and Oracle, have increased the leverage in our distribution channel and increased our sales reach in a very cost effective manner.

Average deal size continues to increase, and we received two bookings via our channel partners in 2016 in excess of $1.0m.

Contract wins continue to exhibit variability in the timing of their completion, but as demand for WANdisco Fusion continues to grow, we are seeing an increasing number of contract wins, with new sales bookings from initial and expanded contracts of $7.1m (2015: $2.5m).

Application Lifecycle Management – Source Code Management

Source Code Management (previously known under the umbrella term Application Lifecycle Management) revenue for the year was $8.2m (2015: $9.2m). The revenue contraction arose due to lower deferred revenue on prior year new sales bookings being recognised in the year, following a contraction in new sales bookings in 2015. This trend should reverse in future years following strong new sales bookings in 2016.

Steps were taken early in the year to sharpen our focus on the Source Code Management market and increase the productivity of our sales operations. New sales bookings improved between the first and second half of the year, and totalled $8.4m for the year (2015: $6.5m).

New customers during the year include corporations developing applications for automotive manufacturing, banking, and air transport communications. Renewals have continued to contribute a substantial proportion of sales, including a significant renewal from a communication technology business.

During 2015 the Source Code Management product line began generating positive margin contribution, a trend which continued through 2016 due to its product maturity, growing revenue base and the inherent operating leverage in the business.

Operating costs

We reduced operating costs significantly throughout the year, resulting in lower cash overheads in the second half of the year than in the first half. We have gained operating leverage via our channel partner strategy, driving more bookings with less cost. Our strong cost disciplines across all areas of the business have resulted in an efficient cost structure that can scale into future periods with minimal incremental increases in operating costs.

Product development expenditure was $5.9m (2015: $8.4m). All of this expenditure was associated with new product features and was capitalised.

Total cash overheads[1] (excluding cost of sales and including capitalised product development) of $23.4m were significantly below the prior year (2015: $34.6m). These lower total cash overheads[1] are expected to continue into 2017, with the current annualised run rate of cash overheads at approximately $23m.

Our headcount was 118 as at 31 December 2016 (31 December 2015: 143). Headcount reductions in the year resulted from efficiencies in finance and administration, and the leverage gained by our channel partners strategy in sales and marketing.

Profit and loss

The adjusted EBITDA[2] loss for the year was $7.5m (2015: $16.0m loss), representing an improvement of 53%.

The loss after tax for the year narrowed to $9.3m (2015: $29.9m), as a result of the reduced loss from operations and exceptional finance income of $8.1m. This arose from the retranslation of intercompany balances at 31 December 2016, reflecting the post-Brexit depreciation of Sterling against the US dollar. There is uncertainty around the effect of Brexit on future FX rates, but the impact of this on the financial statements should be restricted to the retranslation of non-USD denominated loans, as opposed to the operating activities of the business.

Balance sheet and cash flow

Trade and other receivables at 31 December 2016 were $6.1m (2015: $6.7m). This includes $3.9m of trade receivables (2015: $3.5m) and $2.2m related to non-trade receivables (2015: $3.2m). In addition to this, not included on the balance sheet are receivables not billed by the year-end of $6.6m (2015: $6.5m), largely from multi-year contracts.

Principally as a result of improved bookings performance and the reductions in cash overheads, our net consumption of cash was significantly reduced during the course of the year, resulting in a net cash balance of $7.6m at the close of the year (2015: $2.6m). This includes the benefit of $13.6m of new equity funds (net of fees) closed on 6 July 2016. In addition, we retain a revolving credit facility with HSBC Bank plc which was undrawn as at 31 December 2016.

With strong cash collection, a significant increase in bookings and billings in advance of revenue recognition and cost reductions throughout the year, we have moved significantly closer to our goal of becoming cash flow break-even.

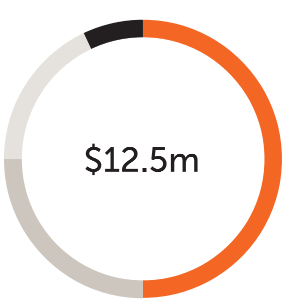
1 Operating expenses, excluding amortisation and depreciation, exceptional items, equity-settled share-based payment and capitalised product development costs – see Note 6.

2 EBITDA loss excluding exceptional items, equity-settled share-based payment, capitalised product development costs and acquisition-related items – see Note 6.

Erik Miller
Chief Financial Officer
24 March 2017

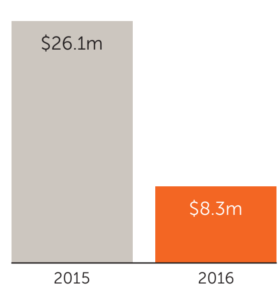
Measuring progress

Deferred revenue release



2017	$6.2m (50%)
2018	$3.1m (25%)
2019	$2.3m (18%)
2020+	$0.9m (7%)

Net cash consumption (before financing)



Our most valuable assets

We pride ourselves on our people and their intellectual expertise. Across our global offices, we have a team of 118 people comprised of the best and brightest architects, engineers and technologists in the industry, including several PhDs and a management team of thought leaders.

Employee recognition

We seek to identify those employees who are making contributions to the Group. Our Bravo award programme is designed to recognise and celebrate those exceptional achievements.

There are four nomination categories:

Customer first

Recognises outstanding individual contribution to improving overall internal and external customer satisfaction.

Making a difference

Recognises someone who has performed an extraordinary act in order to contribute to our success or culture.

Scientific or technical

Where someone has pushed the boundaries of what it is possible to do with our products and solutions or has significantly contributed to the innovation and quality of our products.

Excellence

This award is reserved for an individual who is deemed to have contributed significantly outside the scope of his or her position.

Our programme is run twice a year and the winners are announced at the Company all-hands meetings. The winners receive vouchers to redeem online.

Employee benefits

We offer discounted gym membership, employee discounts on retail, entertainment and recreation activities as well as IT equipment and a range of other benefits. We also offer flexible working hours.

In the UK this year we offer private medical coverage in addition to life assurance at 4x an employee's salary. Further benefits include a cycle to work programme and childcare vouchers for employees with childcare costs. We also offer unlimited paid vacation.

Pension

All eligible WANdisco employees within the UK are automatically enrolled into our pension scheme. The contribution rates offered are higher than the minimum requirements, and employees have the opportunity to increase their contributions from entry into the scheme.

The Company automatically increases minimum contribution rates each year to ensure all legislative requirements are met.

Ethical business practices

Our policies detail the standards expected throughout the organisation, including free and fair competition, the prohibition of bribery, honest and fair dealing with suppliers, and ensuring that the welfare of workers and employment conditions within the organisation meet or exceed internationally recognised standards. We have a statement of ethics to ensure ethical business practice across the organisation.

Volunteer activities

We encourage our employees to get involved with local and national charities. These are some of the volunteer activities that we undertook during the year:

St. Anthony's

St. Anthony's is an organisation providing essential support to San Franciscans living in poverty. Our employees volunteered their time in the dining room service to deliver meals, bus tables and help with other tasks as needed.

Volunteers provide the guests with a nutritious meal and a much needed sense of belonging. Employees also donated their time working in the free clothing programme which serves approximately 150 guests a day. Volunteers assisted with the selection of high quality clothing donations for distribution to their guests and help prepare the "store".

Covenant House California

The Covenant House is a non-profit agency whose mission is to reach out to at-risk homeless youths living on the streets.

Volunteers helped to organise the clothing wardrobe, clean the facility, worked with the youths to decorate for their Halloween festivities and one of our founders sat down with some of the youths to help with job-readiness questions and mock interviews.

Neurocare

In Europe, employees helped to raise money for Neurocare. Neurocare is a charity that raises money for the neurosciences and neurology departments at the Royal Hallamshire Hospital, the Northern General Hospital, the Sheffield Children's Hospital and the Institute for Translational Neuroscience in Sheffield. Employees have organised various charity events this year including a sponsored run and bake sale.

Our Board

N

David Richards

Interim Chairman, President, CEO and Co-founder

Age 46

Appointed 11 May 2012 (Interim Chairman from 6 October 2016)

Skills and experience

Since co-founding the Company in Silicon Valley in 2005, David has led WANdisco on a course for rapid international expansion, opening offices in the UK, Japan and China. David spearheaded WANdisco to a hugely successful listing on the London Stock Exchange (WAND:LSE) and, shortly after, the acquisition of AltoStor, which accelerated the development of WANdisco's first products for the Big Data and Cloud market.

With over 20 years of executive experience in the software industry, David sits on a number of advisory and executive boards of Silicon Valley start-up ventures. A passionate advocate of entrepreneurship, he has established and successfully exited several highly successful Silicon Valley technology companies. David was the founder and CEO of Librados, an application integration software provider, and led the company's acquisition by NASDAQ listed NetManage, Inc. in 2005.

David is a frequent commentator on a range of business and technology issues, appearing regularly on Bloomberg and CNBC. David holds a BSc in Computer Science from the University of Huddersfield.

After Paul Walker, the former Chairman, stepped down from the Board on 6 October 2016, David took the role of Interim Chairman until such time as a suitable candidate can be appointed.

Erik Miller

Chief Financial Officer

Age 56

Appointed 5 December 2016

Skills and experience

Erik was the Chief Financial Officer of Envivio, Inc., a NASDAQ listed provider of video transcoding software from February 2010 to January 2016, following its acquisition by Ericsson AB. From January 2008 to July 2009, Erik served as Chief Financial Officer at SigNav Pty. Ltd., a component supplier to the wireless industry, where he was responsible for finance and administration functions. From March 2006 to January 2008, he served as Chief Financial Officer at Tangler Pty. Ltd., a social networking company, where he was responsible for finance and administrative functions. Erik received a B.S. degree in Business Administration from the University of California, Berkeley.

Dr Yeturu Aahlad

Co-founder

Age 59

Appointed 23 February 2017

Skills and experience

Dr Aahlad is a recognised worldwide authority on distributed computing where he currently holds 28 patents. It was Dr Aahlad's vision and years of persistence that led to the invention of technology that many thought was impossible – that of Active-Active replication (WANdisco's patented DConE technology). Prior to WANdisco, Dr Aahlad served as the distributed systems architect for iPlanet (Sun/Netscape Alliance) Application Server. At Netscape, Dr Aahlad joined the elite team in charge of creating a new server platform based on the CORBA distributed object framework.

Prior to Sun/Netscape Dr Aahlad worked on incorporating the CORBA security service into Fujitsu's Object Request Broker. Dr Aahlad designed and implemented the CORBA event services while working on Sun's first CORBA initiative. Earlier in his career, Dr Aahlad worked on a distributed programming language at IBM's Palo Alto Scientific Center.

Dr Aahlad has a PhD in distributed computing from the University of Texas, Austin and a BS in EE from IIT Madras.

A N R

Grant Dollens

Non-executive Director

Age 37

Appointed 9 October 2016

Skills and experience

Grant founded Global Frontier Investments, LLC a long-term oriented global equities fund, in 2010, and serves as its Portfolio Manager. Previously Grant was an investment analyst and member of the investment committee for Ayer Capital, a long/short equity healthcare fund, where he was focused on medical devices, diagnostics, healthcare services, biotechnology and pharmaceutical investments. Prior to Ayer, Grant was an associate in the healthcare group at BA Venture Partners (now Scale Ventures) where he sourced, evaluated and invested in private medical device, biotechnology, specialty pharmaceutical and healthcare service companies. Before BA Venture Partners, Grant was an investment banking analyst in corporate finance at Deutsche Bank Alex. Brown focused on the technology sector.

Grant received his MBA from the Kellogg School of Management at Northwestern University, with majors in Analytical Finance, Management and Strategy, and Accounting. He received his B.S. in Biomedical Engineering from Duke University. Grant is a member of the Board of Visitors at the Pratt School of Engineering at Duke University.

A N R

Karl Monaghan

Non-executive Director

Age 54

Appointed 5 December 2016

Skills and experience

Karl Monaghan is currently Managing Partner at Ashling Capital LLP, which he founded in December 2002, to provide consultancy services to both quoted and private companies.

Prior to founding Ashling Capital, Karl has worked in corporate finance for Robert W. Baird, Credit Lyonnais Securities, Bank of Ireland, Johnson Fry and BDO Stoy Hayward. Additionally, he trained as a Chartered Accountant with KPMG in Dublin and holds a Bachelor of Commerce from University College Dublin.

