

Craneware plc

# Annual Report

for the year ended 30 June 2009



## Financial Performance Solutions for Hospitals & Healthcare Organisations

"One of the tool's (Pharmacy ChargeLink™) most compelling findings was the volume reconciliation variance between our drug spend and revenue and usage data. We identified an annual gross revenue variance in excess of \$10 million."

— Parkview Health, Indiana, USA.

"Craneware (Chargemaster Corporate Toolkit®) significantly impacted our financial performance. A \$1.6 million annualised incremental revenue gain convinced us we made the right choice."

— Caritas Christi Health Care, Massachusetts, USA.

**Keith Neilson, CEO of Craneware, commented,**

"The US healthcare system is currently undergoing an unprecedented level of change and public scrutiny. This, combined with the global economic downturn, means healthcare organisations are experiencing extraordinary levels of fiscal and legislative pressure. Craneware continues to invest in the development and deployment of software to help manage these pressures. We believe that our market leading position and reputation within the industry, combined with our strong business fundamentals, leaves us well positioned to serve this growing market demand."

## History

Craneware plc (AIM: CRW.L) is recognised as the leading provider of solutions that improve financial performance in the US hospital and healthcare provider markets.

Founded in May 1999, Craneware launched its first product in October 1999 after signing its first customer contract the previous month. By the end of 2000, more than 20 customers were signed and implemented, establishing the strong growth pattern that continues today.

In September 2007, Craneware listed on the AIM market of the London Stock Exchange.

Today, Craneware is headquartered in Livingston, Scotland, with offices in Florida, Arizona and Kansas. Employing over 120 staff, Craneware serves a customer base of more than 1,000 US healthcare facilities and is respected as a healthcare business partner known to deliver value, quality, and outstanding customer service as evidenced by KLAS results.

## Contents

1	Financial and Operational Highlights
2	About Craneware
5	Our Products
6	Chairman's Statement
7	Operational Review
10	Board of Directors
11	Directors' Report
14	Corporate Governance Report
18	Remuneration Committee Report
20	Independent Auditors' Report
21	Consolidated Income Statement
22	Statements of Changes in Equity
23	Consolidated Balance Sheet
24	Company Balance Sheet
25	Cashflow Statements
26	Notes to the Financial Statements
45	Contact Craneware

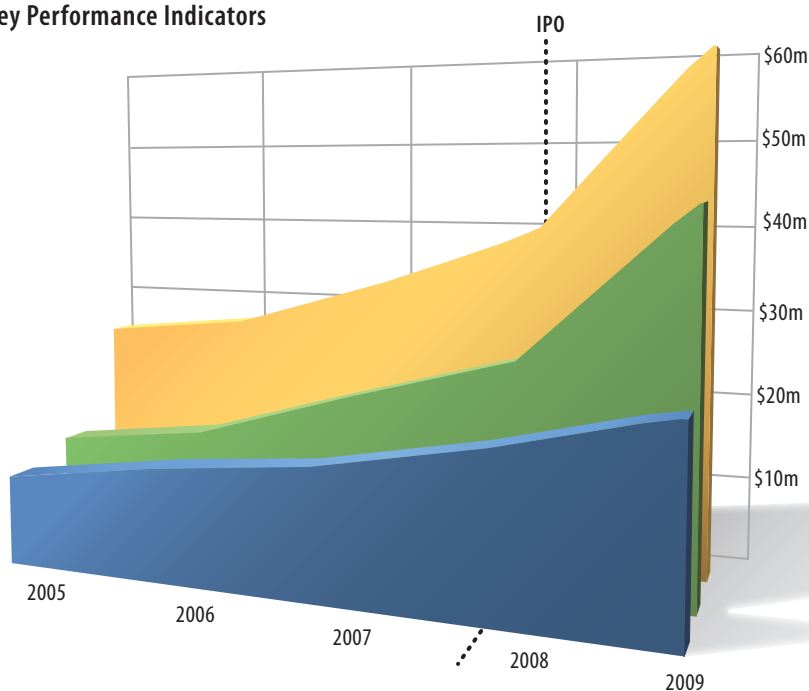
## Financial Highlights

- Record levels of contracted sales in the year totaling \$43.2m (FY08: \$25.7m), 68% up on the previous year, contributing to:
  - 51% increase in future revenues under contract to \$60.1m (FY08: \$39.9m)
  - 23% increase in revenues to \$23.0m (FY08: \$18.7m)
- Profit before share-based payments, depreciation and amortisation increased 29% to \$5.8m (FY08: \$4.5m)
- Profit before taxation increased by 40% to \$5.9m (FY08: \$4.2m)
- Cash position increased 24% to \$26.2m (FY08: \$21.1m)
- Basic EPS increased to \$0.18 (FY08: \$0.14) and diluted to \$0.17 (FY08: \$0.13)
- Final dividend proposed of 2.9p (4.77 cents) per share giving a total dividend for the year of 4.7p (7.43 cents) per share (FY08: 3.1p (4.96 cents) per share)