Karl brings a wealth of capital markets and board experience and is currently a Non-executive Director of AIM companies CareTech Holdings plc and Sabien Technology Group plc.

Committee membership key

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- Committee Chairman

High standards of corporate governance

I am delighted to address you on the topic of governance. Whilst, as an AIM company, WANdisco plc is not required to comply with the UK Corporate Governance Code 2014 ("the Code"), the Board recognises the importance of the principles set out in the Code and remains committed to the maintenance of high standards of corporate governance.

David Richards
Interim Chairman and CEO

The Company was admitted to trading on AIM in 2012. Accordingly, compliance with the UK Corporate Governance Code 2014 published by the Financial Reporting Council ("the Code") is not currently mandatory. Nevertheless, the Board remains committed to high standards of corporate governance and has complied with the Code to the extent practicable for a public company of its size with the following exceptions:

1. The role of Chairman and Chief Executive Officer are currently exercised by the same individual, David Richards, who rejoined the Board in October 2016 as both CEO and Interim Chairman until such time as a suitable candidate can be appointed.
2. There is only one independent Non-executive Director whereas the Code states a smaller company should have at least two. The Nomination Committee will continue to look for an additional independent Non-executive Director who has relevant domain experience.

Furthermore, the Board confirms that it has complied with the QCA Corporate Governance Guidelines (as devised by the QCA in consultation with a number of significant institutional small company investors), to the extent appropriate and practicable for a company of its nature and size with the following exception:

1. There is only one independent Non-executive Director (Karl Monaghan).

During the year under review, we have continued to evaluate the composition of our Board and, as a result, I am delighted to welcome Grant Dollens and Karl Monaghan, who joined the Board in October 2016 and December 2016 respectively, as Non-executive Directors. I am also delighted to welcome Erik Miller, who joined the business in September 2016 as CFO and joined the Board in December 2016. Paul Walker (Chairman) and Ian Duncan (Non-executive Director) stepped down from the Board in October 2016. Paul Harrison (CFO) stepped down from the Board in September 2016. On 23 February 2017 Jim Campigli stepped down from the Board and Dr Yeturu Aahlad was appointed to the Board.

In considering refreshment of the Board and succession planning, the Board will have regard for ongoing developments and trends including in relation to matters such as diversity in its broadest sense. Whilst the Company pursues diversity, including gender diversity, throughout the business, the Board is not committed to any specific targets. Instead, the Board will continue to pursue a policy of appointing talented people at every level to deliver high performance.

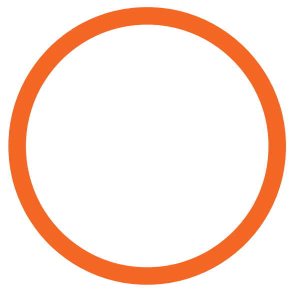
The Board holds all its strategic decision making meetings at the Group's US offices and, as a result, takes the opportunity to meet with members of the Executive Team and to build on knowledge of the business. There are regular interactive presentations from, and discussions with, the Executive Team and in 2016, these have included the topics of product strategy, global business development progress and progress against the business plan.

Finally, the AGM will be held on 24 May 2017, my fellow Directors and I look forward to seeing you. It is an excellent opportunity to meet the Board and to raise questions on the matters in hand at the meeting.

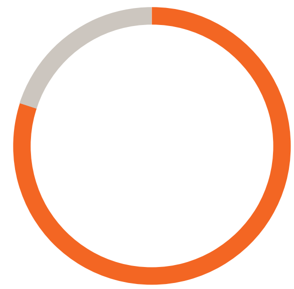
David Richards
Interim Chairman and CEO
24 March 2017

Board composition

Sector experience



Tenure



Board of Directors and Board responsibilities

The Board comprises three Executive (including the Interim Chairman) and two Non-executive Directors.

The Board is responsible for the long-term success of the Group. It sets strategic aims and oversees implementation within a framework of prudent and effective controls, ensuring only acceptable risks are taken. It provides leadership and direction and is also responsible for corporate governance and the overall financial performance of the Group.

The Board has agreed the schedule of matters reserved for its decision, which includes ensuring that the necessary financial and human resources are in place to meet its obligations to its shareholders and others. It also approves acquisitions and disposals of businesses, major capital expenditure and annual financial budgets, and sets dividend policy.

An Executive Committee supports the Board in implementing strategy and reports relevant matters to the Board for its consideration and approval. This Executive Committee comprises three Executive Directors and four members of senior management.

All the Directors have access to the advice and services of the Company Secretary who is responsible for ensuring compliance with applicable rules, regulations and Board procedures.

Directors have the right to request that any concerns they have are recorded in the appropriate Committee or Board minutes.

Board meetings and attendance

There were originally five scheduled Board meetings in 2016 (one of which was cancelled pending establishment of the new Board) with an additional four informal update meetings planned and eight short notice Board meetings held as necessary, resulting in a total of 16 Board meetings held during the course of the year. The table below shows the number of Board meetings and Audit, Remuneration and Nomination Committee meetings held during the year, and the attendance of each Director.

			Committee meetings					
	Board meetings[1]		Audit		Remuneration		Nomination	
	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended
Executive Directors								
David Richards	4	4	4	4	–	–	–	–
Erik Miller (appointed 5 December 2016)	–	–	–	–	–	–	–	–
Dr Yeturu Aahlad (appointed 23 February 2017)	–	–	–	–	–	–	–	–
James Campigli (resigned 23 February 2017)	4	4	4	4	–	–	–	–
Paul Harrison (resigned 23 September 2016)	4	4	4	4	–	–	–	–
Non-executive Directors								
Grant Dollens (appointed 9 October 2016)	–	–	–	–	–	–	–	–
Karl Monaghan (appointed 5 December 2016)	–	–	–	–	–	–	–	–
Paul Walker (resigned 6 October 2016)	4	4	4	4	5	5	2	2
Ian Duncan (resigned 6 October 2016)	4	4	4	4	5	5	2	2

1 There were an additional four informal update meetings attended by all, and another eight meetings called at short notice with full attendance by all Directors of the Board at that time.

GOVERNANCE

BOARD ACTIVITIES THROUGHOUT THE YEAR:

January (one short notice meeting)
- Review and approval of 2016 budget (deferred from December 2015)

February (two short notice meetings)
- Informal update meeting

March
- Review and approval of preliminary announcement of 2015 results
- Review and approval of Annual Report and Accounts 2015
- Consideration and approval of appointment of external auditor
- Review of Non-executive Director fees
- Review of product strategy
- Review of global business development progress
- Review of the level of voluntary compliance with the UK Corporate Governance Code

April
- Informal update meeting

May
- Review of product strategy
- Review of performance against the 2016 Business Plan

June (one short notice meeting)

July (one short notice meeting)
- Informal update meeting

September (one short notice meeting)
- Review and approval of the 2017 Business Plan
- Review and approval of the 2016 interim results announcement
- Informal update meeting

October (two short notice meetings)

December (one short notice meeting)

AT EACH SCHEDULED MEETING:

Discuss:
- Strategic and operational matters
- Trading results
- Management accounts and financial commentary
- Treasury matters
- Legal, company secretarial and regulatory matters
- Investor relations
- Corporate affairs

Review:
- Minutes of previous meetings
- The implementation of actions agreed at previous meetings
- The rolling annual agenda items

Board Committees

To assist the Board in carrying out its functions and to ensure that there is independent oversight of internal controls and risk management, the Board delegates certain responsibilities to its three principal Committees as shown in the governance framework diagram below.

More detail on each of the Committees can be found on pages 28 to 31.

GOVERNANCE FRAMEWORK

BOARD

EXECUTIVE TEAM

Chaired by the Chief Executive Officer, it comprises the three Executive Directors and senior management representation from product, marketing, engineering, business development, finance, sales and support. It assists the Executive Directors in implementing the business plan and policies and managing the operational and financial performance of the Company.

Audit Committee

READ MORE INFORMATION
PAGE 28

Nomination Committee

READ MORE INFORMATION
PAGE 29

Remuneration Committee

READ MORE INFORMATION
PAGES 30 AND 31

Board effectiveness

The performance of the Board was evaluated informally on an ongoing basis with reference to all aspects of its operation including, but not limited to: the appropriateness of its skill level; the way its meetings were conducted and administered (including the content of those meetings); the effectiveness of the various Committees; whether corporate governance issues were handled in a satisfactory manner; and whether there was a clear strategy and objectives. The conclusion was that the Board was performing as expected.

Each Director's performance is appraised through the normal appraisal process. Save for the Chief Executive Officer, who was appraised by the Chairman, the Executive Board members were appraised by the Chief Executive Officer. The Chairman was appraised by the other Non-executive Director and that Non-executive Director was appraised by the Chairman. This evaluation was performed before Paul Walker resigned from the Board and David Richards took the role as Interim Chairman.

Directors' independence

The Non-executive Directors are considered by the Board to be independent of the management and are free to exercise independence of judgement. They have never been employees of the Group nor do they participate in the Group's bonus arrangements. They receive no other remuneration from the Group other than Directors' fees.

Board appointments

There were three new appointments in the year, being a replacement of the Chief Financial Officer and replacements of two Non-executive Directors. Each new Director, on appointment, is briefed on the activities of the Group. Professional induction training is also given as appropriate. The Chairman briefs Non-executive Directors on issues arising at Board meetings if required and Non-executive Directors have access to the Chairman at any time. Ongoing training is provided as needed. Directors were updated on a frequent and regular basis on the Group's business.

Directors are subject to re-election at the Annual General Meeting ("AGM") following their appointment. In addition, at each AGM one-third (or the whole number nearest to one-third) of the Directors retire by rotation.

Internal controls and risk management

The Board is responsible for the Group's system of internal controls and for reviewing its effectiveness. Such a system is designed to mitigate against and manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Executive management considered the potential financial and non-financial risks which may impact on the business as part of the quarterly management reporting procedures. The Board received the principal risk outputs of these quarterly management reports and monitored the position at Board meetings. The principal risks are set out on pages 16 to 18.

The Board confirms that there are ongoing processes for identifying, evaluating and mitigating the significant risks faced by the Group. The processes, which have been in place throughout the year and up to the date of approval of the Annual Report and Accounts, are consistent, so far as is appropriate for the nature and size of the Group's business, with the guidance issued by the Financial Reporting Council.

The Group's internal financial control and monitoring procedures include:

- clear responsibility on the part of line and financial management for the maintenance of good financial controls and the production of accurate and timely financial management information;
- the control of key financial risks through appropriate authorisation levels and segregation of accounting duties;
- detailed monthly budgeting and reporting of trading results, balance sheets and cash flows, with regular review by management of variances from budget;
- reporting on any non-compliance with internal financial controls and procedures; and
- review of reports issued by the external auditor.

The Audit Committee on behalf of the Board reviewed reports from the external auditor together with management's response regarding proposed actions. In this manner, it has reviewed the effectiveness of the system of internal controls for the year under review.

Shareholder communications

The Chief Executive Officer and the Chief Financial Officer regularly meet with institutional shareholders to foster a mutual understanding of objectives. In particular, an extensive programme of meetings with analysts and institutional shareholders is held following the interim and preliminary results announcements. Feedback from these meetings and market updates prepared by the Company's Nomad are presented to the Board to ensure they have an understanding of shareholders' views. The other Non-executive Directors are available to shareholders to discuss strategy and governance issues.

The Directors encourage the participation of all shareholders, including private investors, at the Annual General Meeting and, as a matter of policy, the level of proxy votes (for, against and vote withheld) lodged on each resolution is declared shortly after the meeting by means of an announcement on the London Stock Exchange and via the Company's website.

The Annual Report and Accounts is published on the Company's website, www.wandisco.com, and can be accessed by shareholders.

Karl Monaghan
Committee Chairman

Committee composition

Karl Monaghan is the Chairman of the Committee and the other member of the Committee is Grant Dollens. The Board considers Karl Monaghan to have relevant and recent financial experience given his biography set out on page 23.

Committee responsibilities

The Audit Committee ("the Committee") is established by and is responsible to the Board. It has written terms of reference, which are available for review at www.wandisco.com. Its main responsibilities are:

- to monitor and be satisfied with the truth and fairness of the Group's financial statements before submission to the Board for approval, ensuring their compliance with the appropriate accounting standards, the law and the AIM Rules;
- to monitor and review the effectiveness of the Group's system of internal control;
- to make recommendations to the Board in relation to the appointment of the external auditor and its remuneration, following appointment by the shareholders in general meeting, and to review and be satisfied with the auditor's independence, objectivity and effectiveness on an ongoing basis; and
- to implement the policy relating to any non-audit services performed by the external auditor.

The Committee is authorised by the Board to seek and obtain any information it requires from any officer or employee of the Group and to obtain external legal or other independent professional advice as is deemed necessary by it.

Committee meetings

There were four meetings of the Committee during the year scheduled to coincide with the review of the scope of the external audit and observations arising from its work in relation to internal control, and to review the financial statements. The external auditor attended all four of these meetings. Since the end of the financial year, the Committee has met once (in February 2017) to consider, amongst other matters, this Annual Report, with the external auditor being present at this meeting. The Committee also met with the external auditor, without the Executive Directors being present, once during the year.

The Audit Committee carried out a full review of the year-end financial statements and of the audit, using as a basis the reports to the Committee prepared by the CFO and external auditor and taking into account any significant accounting policies, any changes to them and any significant estimates or judgements. Questions were asked of management of any significant or unusual transactions where the accounting treatment could be open to different interpretations.

The Committee received reports from management on the effectiveness of the system of internal controls. It also received from the external auditor a report of matters arising during the course of the audit, which the auditor deemed to be of significance for the Committee's attention. The statement on internal controls and the management of risk, which is included in the Annual Report, is approved by the Committee.

Significant matters considered by the Committee in relation to the financial statements and areas of judgement routinely considered and challenged were as follows:

- revenue recognition;
- capitalised development costs and other intangible assets;
- share-based payments; and
- going concern.

The Committee is satisfied that the judgements made by management are reasonable and that appropriate disclosures in relation to key judgements and estimates have been included in the financial statements.

In reaching this conclusion the Committee has considered reports and analysis prepared by management and has also constructively challenged assumptions. The Committee has also considered detailed reporting from and discussions with the external auditor.

Committee performance

The Committee carried out an annual assessment of its own performance during the year and the conclusion was that the Committee was performing as expected.

External auditor

KPMG has been the external auditor since 2012, when the Company's shares were admitted to trading on AIM. As such, an audit partner rotation process commenced in 2016 in time for the 2017 rotation.

As required, the external auditor provided the Committee with information for review about policies and processes for maintaining its independence and compliance regarding the rotation of audit partners and staff. The Committee considered all relationships between the external auditor and the Group and was satisfied that they did not compromise the auditor's judgement or independence particularly with the provision of non-audit services.

An internal review of the effectiveness of the external audit process was carried out during the year and no deficiencies were found. Management was satisfied with the external audit team's knowledge of the business and that the scope of the audit was appropriate, all significant accounting judgements had been challenged robustly and the audit had been effective.

All of the above was taken into account before a recommendation was made by the Committee to the Board to propose KPMG for re-election at the AGM.

Internal audit function

Given the Group's size and development, the Board did not consider it necessary to have an internal audit function during the year. The Board will continue to monitor this requirement annually.

Karl Monaghan
Committee Chairman

Committee composition

The Nomination Committee is chaired by Karl Monaghan and the other members of the Committee are David Richards and Grant Dollens.

Committee responsibilities

The Nomination Committee has responsibility for reviewing the structure, size and composition of the Board and recommending to the Board any changes required, for succession planning and for identifying and nominating for approval of the Board candidates to fill vacancies as and when they arise. The Committee is also responsible for reviewing the results of any Board performance evaluation process and making recommendations to the Board concerning the Board's Committees and the re-election of Directors at the AGM.

The membership of the Nomination Committee comprises the two Non-executive Directors and David Richards.

The Nomination Committee is required to meet not less than twice a year and at such other times as required.

It has written terms of reference, which are available for review at www.wandisco.com.

Committee meetings

The Nomination Committee met twice in the year, with the Chief Executive Officer in attendance. The Nomination Committee considered the composition of the Board and determined that it was not yet appropriate at that time to recommend the addition of a further Non-executive Director to the Board prior to the resignations of Paul Walker and Ian Duncan in October 2016, which led to the appointment of two new Non-executive Directors, Grant Dollens and Karl Monaghan.

The Board has considered diversity in broader terms than just gender and believes it is also important to reach the correct balance of skills, experience, independence and knowledge on the Board. All Board appointments will be made on merit and with the aim of achieving a correct balance. The Group has formal policies in place to promote equality of opportunity across the whole organisation and training is provided to assist this.

Currently, there are no women on the Board. As opportunities arise the Board will seek to increase the presence of women on the Board consistent with the above policy and the terms of reference of the Nomination Committee.

Karl Monaghan
Committee Chairman

This report sets out information about the remuneration of the Directors of the Company for the year ended 31 December 2016. As a company admitted to AIM, WANdisco plc is not required to prepare a Directors' remuneration report. However, the Board supports the principle of transparency and has prepared this report in order to provide information to shareholders on executive remuneration arrangements. This report has been substantially prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ("the Regulations").

The Remuneration Committee

Committee composition

The Remuneration Committee is chaired by Karl Monaghan and the other member of the Committee is Grant Dollens.

Committee responsibilities

The Remuneration Committee's primary purposes are to assist the Board in determining the Company's remuneration policies, to review the performance of the Executive Directors and make recommendations to the Board on matters relating to their remuneration and terms of service, the granting of share options, and other equity incentives.

Committee meetings

The Remuneration Committee met five times in the year, with the other Board members in attendance as appropriate.

Remuneration Committee report

As an AIM listed company, WANdisco plc is not required to comply with the Regulations. The content of this report is unaudited unless stated.

Remuneration policy

The objectives of the remuneration policy are to ensure that the overall remuneration of Executive Directors is aligned with the performance of the Group and preserves an appropriate balance of income and shareholder value.

Non-executive Directors

Remuneration of the Non-executive Directors is determined by the Executive Directors. Non-executive Directors are not entitled to pensions, annual bonuses or employee benefits. They are entitled to participate in share option arrangements relating to the Company's shares but neither of them does so at this time. Each of the Non-executive Directors has a letter of appointment stating his annual fee and that his appointment is initially for a term of three years, subject to re-appointment at the AGM, renewable for further periods of three years. Their appointment may be terminated with three months' written notice at any time.

Directors' remuneration

The normal remuneration arrangements for Executive Directors consist of basic salary and annual performance-related bonuses. In addition, they receive private healthcare.

The Committee intends to make further awards under the Long-Term Incentive Plan ("LTIP") during 2017. Details of any awards will be disclosed in next year's Remuneration Committee report.

2016 annual bonus

The 2016 Bonus Plan comprised a target bonus of 75% of salary and a maximum bonus opportunity of 100% of salary. The Company operates a scorecard which reflects its financial and strategic KPIs. Executive Directors will be rewarded for their contribution to these goals as well as the achievement of personal objectives.

Based on the 2016 KPIs, the Company met the following targets: a) EBITDA and b) strategic objectives, but did not meet the bookings target. Having regard to the performance of the business, the Remuneration Committee resolved to pay bonuses as set out on page 31.

The bonus to David Richards and Erik Miller has been deferred into share options in lieu of cash bonuses to be issued in 2017.

Similar bonus principles will be adopted for 2017. Performance targets and weightings were set by the Remuneration Committee at the start of the year.

Directors' interests

Details of the Directors' shareholdings are included in the Directors' report on page 33.

Directors' share options

Aggregate emoluments disclosed on page 31 do not include any amounts for the value of options to acquire ordinary shares in the Company granted to or held by the Directors. Details of options for Directors who served during the year are as follows:

	Exercise price	Number of options at 1 January 2016	Number of options granted	Number of options exercised	Number of options lapsed	Number of options at 31 December 2016
Executive Directors						
David Richards	$0.12	97,441	–	–	–	**97,441**
	$2.34	–	92,771	–	–	**92,771**
Dr Yeturu Aahlad	$0.12	15,000	–	–	–	**15,000**
Erik Miller	$2.34	–	410,789	–	–	**410,789**
Former Executive Directors						
James Campigli	$0.12	62,931	–	–	–	**62,931**
	$2.34	–	27,623	–	–	**27,623**
Paul Harrison	$0.12	558,183	–	(298,183)	(86,667)	**173,333**
Non-executive Directors						
Grant Dollens	–	–	–	–	–	**–**
Karl Monaghan	–	–	–	–	–	**–**
Former Non-executive Directors						
Paul Walker	–	–	–	–	–	**–**
Ian Duncan	–	–	–	–	–	**–**

This table is audited.

	Payment currency	Salary/fees '000	Bonus[8] '000	Benefits[1] '000	31 December 2016 Total '000	31 December 2015 Total '000
Executive Directors						
David Richards	$	490	–	22	**512**	697
Erik Miller[2]	$	70	–	2	**72**	–
Former Executive Directors						
James Campigli[3]	$	316	195	22	**533**	451
Paul Harrison[4]	$	358	227	40	**625**	831
Non-executive Directors						
Grant Dollens[5]	£	9	–	–	**9**	–
Karl Monaghan[6]	£	3	–	–	**3**	–
Former Non-executive Directors						
Paul Walker (Chairman)[7]	£	100	–	–	**100**	130
Ian Duncan[7]	£	54	–	–	**54**	70

1 Benefits include the provision of private health insurance for Executive Directors and their immediate families. In addition, on 31 August 2016, Paul Harrison was awarded a tax equalisation claim of $19,000 (gross) as part of his employment agreement.
2 Joined 21 September 2016 and appointed to the Board 5 December 2016.
3 Left 23 February 2017.
4 Left 23 September 2016.
5 Joined 9 October 2016.
6 Joined 5 December 2016.
7 Left 6 October 2016.
8 Bonus deferred into share options to be issued in 2017.

The total Directors' remuneration for the period ended 31 December 2016, in US dollars, was $1,965,000 (2015: $2,284,000).

Approval

This report was approved by the Directors and signed by order of the Board.

Karl Monaghan
Chairman of the Remuneration Committee
24 March 2017

The Directors present their report and the audited financial statements for the year ended 31 December 2016 in accordance with section 415 of the Companies Act 2006. Particulars of important events affecting the Group, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on pages 6 to 21, which is incorporated into this report by reference together with the Corporate governance report on pages 25 to 27. In addition, this report should be read in conjunction with information concerning employee share schemes, which can be found in the Remuneration Committee report on pages 30 and 31 and in Note 21 to the financial statements, and which is incorporated by way of cross-reference into the Directors' report.

Principal activity

The principal activity of the Group is the development and provision of global collaboration software.

Business review and future developments

A review of the Group's operations and future developments is covered in the Strategic report section of the Annual Report and Accounts on pages 6 to 21. This report includes sections on strategy and markets and considers key risks and key performance indicators.

Financial results

Details of the Group's financial results are set out in the Consolidated statement of profit and loss and other comprehensive income and other components on pages 36 to 60.

Dividends

The Directors do not recommend the payment of a dividend.

Going concern

The Company's business activities, together with risk factors which potentially affect its future development, performance or position can be found in the Strategic report on pages 6 to 21. Details of the Company's financial position and its cash flows are outlined in the Financial review on pages 19 and 20.

After making reasonable enquiries, the Board has an expectation that the Group and the Company have adequate financial resources together with a strong business model to ensure they continue to operate for the foreseeable future. Accordingly, the Directors have adopted the going concern basis in preparing the financial statements. This is described in more detail in Note 2.

Annual General Meeting ("AGM")

On pages 62 to 64 is the notice of the Company's fifth AGM to be held at 10am on 24 May 2017 at the offices of WANdisco plc in Sheffield.

Directors

The Directors who served on the Board and on Board Committees during the year are set out on pages 22 and 23. One-third of the Directors are required to retire at the AGM and can offer themselves for re-election.

Information on Directors' remuneration and share option rights is given in the Remuneration Committee report on pages 30 and 31.

Directors' indemnity arrangements

The Directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report. Other than this and with the exception of employment contracts between each Executive Director and the Group, at no time during the year did any Director hold a material interest in any contract of significance with the Group or any of its subsidiary undertakings. The Group has purchased and maintained throughout the year directors' and officers' liability insurance in respect of all Group companies.

Significant shareholders

The Company is informed that, at 24 March 2017, individual registered shareholdings of more than 3% of the Company's issued share capital were as follows:

	Number of shares	% of issued ordinary share capital
OppenheimerFunds, Inc.	5,276,000	14.20%
Schroder Investment Management	3,813,055	10.26%
Dr Yeturu Aahlad	2,825,091	7.61%
David Richards	2,589,233	6.97%
T Rowe Price	1,938,275	5.22%
Jon D & Linda W Gruber Revocable Trust	1,646,864	4.43%
James Campigli	1,545,123	4.16%
Ross Creek Capital Management, LLC	1,462,500	3.94%

Directors' shareholdings

The beneficial interests of the Directors in the share capital of the Company at 31 December 2016 and at 24 March 2017 were as follows:

	Number of shares	% of issued ordinary share capital
Executive		
David Richards	2,589,233	6.97%
Dr Yeturu Aahlad	2,825,091	7.61%
Erik Miller	10,000	0.03%
Non-executive		
Grant Dollens	—	—
Karl Monaghan	44,642	0.12%

None of the Directors had any interest in the share capital of any subsidiary company. Further details of options held by the Directors are set out in the Remuneration Committee report on pages 30 and 31.

The middle market price of the Company's ordinary shares on 31 December 2016 was 200 pence and the range during the year was 73 pence to 224 pence, with an average price of 163 pence.

GOVERNANCE

Articles of Association

Any amendments to the Articles of Association of the Company may be made by special resolution of the shareholders.

Research and development

The Group expended $5,860,000 during the year (2015: $8,369,000) on research and development, of which $5,860,000 (2015: $8,369,000) was capitalised within intangible assets and $nil (2015: $nil) was charged to the income statement. In addition, an amortisation charge of $8,116,000 (2015: $8,548,000) has been recognised against previously capitalised costs.

Derivatives and financial instruments

The Group's policy and exposure to derivatives and financial instruments is set out in Note 19.

Employee involvement

It is the Group's policy to involve employees in its progress, development and performance. Applications for employment by disabled persons are fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. The Group is a committed equal opportunities employer and has engaged employees with broad backgrounds and skills.

It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not have a disability. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues.

Health and safety

The Group is committed to providing a safe and healthy working environment for all staff and contractors. The Group's health and safety standard sets out the range of policies, procedures and systems required to manage risks and promote wellbeing.

Political and charitable donations

During the year ended 31 December 2016 the Group made political donations of $nil (2015: $nil) and charitable donations of $352 (2015: $9,960).

Supplier payment policy and practice

The Group does not operate a standard code in respect of payments to suppliers. The Group agrees terms of payment with suppliers at the start of business and then makes payments in accordance with contractual and other legal obligations.

The number of creditor days outstanding at 31 December 2016 was 47 days (2015: 28 days).

Auditor

As recommended by the Audit Committee, a resolution for the re-appointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming AGM.

Audit information

Each of the Directors at the date of the Directors' report confirms that so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware and he has taken all the reasonable steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of the information.

The Directors' report has been approved by the Board of Directors on 24 March 2017.

Signed on behalf of the Board.

Erik Miller
Chief Financial Officer
24 March 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES
in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRS").

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRS.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company 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 estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with Companies (Jersey) Law 1991. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

We have audited the Group financial statements of WANdisco plc (the "Company") for the year ended 31 December 2016 which comprise the Consolidated statement of profit and loss and other comprehensive income, the Consolidated balance sheet, the Consolidated statement of changes in equity, the Consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors' responsibilities set out on page 34, the Directors are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 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. In addition, we read all the financial and non-financial information in the Annual Report 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.

Opinion on the financial statements

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 31 December 2016 and of its loss for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Group; or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Johnathan Pass
for and on behalf of KPMG LLP
Chartered Accountants
24 March 2017

Notes:

- The maintenance and integrity of the WANdisco plc website is the responsibility of the Directors; the work carried out by auditors does not involve consideration of these matters and accordingly, KPMG LLP accepts no responsibility for any changes that may have occurred to the financial statements or our audit report since 24 March 2017. KPMG LLP has carried out no procedures of any nature subsequent to 24 March 2017 which in any way extends this date.
- Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Directors shall remain responsible for establishing and controlling the process for doing so, and for ensuring that the financial statements are complete and unaltered in any way.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

		Year ended 31 December 2016			Year ended 31 December 2015		
Continuing operations	Notes	Pre-exceptional $'000	Exceptional items[8] $'000	Total $'000	Pre-exceptional $'000	Exceptional items $'000	Total $'000
Revenue	5	11,379	—	11,379	10,994	—	10,994
Cost of sales		(1,349)	—	(1,349)	(749)	—	(749)
Gross profit		10,030	—	10,030	10,245	—	10,245
Operating expenses	6	(27,921)	(32)	(27,953)	(40,160)	(614)	(40,774)
Loss from operations	6	(17,891)	(32)	(17,923)	(29,915)	(614)	(30,529)
Finance income	9	1	8,169	8,170	59	—	59
Finance costs	9	(269)	(25)	(294)	(565)	—	(565)
Net finance (costs)/income	9	(268)	8,144	7,876	(506)	—	(506)
(Loss)/profit before tax		(18,159)	8,112	(10,047)	(30,421)	(614)	(31,035)
Income tax	11	772	—	772	1,129	—	1,129
(Loss)/profit for the year		(17,387)	8,112	(9,275)	(29,292)	(614)	(29,906)
Other comprehensive income							
Items that are or may be reclassified to profit or loss:							
Foreign operations – foreign currency translation differences		107	(8,144)	(8,037)	55	—	55
Other comprehensive income for the year, net of tax		107	(8,144)	(8,037)	55	—	55
Total comprehensive income for the year		(17,280)	(32)	(17,312)	(29,237)	(614)	(29,851)
Loss per share							
Basic and diluted	12			$0.28			$1.04

CONSOLIDATED BALANCE SHEET
As at 31 December 2016

	Notes	2016 $'000	2015 $'000
Assets			
Intangible assets	13	**5,977**	8,583
Property, plant and equipment	14	**492**	230
Non-current assets		**6,469**	8,813
Trade and other receivables	16	**6,145**	6,728
Cash and cash equivalents	17	**7,558**	2,555
Current assets		**13,703**	9,283
Total assets		**20,172**	18,096
Liabilities			
Borrowings – finance lease liabilities	18	**(89)**	–
Trade and other payables	18	**(3,488)**	(2,714)
Deferred income	18	**(5,809)**	(6,060)
Deferred government grant		**(12)**	(28)
Current tax liabilities		**(11)**	–
Current liabilities		**(9,409)**	(8,802)
Deferred income	18	**(6,683)**	(3,697)
Borrowings – finance lease liabilities	18	**(294)**	–
Deferred tax liabilities	11	**(3)**	(5)
Non-current liabilities		**(6,980)**	(3,702)
Total liabilities		**(16,389)**	(12,504)
Net assets		**3,783**	5,592
Equity			
Share capital	20	**5,638**	4,667
Share premium	20	**94,526**	81,974
Translation reserve	20	**(8,284)**	(247)
Merger reserve	20	**1,247**	1,247
Retained earnings	20	**(89,344)**	(82,049)
Total equity		**3,783**	5,592

The financial statements on pages 36 to 60 were approved by the Board of Directors on 24 March 2017 and signed on its behalf by:

David Richards
Interim Chairman and CEO

Erik Miller
Chief Financial Officer

Company registered number: 110497

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2016

	Share capital $'000	Share premium $'000	Translation reserve $'000	Merger reserve $'000	Retained earnings $'000	Total equity $'000
Balance at 1 January 2016	4,667	81,974	(247)	1,247	(82,049)	5,592
Total comprehensive income for the year						
Loss for the year	—	—	—	—	(9,275)	(9,275)
Other comprehensive income	—	—	(8,037)	—	—	(8,037)
Total comprehensive income for the year	—	—	(8,037)	—	(9,275)	(17,312)
Transactions with owners of the Company						
Contributions and distributions						
Equity-settled share-based payment	—	—	—	—	1,819	1,819
Proceeds from share placing	894	12,696	—	—	—	13,590
Share options exercised	77	(144)	—	—	161	94
Total transactions with owners of the Company	971	12,552	—	—	1,980	15,503
Balance at 31 December 2016	**5,638**	**94,526**	**(8,284)**	**1,247**	**(89,344)**	**3,783**

	Share capital $'000	Share premium $'000	Translation reserve $'000	Merger reserve $'000	Retained earnings $'000	Total equity $'000
Balance at 1 January 2015	3,879	56,587	(302)	1,247	(56,814)	4,597
Total comprehensive income for the year						
Loss for the year	—	—	—	—	(29,906)	(29,906)
Other comprehensive income	—	—	55	—	—	55
Total comprehensive income for the year	—	—	55	—	(29,906)	(29,851)
Transactions with owners of the Company						
Contributions and distributions						
Equity-settled share-based payment	—	—	—	—	4,671	4,671
Proceeds from share placing	737	25,341	—	—	—	26,078
Share options exercised	51	46	—	—	—	97
Total transactions with owners of the Company	788	25,387	—	—	4,671	30,846
Balance at 31 December 2015	4,667	81,974	(247)	1,247	(82,049)	5,592

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2016

	Notes	2016 $'000	2015 $'000
Cash flows from operating activities			
Loss for the year		(9,275)	(29,906)
Adjustments for:			
– Depreciation of property, plant and equipment	14	174	270
– Amortisation of intangible assets	13	8,466	9,600
– Loss on disposal of property, plant and equipment		4	–
– Net finance costs		268	133
– Income tax	11	(772)	(1,129)
– Foreign exchange		(7,507)	42
– Equity-settled share-based payment	21	1,819	4,671
		(6,823)	(16,319)
Changes in:			
– Trade and other receivables		328	275
– Trade and other payables		827	(432)
– Deferred income		2,735	(1,507)
– Deferred government grant		(11)	(49)
Net working capital change		3,879	(1,713)
Cash used in operating activities		(2,944)	(18,032)
Interest paid		(162)	(192)
Income tax received		690	552
Net cash used in operating activities		(2,416)	(17,672)
Cash flows from investing activities			
Purchase of property, plant and equipment and computer software		(64)	(95)
Proceeds from sale of property, plant and equipment		2	–
Development expenditure	13	(5,860)	(8,369)
Interest received	9	1	59
Net cash used in investing activities		(5,921)	(8,405)
Cash flows from financing activities			
Net proceeds from share issues		13,523	26,175
Payment of finance lease liabilities		(8)	(8)
Net cash from financing activities		13,515	26,167
Net increase in cash and cash equivalents		5,178	90
Cash and cash equivalents at the start of the year		2,555	2,481
Effect of movements in exchange rates on cash and cash equivalents		(175)	(16)
Cash and cash equivalents at the end of the year	17	7,558	2,555

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2016

1. Reporting entity

WANdisco plc is a public limited company incorporated and domiciled in Jersey. The Company's ordinary shares are traded on AIM. The consolidated financial statements of the Company for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as "the Group").

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the EU, IFRIC Interpretations, and under the historical cost accounting convention, and those parts of Companies (Jersey) Law 1991 applicable to companies under IFRS.

Under Article 105(11) of the Companies (Jersey) Law 1991, a parent company preparing consolidated financial statements need not present solus (parent company only) financial information, unless required to do so by an ordinary resolution of the company's members.

(b) Going concern

As at 31 December 2016 the Group had net assets of $3.8m (31 December 2015: $5.6m), including cash of $7.6m (2015: $2.6m) as set out in the Consolidated balance sheet and an unused revolving credit facility of $10.0m (2015: $10.0m). In the year ended 31 December 2016, the Group incurred a loss before tax of $10.0m (2015: $31.0m) and net cash outflows before financing of $8.3m (2015: $26.1m).

During 2016, the performance of the Group improved, with bookings growing by 72% to $15.5m (2015: $9.0m). Most of this growth was achieved in H2 of 2016, which saw increased momentum in bookings as a result of success from new partnerships and focus on the Source Code Management business. In addition, during 2016, the Group's cost base was significantly reduced by $11.2m. In addition, during 2016 the Group raised $13.6m, net of costs, through an equity raise; as a result of this, the Group had $7.6m (2015: $2.6m) of cash at 31 December 2016. In H2 2016 the net cash outflow in cash (before financing) reduced to $3.1m (H2 2015: $12.7m).

The Directors have prepared a detailed budget and forecasts of the Group's expected performance over a period covering at least the next twelve months from the date of these financial statements. As well as modelling the realisation of the sales pipeline, these forecasts also cover a number of scenarios and sensitivities in order for the Board to satisfy itself that the Group remains within its current cash facilities. At 31 December 2016, the Group has a revolving credit facility of $10.0m, which is due to expire on 30 June 2017; in performing the sensitivity analysis, the Group has assumed that this facility will not be renewed.

Whilst the Directors are confident in the Group's ability to grow bookings, the Board's sensitivity modelling shows that the Group can remain within its facilities in the event that bookings growth is delayed (i.e. bookings do not increase from the level reported in 2016) for a period in excess of twelve months. The Directors' financial forecasts and operational planning and modelling also include the actions that the Group could take to further significantly reduce the cost base during the coming year in the event that longer-term bookings were set to remain consistent with the level reported in 2016. On the basis of this financial and operational modelling, the Directors believe that the Group has the capability and the operational agility to react quickly, cut further costs from the business, and ensure that the cost base of the business is aligned with its sales bookings, cash revenue and funding scale.

As a consequence, the Directors have a reasonable expectation that the Group can continue to operate and to be able to meet its commitments and discharge its liabilities in the normal course of business for a period not less than twelve months from the date of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the Group financial statements.

(c) Functional and presentational currency

The consolidated financial statements are presented in US dollars, which is also the presentational currency of the Group. Billings to the Group's customers during the year by WANdisco, Inc. were all in US dollars with certain costs being incurred by WANdisco International Limited in sterling and WANdisco, Pty Ltd in Australian dollars. All financial information has been rounded to the nearest thousand US dollars unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial information in conformity with adopted IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2. Basis of preparation continued

(d) Use of estimates and judgements continued

Estimates

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 13 – valuation of intangible assets; and
- Note 21 – valuation of share-based payment.

Judgements

The accounting policy descriptions set out the areas where judgement needs to be exercised, the most significant of which are:

- Research and development – Development costs are capitalised in accordance with the accounting policy given below. Initial capitalisation of costs is based on management's judgement that technological and economical feasibility is confirmed, usually when a product development project has reached a defined milestone.
- Intangible assets – The judgements in relation to intangible impairment testing relate to the assumptions applied in calculating the value-in-use of the cash-generating unit being tested for impairment. The key assumptions applied in the calculation relate to the future performance expectations of the business. The carrying value of intangible assets and the key assumptions used in performing the annual impairment assessment are disclosed in Note 13.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

(a) Basis of consolidation

As a result of IFRS 10 (2011) "Consolidated Financial Statements", the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. IFRS 10 introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. In accordance with the transitional provisions of IFRS 10, the Group reassessed the control conclusion for its investees at 1 January 2014. No modifications of previous conclusions about control regarding the Group's investees were required. The financial information of subsidiaries is included from the date that control commences until the date that control ceases.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Business combinations

All business combinations are accounted for by applying the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions on or after 1 January 2009

For acquisitions on or after 1 January 2009, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, the negative goodwill is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

3. Significant accounting policies continued

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, US dollars, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year, where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve or non-controlling interest, as the case may be.

(c) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, trade and other payables, cash and cash equivalents, and interest-bearing borrowings.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

(ii) Classification of financial instruments issued by the Group

Following the adoption of IAS 32 "Financial Instruments: Presentation", financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium exclude amounts in relation to those shares.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment at 1 January 2009, the Group's date of transition to IFRS, was determined by reference to its carrying value under UK and US Generally Accepted Accounting Principles.

3. Significant accounting policies continued

(d) Property, plant and equipment continued

(ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

- Computer equipment – 3 years
- Fixtures and fittings – 3 years
- Leasehold improvements – 3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(e) Intangible assets

(i) Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in profit or loss when incurred.

Development activities relate to software development and involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if:

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Group intends to, and has sufficient resources to, complete development and to use or sell the asset.

The expenditure capitalised includes direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Amortisation

Amortisation of capitalised research and development costs is recognised in profit or loss on a straight-line basis over the estimated useful life of two years.

Intangibles in relation to computer software are amortised over an estimated useful life of two years.

Amortisation of the intangible assets recognised on the acquisitions of AltoStor, Inc. and OhmData, Inc. is recognised in profit or loss on a straight-line basis over their estimated useful lives of three years.

(f) Impairment (excluding deferred tax assets)

(i) Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

3. Significant accounting policies continued

(f) Impairment (excluding deferred tax assets) continued

(ii) Non-financial assets continued

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Employee benefits

(i) Pension plans

In the UK there is a Company personal pension scheme, which is a defined contribution scheme, for employees. Contributions are recognised in the income statement as they become payable in accordance with the rules of the scheme.

(ii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

(iii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or commission plans where the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iv) Share-based payment

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

No cash-settled share-based payment awards have been granted to employees.

3. Significant accounting policies continued

(h) Revenue recognition

(i) Software licences

Sales of software licences are recognised once the licence has been granted and the customer has been provided with access to the software. Revenue derived from sales of licences is spread over the period of the licence. Where licences are perpetual, revenue is recognised in full once the agreement is in place.

(ii) Support subscriptions

Sales of support subscriptions are recognised on a straight-line basis over the period of the contract.

(iii) Maintenance, training and other services

Sales of maintenance, training and other services are recognised on a straight-line basis over the period of the contract.

(iv) Royalties

Royalties are accounted for on an accruals basis in accordance with the substance of the relevant agreement when it is probable that economic benefits associated with the transaction will flow to the entity and the amount of revenue can be measured reliably.

(v) Multi-element

Where there are multiple components in a single transaction, the revenue recognition criteria is applied to the separately identifiable components in order to reflect the substance of the transaction.

(i) Operating lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

(j) Finance income and costs

Finance costs comprise interest expense on borrowings and exchange differences on intra-group balances.

(k) Taxation

Income tax comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised in respect of temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(l) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the Consolidated statement of profit and loss and other comprehensive income over the expected useful life of the asset.

3. Significant accounting policies continued

(m) Segmental reporting

The Directors consider there to be one operating segment, being that of development and sale of licences for software and related maintenance.

The Group has adopted IFRS 8 "Operating Segments" from the date of transition to IFRS. IFRS 8 requires the Group to determine and present its operating segments based on information which is provided internally to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing the performance of the operating segment, has been identified as the Chief Executive Officer.

(n) Provisions

Provisions are created where the Group has a present legal or constructive obligation as a result of a past event, where it is probable it will result in an outflow from the Group.

(o) Cost of sales

Cost of sales includes commissions earned on sales and direct costs relating to software supply.

(p) Exceptional items

Exceptional items comprise items of income and expense that are material in amount and unlikely to recur and that merit separate disclosure in order to provide an understanding of the Group's underlying financial performance.

(q) New accounting standards and amendments

(i) New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning on 1 January 2016:

- IFRS 14 "Regulatory Deferral Accounts".
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11).
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38).
- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41).
- Equity Method in Separate Financial Statements (Amendments to IAS 27).
- Annual Improvements to IFRSs 2012–2014 Cycle.
- Disclosure Initiative (Amendments to IAS 1).
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28).

These standards and amendments to standards have not had a material impact on the consolidated financial statements.

(ii) New and amended standards and interpretations issued but not effective for the financial year beginning 1 January 2016 and not early adopted

The following adopted IFRSs have been issued but have not been applied by the Group in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- IFRS 9 "Financial Instruments" (effective date 1 January 2018).
- IFRS 15 "Revenue from Contracts with Customers" (effective date 1 January 2018).
- IFRS 16 "Leases" (effective date 1 January 2019).
- Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12) (effective date 1 January 2017).
- Disclosure Initiative (Amendments to IAS 7) (effective date 1 January 2017).
- Clarifications to IFRS 15 "Revenue from Contracts with Customers" (effective date 1 January 2018).
- Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2) (effective date 1 January 2018).
- Applying IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts" (Amendments to IFRS 4) (effective date 1 January 2018).

4. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Intangible assets

Whilst development costs are valued at cost less amortisation, their carrying values are assessed to ensure that they do not exceed the recoverable amount at the end of each reporting period. The recoverable amount of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of products developed.

(b) Trade and other receivables

The fair value of short-term trade and other receivables is deemed to be its book value less any impairment provision. The effect of discounting is considered to be immaterial.

(c) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

5. Segmental analysis

Operating segments

The Directors consider there to be one operating segment, being that of development and sale of licences for software and related maintenance.

Geographical segments

The Group recognises revenue in three geographical regions based on the location of customers, as set out in the following table:

Revenue	2016 $'000	2015 $'000
North America	8,192	7,255
Europe	2,476	2,983
Rest of the world	711	756
	11,379	10,994

Management makes no allocation of costs, assets or liabilities between these segments since all trading activities are operated as a single business unit.

The Group has no customers representing individually over 10% of revenue (2015: nil).

The Group's core patented technology, the Distributed Coordination Engine ("DConE"), enables the replication of data. The Group has developed software based on this technology which is applied into two key markets, the Big Data and Source Code Management markets:

Revenue	2016 $'000	2015 $'000
Source Code Management	8,182	9,158
Big Data	3,197	1,836
	11,379	10,994

6. Operating expenses

Loss from operations has been arrived at after charging:	Notes	2016 $'000	2015 $'000
Staff costs	10	**12,081**	19,061
Research and development – amortisation charge	13	**8,116**	8,548
Amortisation of intangible assets	13	**350**	1,052
Depreciation of property, plant and equipment	14	**174**	270
Auditor's remuneration	7	**72**	80

Reconciliation of loss from operations to adjusted earnings before interest, taxation, depreciation and amortisation ("Adjusted EBITDA")

	Notes	2016 $'000	2015 $'000
Loss from operations		**(17,923)**	(30,529)
Adjusted for:			
Amortisation and depreciation		**8,640**	9,870
Exceptional items within operating expenses	8	**32**	614
EBITDA before exceptional items		**(9,251)**	(20,045)
Equity-settled share-based payment (excluding exceptional item)	21	**1,787**	4,057
Adjusted EBITDA before exceptional items		**(7,464)**	(15,988)
Development expenditure capitalised	13	**(5,860)**	(8,369)
Adjusted EBITDA before exceptional items including development expenditure		**(13,324)**	(24,357)

Reconciliation of operating expenses to "cash overheads"

	Notes	2016 $'000	2015 $'000
Operating expenses		**(27,953)**	(40,774)
Remove:			
Amortisation and depreciation		**8,640**	9,870
Exceptional items within operating expenses	8	**32**	614
Equity-settled share-based payment (excluding exceptional item)	21	**1,787**	4,057
Development expenditure capitalised	13	**(5,860)**	(8,369)
Cash overheads		**(23,354)**	(34,602)

7. Auditor's remuneration

	2016 $'000	2015 $'000
Audit of these financial statements	**60**	67
Amounts receivable by auditor in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**12**	13
	72	80

8. Exceptional items

Exceptional items comprise the following:	Notes	2016 $'000	2015 $'000
Exchange gain on intercompany balances		8,144	—
Equity-settled share-based payment charge in relation to acquisitions:			
– AltoStor, Inc.	21	—	(249)
– TortoiseSVN.net	21	(32)	(124)
– OhmData, Inc.	21	—	(241)
	21	(32)	(614)
		8,112	(614)

The exceptional gain arose on Sterling-denominated intercompany balances. These balances were retranslated at the closing exchange rate at 31 December 2016, which was 1.23, a 17% reduction compared to the rate of 1.48 at 31 December 2015. Sterling to US$ exchange rates declined following the Brexit vote on 23 June 2016. Due to the size and nature of the exchange gain, it has been included as an exceptional item.

The exceptional gain on intercompany balances in the Consolidated statement of profit and loss, is offset by an equivalent exceptional exchange loss on the retranslation of the intercompany balances, which is included in the retranslation of net assets of foreign operations, included in the other comprehensive income.

The equity-settled share-based payment charge recognised in the year in relation to the acquisitions of OhmData, Inc. and AltoStor, Inc. and the purchase of the intellectual property of TortoiseSVN.net has been classified as exceptional. See Note 21 for further details.

9. Net finance (costs)/income

	2016 $'000	2015 $'000
Interest receivable – bank	1	59
Exchange gain	8,169	—
Finance income	8,170	59
Unwind of discount on pledged shares	—	(16)
Exchange loss	(25)	(373)
Interest payable on bank borrowings	(79)	(48)
Finance charges	(83)	—
Loan amortisation costs	(107)	(128)
Finance costs	(294)	(565)
Net finance income/(costs)	7,876	(506)

10. Staff numbers and costs

	Notes	2016 $'000	2015 $'000
Wages and salaries		12,842	19,734
Redundancy costs		679	568
Social security costs		1,296	1,818
Other pension costs		142	88
Equity-settled share-based payment	21	1,787	4,057
Development expenditure capitalised		(4,665)	(7,204)
Total staff costs		12,081	19,061

10. Staff numbers and costs continued

Average number of persons employed

The average number of persons employed by the Group (including Directors), analysed by category, was as follows:

	2016 Number	2015 Number
Software development	76	92
Selling and distribution	32	49
Administration	17	18
Total number of employees	125	159

Remuneration of key management personnel

	2016 $'000	2015 $'000
Short-term employee benefits of key management personnel	3,059	4,531

There were no other long-term benefits or post-employment benefits in the year ended 31 December 2016 (2015: $nil).

In addition to the above, an equity-settled share-based payment charge of $1,697,000 in relation to share options granted to key management personnel was incurred in the year ended 31 December 2016 (2015: $3,609,000).

Further details on the remuneration, share options and pension entitlements of the Directors are included in the Remuneration Committee report on pages 30 and 31.

11. Income tax

	2016 $'000	2015 $'000
Current tax expense		
Current year	542	739
Adjustment for prior years	230	390
Income tax	772	1,129

Reconciliation of effective tax rate

	2016 %	2016 $'000	2015 %	2015 $'000
Loss before tax		10,047		31,035
Expected tax credit based on the Group's domestic tax rate of 40%	40%	4,019	40%	12,414
Effects of:				
Non-deductible expenses	(14%)	(1,429)	(9%)	(2,683)
Non-taxable income	31%	3,111	—	—
Tax rates in foreign jurisdictions	(15%)	(1,457)	(7%)	(2,215)
R&D tax credits	8%	834	4%	1,129
Losses not recognised for current or deferred tax	(42%)	(4,306)	(24%)	(7,516)
	8%	772	4%	1,129

Non-taxable income reflects the tax impact of the exceptional foreign exchange translation gain included in loss before taxation.

Factors affecting the current and future tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 17% (effective from 1 April 2020) were substantively enacted on 26 October 2015 and 6 September 2016 respectively. This will reduce the Group's future current tax charge accordingly. The deferred taxation liability for UK tax resident members of the Group at 31 December 2016 has been calculated based on the rate of 17%.

11. Income tax continued

Deferred tax assets and liabilities

Deferred tax liabilities are attributable to the following temporary differences in respect of property, plant and equipment:

	2016 $'000	2015 $'000
Deferred tax liability	(3)	(5)

The Group has unrecognised deferred tax assets of $23,511,000 (2015: $19,205,000) in respect of tax losses arising in the Group.

The Directors consider that there is not sufficient certainty over the availability of future taxable profits against which these losses may be offset and no asset has therefore been recognised.

12. Loss per share

Basic loss per share

Basic loss per share is calculated based on the loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding:

	2016 $'000	2015 $'000
Loss for the year attributable to ordinary shareholders	9,275	29,906

Weighted average number of ordinary shares

	2016 Shares '000s	2015 Shares '000s
At the start of the year	29,564	24,018
Effect of shares issued in the year	3,727	4,765
Weighted average number of ordinary shares during the year	33,291	28,783

	2016 $	2015 $
Basic loss per share	0.28	1.04

Adjusted loss per share

Adjusted loss per share is calculated based on the loss attributable to ordinary shareholders before exceptional items, acquisition-related items and the cost of equity-settled share-based payment, and the weighted average number of ordinary shares outstanding:

	2016 $'000	2015 $'000
Loss for the year attributable to ordinary shareholders	9,275	29,906
Add back:		
Exceptional items	8,112	(614)
Acquisition-related items	—	(16)
Equity-settled share-based payment (excluding exceptional items)	(1,787)	(4,057)
Adjusted basic loss for the year	15,600	25,219

	2016 $	2015 $
Adjusted loss per share	0.47	0.88

Diluted loss per share

Due to the Group having losses in all years presented, the fully diluted loss per share for disclosure purposes, as shown in the Consolidated statement of profit and loss and other comprehensive income, is the same as for the basic loss per share.

13. Intangible assets

At 31 December 2016	Other intangible assets $'000	Development costs $'000	Computer software $'000	Total $'000
Cost				
At 1 January 2016	3,154	31,156	189	34,499
Additions – own work capitalised	—	5,860	—	5,860
At 31 December 2016	**3,154**	**37,016**	**189**	**40,359**
Amortisation				
At 1 January 2016	(2,804)	(22,923)	(189)	(25,916)
Amortisation charge for the year	(350)	(8,116)	—	(8,466)
At 31 December 2016	**(3,154)**	**(31,039)**	**(189)**	**(34,382)**
Net book value				
At 31 December 2016	**—**	**5,977**	**—**	**5,977**

At 31 December 2015	Other intangible assets $'000	Development costs $'000	Computer software $'000	Total $'000
Cost				
At 1 January 2015	3,154	22,787	1,189	27,130
Additions – own work capitalised	—	8,369	—	8,369
Disposals	—	—	(1,000)	(1,000)
At 31 December 2015	3,154	31,156	189	34,499
Amortisation				
At 1 January 2015	(1,795)	(14,375)	(1,146)	(17,316)
Amortisation charge for the year	(1,009)	(8,548)	(43)	(9,600)
Disposals	—	—	1,000	1,000
At 31 December 2015	(2,804)	(22,923)	(189)	(25,916)
Net book value				
At 31 December 2015	350	8,233	—	8,583

The carrying amount of the intangible assets is allocated across cash-generating units ("CGUs"). A CGU is defined as the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups thereof. The recoverable amount of the CGUs are determined using value-in-use ("VIU") calculations. As at 31 December 2016 and 2015, the Group had one CGU, the DConE CGU, which represents the Group's patented DConE replication technology, forming the basis of products for both the Source Code Management and Big Data markets, including the new Fusion platform that was launched in 2015.

Other intangible assets arose as part of the acquisitions of OhmData, Inc. in June 2014 and AltoStor, Inc. in November 2012. The intangibles arising as part of these acquisitions are allocated to the DConE CGU. The recoverable amount of the DConE CGU has been calculated on a VIU basis at both 31 December 2016 and 31 December 2015. These calculations use cash flow projections based on financial forecasts, which anticipate growth in the Group's installed base along with new customer growth, along with a stable cost base, and appropriate long-term growth rates. To prepare VIU calculations, the cash flow forecasts are discounted back to present value using a pre-tax discount rate of 10% (2015: 10%) and a terminal value growth rate of 2% from 2021. The Directors have reviewed the recoverable amount of the CGU and do not consider there to be any indication of impairment.

Development costs are predominantly capitalised staff costs associated with new products and services. Development costs are allocated to the DConE CGU, the recoverable amount of which has been determined on a VIU basis as described above.

In February 2015 WANdisco International Limited sold software to Syntevo GmbH for consideration of €1. This software became fully amortised during the year ended 31 December 2014 so there was no material profit/(loss) on disposal in the prior year.

The amortisation charge on intangible assets is included in operating expenses in the Consolidated statement of profit and loss and other comprehensive income.

14. Property, plant and equipment

At 31 December 2016	Leasehold improvements $'000	Fixtures and fittings $'000	Computers $'000	Total $'000
Cost				
At 1 January 2016	128	341	556	1,025
Reclassification	3	(40)	(43)	(80)
Additions	—	—	455	455
Effect of movements in exchange rates	(6)	(25)	(48)	(79)
Disposals	—	—	(11)	(11)
At 31 December 2016	**125**	**276**	**909**	**1,310**
Depreciation				
At 1 January 2016	(116)	(300)	(379)	(795)
Reclassification	—	40	40	80
Depreciation charge for the year	(13)	(33)	(128)	(174)
Effect of movements in exchange rates	4	23	39	66
Disposals	—	—	5	5
At 31 December 2016	**(125)**	**(270)**	**(423)**	**(818)**
Net book value				
At 31 December 2016	**—**	**6**	**486**	**492**

At 31 December 2015	Leasehold improvements $'000	Fixtures and fittings $'000	Computers $'000	Total $'000
Cost				
At 1 January 2015	130	370	451	951
Reclassification	—	(22)	22	—
Additions	—	—	95	95
Effect of movements in exchange rates	(2)	(7)	(10)	(19)
Disposals	—	—	(2)	(2)
At 31 December 2015	128	341	556	1,025
Depreciation				
At 1 January 2015	(74)	(222)	(245)	(541)
Depreciation charge for the year	(43)	(84)	(143)	(270)
Effect of movements in exchange rates	1	6	8	15
Disposals	—	—	1	1
At 31 December 2015	(116)	(300)	(379)	(795)
Net book value				
At 31 December 2015	12	41	177	230

15. Investments in subsidiaries

The Group has the following investments in subsidiaries:

Company name	Country of incorporation	Holding	Proportion of shares held	Nature of business
WANdisco International Limited	UK	Ordinary shares	100%	Development and provision of global collaboration software
WANdisco, Inc.	US	Ordinary shares	100%	Development and provision of global collaboration software
OhmData, Inc.	US	Ordinary shares	100%	Development and provision of global collaboration software
AltoStor, Inc.	US	Ordinary shares	100%	Development and provision of global collaboration software
WANdisco, Pty Ltd	Australia	Ordinary shares	100%	Development and provision of global collaboration software
WANdisco Software (Chengdu) Ltd	China	Ordinary shares	100%	Development and provision of global collaboration software

All of the above entities are included in the consolidated financial statements.

16. Trade and other receivables

Due within a year	2016 $'000	2015 $'000
Trade receivables	**3,926**	3,538
Other receivables	**485**	1,061
Corporation tax	**1,446**	1,631
Prepayments	**288**	498
Total trade and other receivables	**6,145**	6,728

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Ageing of trade receivables

	2016 $'000	2015 $'000
Due from current month	**3,069**	2,788
Due from previous month	**764**	329
Due from earlier months	**93**	421
Total trade receivables	**3,926**	3,538

All trade receivables are denominated in US dollars.

17. Cash and cash equivalents

	2016 $'000	2015 $'000
Cash at bank and in hand	**7,558**	2,555

18. Current liabilities

Trade and other payables

	2016 $'000	2015 $'000
Trade payables	808	597
Accruals	2,680	2,117
	3,488	2,714

Deferred income

Deferred income represents contracted sales for which services to customers will be provided in future years.

Deferred income which falls due:	2016 $'000	2015 $'000
Within a year	5,809	6,060
In more than a year	6,683	3,697
Total deferred income	12,492	9,757

Borrowings – finance lease liabilities

Finance lease liabilities include amounts payable after more than one year of $294,000 (2015: $nil).

	Minimum lease payments 2016 $'000	Interest 2016 $'000	Principal 2016 $'000	Minimum lease payments 2015 $'000	Interest 2015 $'000	Principal 2015 $'000
Less than one year	89	21	110	–	–	–
Between one and five years	294	26	320	–	–	–
More than five years	—	—	—	–	–	–
	383	47	430	–	–	–

19. Financial instruments and risk management

The Group's principal financial instruments are cash and trade receivables.

The Group has exposure to the following risks from its use of financial instruments:

Market risk

The Group may be affected by general market trends, which are unrelated to the performance of the Group itself. The Group's success will depend on market acceptance of the Group's products and there can be no guarantee that this acceptance will be forthcoming. Market opportunities targeted by the Group may change and this could lead to an adverse effect upon its revenue and earnings.

The Group is currently not exposed to interest rate risk as it has not drawn down on its $10.0m (31 December 2015: $10.0m) revolving credit facility.

Credit risk

Credit risk arises from cash and cash equivalents and credit exposure to the Group's customers.

Credit ratings of institutions which hold the Group's financial assets are regularly monitored to ensure they meet the minimum credit criteria set by the Board through the Group treasury policy.

The credit quality of customers is assessed by taking into account their financial position, past experience and other factors.

19. Financial instruments and risk management continued

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board is responsible for ensuring that the Group has sufficient liquidity to meet its financial liabilities as they fall due and does so by monitoring cash flow forecasts and budgets. The Board has considered the cash flow forecasts for the next twelve months which show that the Group expects to operate within its working capital facilities throughout the year. Details of the going concern review are included in Note 2.

Any excess cash balances are held in short-term, interest-bearing deposit accounts.

All financial liabilities (trade and other payables) mature within one year of the balance sheet date.

Capital management

The Group defines the capital that it manages as its total equity. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and support the growth of the business.

Foreign currency risk

The Group's operations are split between the US, the UK, mainland Europe, Australia and China, and as a result the Group incurs costs in currencies other than its presentational currency of US dollars. The Group also holds cash and cash equivalents in non-US dollar denominated bank accounts.

The following table shows the denomination of the year-end cash and cash equivalents balance:

	Sterling $'000	Australian dollar $'000	US dollar $'000	Total $'000
2016 cash and cash equivalents	**538**	**118**	**6,902**	**7,558**
2015 cash and cash equivalents	374	35	2,146	2,555

Had the foreign exchange rate between the US dollar and sterling changed by 5%, this would have affected the loss for the year and the net assets of the Group by $530,000 (2015: $659,000).

Fair values of financial assets and financial liabilities

There are no material differences between the fair value and the book value of the Group's financial assets and liabilities.

20. Share capital and reserves

	2016 Number	2016 $'000	2015 Number	2015 $'000
Share capital				
Allotted and fully paid	37,067,641	5,638	29,564,059	4,667

The ordinary share capital of WANdisco plc is designated in sterling.

	Share capital $'000	Share premium $'000	Translation reserve $'000	Merger reserve $'000	Retained earnings $'000
At 1 January 2016	4,667	81,974	(247)	1,247	(82,049)
Loss for the year	—	—	—	—	(9,275)
Foreign currency translation differences	—	—	(8,037)	—	—
Proceeds from share placing	894	12,696	—	—	—
Share options exercised	77	(144)	—	—	161
Equity-settled share-based payment	—	—	—	—	1,819
At 31 December 2016	**5,638**	**94,526**	**(8,284)**	**1,247**	**(89,344)**

20. Share capital and reserves continued

	Share capital $'000	Share premium $'000	Translation reserve $'000	Merger reserve $'000	Retained earnings $'000
At 1 January 2015	3,879	56,587	(302)	1,247	(56,814)
Loss for the year	—	—	—	—	(29,906)
Foreign currency translation differences	—	—	55	—	—
Proceeds from share placing	737	25,341	—	—	—
Equity-settled share-based payment	—	—	—	—	4,671
Share options exercised	51	46	—	—	—
At 31 December 2015	4,667	81,974	(247)	1,247	(82,049)

Share capital and share premium

During the year, 624,890 ordinary shares were issued as a result of employees exercising share options.

On 6 July 2016, the Company issued an additional 6,878,692 ordinary shares at a price of £1.60 each, raising funds of $13.6m net of transaction costs.

Costs relating directly to the new issue of shares have been deducted from the share premium account.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Merger reserve

The acquisition by WANdisco plc of the entire share capital of WANdisco, Inc. in 2012 was accounted for as a reverse acquisition. Consequently, the previously recognised book values and assets and liabilities were retained and the consolidated financial information for the period to 16 May 2012 has been presented as a continuation of the WANdisco business, which was previously wholly owned by the WANdisco, Inc. Group.

The share capital for the period covered by these consolidated financial statements and the comparative periods is stated at the nominal value of the shares issued pursuant to the above share arrangement. The difference between the nominal value of these shares and the nominal value of WANdisco, Inc. shares at the time of the acquisition has been transferred to the merger reserve.

21. Share-based payment

WANdisco plc operates share option plans for qualifying employees of the Group. Options in the plans are settled in equity in the Company and are normally subject to a vesting schedule but not conditional on any performance criteria being achieved.

Analysis of equity-settled share-based payment charge

	Notes	2016 $'000	2015 $'000
Exceptional equity-settled share-based payment charge in relation to acquisitions:			
– AltoStor, Inc.		—	249
– TortoiseSVN.net		32	124
– OhmData, Inc.		—	241
Total equity-settled share-based payment charge in relation to acquisitions	8	32	614
Non-exceptional equity-settled share-based payment charge	10	1,787	4,057
Total equity-settled share-based payment charge		1,819	4,671

21. Share-based payment continued

Terms and conditions of share option grants

The terms and conditions of the share option grants between 16 May 2012 (the date WANdisco plc acquired WANdisco, Inc.) and 31 December 2016 are as follows:

Date of grant	Expected term (years)	Exercisable between: Commencement	Exercisable between: Lapse	Exercise price	Vesting schedule (see page 59)	Outstanding at 31 December 2016
16 May 2012	8	16 May 2012	15 September 2020	£0.36	2	**35,000**
16 May 2012	8	16 May 2012	7 October 2020	£0.45	2	**7,886**
16 May 2012	9	16 May 2012	20 September 2021	£0.46	2	**3,213**
16 May 2012	9	22 July 2012	14 September 2021	£0.36	3	**85,000**
16 May 2012	9	1 August 2012	20 September 2021	£0.46	3	**81,000**
16 May 2012	9	13 January 2013	12 January 2022	£0.36	3	**455,000**
16 May 2012	9	13 January 2013	30 January 2022	£0.23	3	**641,185**
21 June 2012	10	21 June 2012	20 June 2022	£2.00	4	**28,700**
7 December 2012	10	7 December 2012	6 December 2022	£4.55	5	**163,375**
4 February 2013	10	4 February 2013	3 February 2023	£6.43	5	**50,000**
1 April 2013	10	1 April 2013	31 March 2023	£8.03	5	**25,000**
13 May 2013	10	13 May 2013	12 May 2023	£9.80	5	**20,000**
15 July 2013	10	15 July 2013	14 July 2023	£9.55	5	**65,000**
16 September 2013	10	16 September 2013	15 September 2023	£11.68	5	**5,000**
11 November 2013	10	11 November 2013	10 November 2023	£12.71	5	**10,000**
27 November 2013	10	27 November 2013	26 November 2023	£14.30	5	**14,583**
27 December 2013	10	27 December 2013	26 December 2023	£11.93	5	**140,000**
9 April 2014	3	9 April 2014	8 April 2024	£0.10	9	**52,782**
16 June 2014	10	16 June 2014	15 June 2024	£4.30	5	**25,000**
26 June 2014	3	26 June 2014	25 June 2024	£0.10	9	**91,656**
18 August 2014	3	18 August 2014	17 August 2024	£0.10	9	**57,505**
15 September 2014	10	15 September 2014	14 September 2024	£4.00	5	**51,000**
3 November 2014	10	3 November 2014	2 November 2024	£4.00	5	**25,000**
22 December 2014	3	22 December 2014	21 December 2024	£0.10	9	**29,583**
10 April 2015	10	10 April 2015	9 April 2025	£2.25	10	**20,000**
11 May 2015	1	11 May 2015	10 May 2025	£0.10	11	**75,000**
2 June 2015	10	2 June 2015	1 June 2025	£2.55	10	**5,000**
23 June 2015	3	23 June 2015	22 June 2025	£0.10	10	**101,470**
6 July 2015	3	6 July 2015	5 July 2025	£0.10	10	**482,038**
28 August 2015	3	28 August 2015	27 August 2025	£0.10	10	**3,333**
23 October 2015	3	23 October 2015	22 October 2025	£0.10	10	**46,666**
2 November 2015	3	2 November 2015	1 November 2025	£0.10	10	**15,000**
22 January 2016	10	22 January 2016	21 January 2026	£0.75	10	**10,000**
28 January 2016	3	28 January 2016	27 January 2026	£0.10	10	**15,000**
24 March 2016	3	24 March 2016	23 March 2026	£0.10	10	**55,000**
9 March 2016	10	9 March 2016	8 March 2026	£1.41	10	**50,000**
1 April 2016	3	1 April 2016	1 April 2026	£0.10	10	**225,000**
22 June 2016	3	22 June 2016	21 June 2026	£0.10	10	**25,000**
17 August 2016	3	17 August 2016	16 August 2026	£0.10	10	**35,000**
15 September 2016	3	15 September 2016	14 September 2026	£0.10	10	**75,000**
23 September 2016	10	23 September 2016	22 September 2026	£1.27	10	**5,000**
16 September 2016	10	16 September 2016	15 September 2026	£2.00	10	**30,000**
6 December 2016	10	6 December 2016	5 December 2026	£1.90	9	**882,924**
						4,318,899

21. Share-based payment continued

Terms and conditions of share option grants continued

The following vesting schedule applies:

2. Partially vested at grant date; 1/48 of granted option shares vest monthly thereafter.
3. Option vests 25% on exercisable commencement date; 1/48 of granted option shares vest monthly thereafter.
4. Option vests on third anniversary of the date of grant.
5. Option vests 25% on first anniversary of vesting commencement date, with the balance vesting monthly thereafter until final vesting date.
9. Option vests 33% on first anniversary of vesting commencement date, with the balance vesting monthly thereafter until final vesting date.
10. Option vests in three instalments. One-third on the first anniversary of vesting commencement date, one-third on the second anniversary and one-third on the third anniversary.
11. Option vests 100% on first anniversary of vesting commencement date.

Share-based payment charges related to acquisitions

As part of the acquisitions of OhmData, Inc. in June 2014, AltoStor, Inc. in November 2012 and the TortoiseSVN.net community website in June 2013, restricted shares were issued to the former owners of the business for OhmData, Inc. and AltoStor, Inc. and the lead developer of the website for the TortoiseSVN.net community website. These shares were treated as contingent payments and have been accounted for under IFRS 2 "Share-based Payment" rather than as part of the acquisition consideration under IFRS 3 "Business Combinations".

Acquisition	Restricted shares Number	Equity-settled share-based payment charge $'000
TortoiseSVN.net	—	32
	—	32

Number and weighted average exercise price of shares

The number and weighted average exercise price of share options (including previous options in WANdisco, Inc.) were as follows:

	2016 Number	2015 Number
Balance at the start of the year	**4,437,995**	4,301,667
Granted	**1,592,924**	1,550,927
Forfeited	**(1,052,031)**	(1,086,309)
Exercised	**(659,989)**	(328,290)
Balance at the end of the year	**4,318,899**	4,437,995
Exercisable at the end of the year	**2,733,488**	1,435,100
Vested at the end of the year	**2,733,488**	1,856,870

Weighted average exercise price for:

	2016 $	2015 $
Shares granted	**2.15**	0.69
Shares forfeited	**3.40**	6.75
Options exercised	**0.18**	0.19
Exercise price in the range:		
From	**0.15**	0.15
To	**21.20**	18.19

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21. Share-based payment continued

Number and weighted average exercise price of shares continued

	2016 Years	2015 Years
Weighted average contractual life remaining	7.8	6.2

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	2016	2015
Dividend yield	0.00%	0.00%
Risk-free interest rate	1.05%	1.53%
Stock price volatility	30%	30%
Expected life (years)	7.0	3.8
Weighted average fair value of options granted during the year	$3.09	$2.76

- The dividend yield is based on the Company's forecast dividend rate and the current market price of the underlying common stock at the date of grant.
- Expected life in years is determined from the average of the time between the date of grant and the date on which the options lapse.
- Expected volatility is based on the historical volatility of shares of listed companies with a similar profile to the Company.
- The risk-free interest rate is based on the treasury bond rates for the expected life of the option.

22. Disposal

In February 2015 WANdisco International Limited disposed of software to Syntevo GmbH for a consideration of €1. This software was fully written down at the point of disposal so there was no material profit/(loss) on disposal in the prior year.

23. Commitments and contingent liabilities

Operating lease commitments

The total amounts payable under non-cancellable operating leases are as follows:

Land and buildings	2016 $'000	2015 $'000
Within one year	374	507
Between two and five years	230	576
	604	1,083

Capital commitments and contingent liabilities

At 31 December 2016 the Group had no capital commitments (31 December 2015: $nil).

The Group had no contingent liabilities at 31 December 2016 (31 December 2015: none).

24. Related parties and related party transactions

Identity of related parties

The Group has a related party relationship with its subsidiaries and with its Directors.

25. Post-balance sheet events

There are no significant or disclosable post-balance sheet events.

FIVE YEAR RECORD

31 December	2012 $'000	2013 $'000	2014 $'000	2015 $'000	**2016 $'000**
New sales bookings	7,916	14,768	17,360	9,012	**15,493**
New sales bookings growth	71%	87%	18%	(48%)	**72%**
Revenue	6,031	8,012	11,218	10,994	**11,379**
Revenue growth	56%	33%	40%	(2%)	**4%**
Deferred revenue	6,368	8,456	11,264	9,757	**12,492**
Deferred revenue growth	43%	33%	33%	(13%)	**28%**
Cash	14,545	25,673	2,481	2,555	**7,558**
Operating loss	(8,541)	(19,268)	(39,917)	(30,529)	**(17,923)**
Development costs and software amortised	2,018	4,918	8,283	9,600	**8,466**
Depreciation	52	138	267	270	**174**
Acquisition-related items	—	—	145	—	**—**
Exceptional items	2,656	2,276	1,441	614	**32**
EBITDA before exceptional items	(3,815)	(11,936)	(29,781)	(20,045)	**(9,251)**
Add back equity-settled share-based payment charge	813	4,104	11,907	4,057	**1,787**
Adjusted EBITDA before exceptional items	(3,002)	(7,832)	(17,874)	(15,988)	**(7,464)**
Development expenditure capitalised	(2,912)	(7,443)	(9,040)	(8,369)	**(5,860)**
Adjusted EBITDA before exceptional items including development expenditure	(5,914)	(15,275)	(26,914)	(24,357)	**(13,324)**

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the fifth Annual General Meeting of WANdisco plc ("the Company") will be held at the Company's offices, Electric Works, 3 Concourse Way, Sheffield Digital Campus, Sheffield S1 2BJ on 24 May 2017 at 10am for the following purposes:

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

1. That the Company's financial statements for the year ended 31 December 2016, the Strategic report and the reports of the Directors and auditor thereon be received and considered.
2. That David Richards be re-appointed as a Director of the Company.
3. That Erik Miller be re-appointed as a Director of the Company.
4. That Grant Dollens be re-appointed as a Director of the Company.
5. That Karl Monaghan be re-appointed as a Director of the Company.
6. That Dr Yeturu Aahlad be re-appointed as a Director of the Company.
7. That KPMG LLP be re-appointed as auditor of the Company.
8. That the Directors be authorised to determine the remuneration of the auditor.
9. That in substitution for all existing authorities but without prejudice to any allotment, offer or agreement already made pursuant thereto, the Directors be and are hereby generally and unconditionally authorised pursuant to Article 2.3 of the Company's Articles of Association ("Articles") to exercise all powers of the Company to allot, grant options over or otherwise dispose of relevant securities (as that term is defined in the Articles) in respect of up to an aggregate nominal amount of £1,238,241, provided that (unless previously revoked, varied or renewed) this authority shall expire on the earlier of the date which is 15 months after the date the resolution was passed and the conclusion of the next Annual General Meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power had not expired.
10. That the Company's Amended and Restated 2013 Equity Incentive Plan ("the Plan"), which provides for grants of stock options and restricted share awards, each in respect of the Company's ordinary shares adopted and approved by the resolution of the Board of Directors of the Company ("the Board") on 6 December 2016 be and is hereby ratified, approved and confirmed and the Board be and is hereby authorised to adopt any amendments with effect from 24 May 2017 to the Plan and setting a share limit that complies with the applicable requirements of the securities laws of the United States and/or the states of the United States in which the award recipients reside and/or perform services.
11. That, pursuant to Article 58A(1)(b) of the Law and Article 13 of the Articles, an ordinary share purchased pursuant to resolution 13 below may be held by the Company as treasury shares in accordance with Articles 58A and 58B of the Law.

To consider and, if thought fit, to pass the following resolutions as special resolutions:

12. That, subject to the passing of resolution 9 and pursuant to Article 2.10 of the Articles, the Directors be and are hereby generally empowered to allot, grant options over or otherwise dispose of equity securities (within the meaning of the Articles) wholly for cash, pursuant to the general authority described in resolution 9 above, as if pre-emption rights did not apply to any such allotment, such power being limited to:

    12.1 the allotment of equity securities in connection with a rights issue, open offer or pre-emptive offer to holders on the register of the ordinary shares in the capital of the Company ("ordinary shares") on a date fixed by the Directors where the equity securities respectively attributable to the interests of all those shareholders are proportionate (as nearly as practicable) to their respective holdings on that date subject to any exclusions or other arrangements as the Directors may consider necessary or expedient in relation to fractional entitlements, legal or practical problems under the law of any territory or the regulations or requirements of any relevant regulatory authority or stock exchange in any territory; and

    12.2 the allotment (other than pursuant to resolution 12.1 above) wholly for cash of ordinary shares up to an aggregate nominal amount of £371,472,

    provided that (unless previously revoked, varied or renewed), such authorities shall expire on the earlier of the date which is 15 months after the date the resolution was passed and the conclusion of the next Annual General Meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power had not expired.
13. That the Directors be and are hereby authorised pursuant to Article 13 of the Articles and Article 57 of the Companies (Jersey) Law 1991 as amended ("the Law") to make market purchases of ordinary shares, subject to the following conditions:

    13.1 the maximum number of ordinary shares authorised to be purchased may not be more than 15% of the issued share capital of the Company as at the date of this notice;

    13.2 the minimum price (exclusive of expenses) which may be paid for an ordinary share is £0.001; and

    13.3 the maximum price (exclusive of expenses) which may be paid for an ordinary share shall not exceed:

        13.3.1 an amount equal to 105% of the average middle market quotation for ordinary shares taken from the London Stock Exchange plc Daily Official List for the five business days immediately preceding the date on which such shares are to be contracted to be purchased; and

13.3.2 the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange plc Daily Official List at the time,

such authority to expire on the earlier of the date which is 15 months after the date the resolution was passed and the conclusion of the next Annual General Meeting of the Company, unless such authority is varied, revoked or renewed prior to such date.

14. That the Articles be amended as follows:

14.1 Articles 15 to 20 (inclusive) be deleted in their entirety;

14.2 the following Articles and definitions be deleted in their entirety:

14.2.1 Article 1.2.1 "Acting in Concert";

14.2.2 Article 1.2.3 "Admission";

14.2.3 Article 1.2.21 "Excess Securities";

14.2.4 Article 1.2.25 "Interests in Securities";

14.2.5 Article 1.2.35 "Permitted Acquisition"; and

14.2.6 Article 1.2.41 "Rules 6, 9, 10, 11, 14 and 15"; and

14.3 Article 1.10 shall be deleted in its entirety.

15. That, subject to the passing of resolution 14, in order to consolidate various amendments to the Articles, the Articles of Association attached hereto be approved and adopted as the new Articles of Association of the Company in substitution for and to the exclusion of the existing Articles.

By order of the Board

Larry Webster
Company Secretary
24 March 2017
Registered in Jersey under the Companies (Jersey) Law 1991 with company number 110497.

Registered office
47 Esplanade
St. Helier
Jersey
JE1 0BD

Notes

Entitlement to attend and vote

1. In accordance with Article 40(1) of the Companies (Uncertificated Securities) (Jersey) Order 1999, the right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company at close of business on 22 May 2017 (or, if the meeting is adjourned, 48 hours before the time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes in entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

Proxies

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting and, on a poll, vote instead of him or her. A proxy need not be a shareholder of the Company.

   A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid.

   A special resolution means a resolution passed by a majority of three-quarters of the holders who (being entitled to do so) vote in person, or by proxy, at a general meeting of the Company or at a separate meeting of a class of members of the Company.

3. A proxy may only be appointed in accordance with the procedures set out in Note 4 and the notes to the proxy form.

   The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.

   CREST members who wish to appoint a proxy or proxies or to give an instruction to a proxy (whether previously appointed or otherwise) by utilising the capital and CREST electronic proxy appointment service may do so in relation to the meeting, and any adjournment(s) thereof, by utilising the procedures described in the CREST Manual. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted via the CREST system so as to be received by Capita Asset Services (whose CREST ID is RAIO) by the latest time for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in the Companies (Uncertificated Securities) (Jersey) Order 1999.

FINANCIAL STATEMENTS

Notes continued

Proxies continued

A proxy does not need to be a member of the Company but must attend the Annual General Meeting to represent you. Details of how to appoint the Chairman of the Annual General Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. You may appoint more than one proxy to attend on the same occasion.

4. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by the proxy form being photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed.

   A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given in the proxy form, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.

   In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

   To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Company's transfer agent, Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham BR3 4ZF, no later than 10am on 22 May 2017 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).

   To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Any amended proxy appointment received after the time specified above will be disregarded.

   Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Asset Services.

   If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

   In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard-copy notice clearly stating your intention to revoke your proxy appointment to Capita Asset Services. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by a duly authorised officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a notarially certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Capita Asset Services prior to the commencement of the Annual General Meeting or adjourned meeting at which the vote is given or, in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting, before the time appointed for taking the poll.

   If you attempt to revoke your proxy appointment but the revocation is received after the time specified then your proxy appointment will remain valid.

Corporate representatives

5. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares. A Director, the Secretary or other person authorised for the purpose by the Secretary may require all or any such persons to produce a copy of the resolution of authorisation certified by an officer of the corporation before permitting him to exercise his powers.

Method of voting

6. Voting on all resolutions will be decided on a show of hands unless, before or on declaration of the result of, a vote on the show of hands, or on the withdrawal of any other demand for a poll, a poll is duly demanded.

Documents available for inspection

7. The following documents will be available for inspection during normal business hours at the registered office of the Company and at the Company's business address, Electric Works, Sheffield Digital Campus, Sheffield S1 2BJ, from the date of this notice until the time of the meeting. They will also be available for inspection at the place of the meeting from at least 15 minutes before the meeting until it ends:

   7.1 copies of the service contracts of the Executive Directors; and

   7.2 copies of the letters of appointment of the Non-executive Directors.

Biographical details of Directors

8. Biographical details of all those Directors who are offering themselves for appointment or re-appointment at the meeting are set out on pages 22 and 23 of the enclosed Annual Report and Accounts.

Secretary

Larry Webster

Offices

UK office

Electric Works
Sheffield Digital Campus
Sheffield S1 2BJ

US office

5000 Executive Parkway
Suite 270
San Ramon, CA 94583
USA

Registered office

47 Esplanade
St. Helier
Jersey JE1 0BD

Company registered number

110497

Nominated adviser and joint broker

Stifel Nicolaus Europe Ltd

150 Cheapside
London EC2V 6ET

Joint broker

UBS Investment Bank

5 Broadgate
London EC2M 2QS

Auditor

KPMG LLP

1 Sovereign Square
Sovereign Street
Leeds LS1 4DA

Legal advisers

Brown Rudnick

8 Clifford Street
London W1S 2LQ

Carey Olsen

47 Esplanade
St. Helier
Jersey JE1 0BD

Bankers

HSBC Bank plc

Yorkshire and North East Corporate Banking Centre
4th Floor
City Point
29 King Street
Leeds LS1 2HL

Registrars

Capita Asset Services

The Registry
34 Beckenham Road
Beckenham BR3 4TU

Share capital

The ordinary share capital of WANdisco plc is listed on AIM, a market operated by London Stock Exchange Group plc. The shares are listed under the trading ticker WAND. The ISIN number is JE00B6Y3DV84.

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designportfolio
design-portfolio.co.uk @WeAre_DP
Design Portfolio is committed to planting trees for every corporate communications project, in association with Trees for Cities.

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WANdisco plc is committed to the environmental issues reflected in this Annual Report. The report is printed on Arcoprint, which is FSC® certified and ECF (Elemental Chlorine Free), and printed in the UK by Park Communications using their environmental printing technology. Both manufacturing mill and the printer are registered to the Environmental Management System ISO14001 and are Forest Stewardship Council® (FSC) chain-of-custody certified.

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