## Operational Highlights

- New product lines contributed \$10.1m (23%) to total contracted sales during the year
- Extended market reach through partnership deals with Premier, Amerinet and Perot
- Signed significant reseller agreement with McKesson Corporation post year-end
- Accelerated investment in sales and marketing activities
- Proposed US Healthcare reforms drive a trend towards increased regulation and new market opportunities

## Key Performance Indicators



## Quick Facts — Financial

**68%**

increase in contracted sales in the year to record \$43.2m

**51%**

increase in future revenues under contract

**23%**

increase in revenues to \$23.0m

**29%**

increase in operating profit (before share-based payments, depreciation and amortisation) to \$5.8m

**40%**

increase in profit before tax to \$5.9m

**24%**

increase in cash to \$26.2m

## Compound Annualised Growth\*

**24%**

Future revenue under contract

**35%**

Contracts signed in the year

**22%**

Revenue recognised in the period

\*from 30 June 2005

## About Craneware

### Background

Craneware is the leading provider of solutions that improve financial performance for US hospital and healthcare organisations through strategic pricing, revenue cycle and supply management solutions.

Founded in 1999, with the introduction of the US healthcare industry's original chargemaster management solution, Craneware is celebrating its 10th Anniversary this year. Craneware has established significant market leadership with a client base of more than 1,000 healthcare facilities of all sizes, from critical access hospitals to integrated delivery networks. With more than 5,700 hospitals in the US, and less than half of these having purchased a technology-based chargemaster management solution, there remains substantial market opportunity.

Craneware solutions support the transformation of healthcare organisations' revenue integrity processes. Craneware's market-led revenue management solutions allow healthcare organisations to quickly see dramatic advances in sustainable financial and operational performance improvement. The high level of return on investment our software delivers to our customers, combined with our strong partnerships and the growing pressure on the financial performance of US healthcare organisations are key reasons Craneware is well-positioned for growth.

"We selected Craneware to help us with our corporate standardisation program. We looked forward to creating efficiency by linking chargemaster data across our six hospitals... engaging clinicians and managers in productive CDM collaboration... enhancing communication between departments... and increasing compliance through consistent assignment of CPT codes. What we hadn't anticipated was how significantly Craneware would impact our bottom line. A \$1.6 million annualised incremental revenue gain convinced us we made the right choice."

– Miles Coverdale, Chief Revenue Officer (retired)

– Angela Confoey, Corporate Director CDM

Caritas Christi Health Care, Boston, Massachusetts, USA.



## What is driving the growth?

The US healthcare industry is in an historic time of stimulus and reform. Healthcare organisations need strong strategic partners to help them improve operational efficiencies and financial performance, as well as support compliance. Craneware has a ten-year history of successfully partnering and providing US healthcare with solutions that achieve sustainable improvements in financial performance.

In 2010, US health spending is expected to comprise 17.6 percent of the US economy, or \$2.5 trillion. This represents a full percentage point jump from 2008, the largest one-year increase recorded since 1960 according to the US Centres for Medicare & Medicaid Services (CMS). CMS economist Christopher Truffer said, "We project that the health share of the economy will increase steadily through 2018."<sup>1</sup>

The US healthcare industry is under tremendous pressures to reduce healthcare costs – both from the government and businesses. Reducing administrative waste is identified as a key to reducing costs.

Craneware is therefore very well-positioned for growth in today's quickly evolving US healthcare environment offering solutions which automate key administrative processes and support best practices resulting in sustainable financial performance improvement.

There has been a continuing trend towards consolidation in the US hospital and health system market. Consolidation further enhances the need for new operational efficiencies like those provided by Craneware's strategic pricing, revenue cycle and supply management product families.

The US Department of Health and Human Services is once again actively using Recovery Audit Contractors (RACs) to detect and correct improper payments in the Medicare Fee-For-Service program. Non-compliance has severe penalties including stiff fines and even custodial sentences. Hospitals are challenged to ensure compliance with ever-changing, increasingly complex regulatory requirements. Craneware solutions not only help support compliance, they also provide a clear audit trail. This lessens the risks, while simplifying processes and reducing costs associated with RAC audits for health systems.

Thomson Reuters analysis concludes that total margins for US Hospitals declined last year (2008). The worst-performing hospitals had margins of negative 7 percent, while the best performing hospitals' margins topped 4.5 percent. The trend of declining margins increases the need for hospitals to improve operational efficiencies and financial performance using automation solutions like those provided by Craneware. Craneware solutions improve accuracy, regulatory compliance and save significant time, while optimising legitimate reimbursement.

Supply chain also represents a significant opportunity for hospitals to improve financial performance. In the past, pharmaceutical and supply purchasing information has remained siloed from billing for these items. Craneware's Pharmacy ChargeLink™ is a first-of-its kind pharmacy application for improving charge capture, pricing and cost management, which allows hospitals to access their spending information and compare it to what they are actually billing. As a result, Craneware clients are able to clearly identify where internal processes have broken down and/or need improvement, how they can get more out of their purchasing contracts, all while finding millions in potentially missed revenue. Using Pharmacy ChargeLink™, a regional hospital in Arizona captured \$1.2 million in lost pharmaceutical reimbursement and in the Midwestern US, a health system identified an annual gross revenue variance in excess of \$10 million. These results indicate that Pharmacy ChargeLink is already delivering excellent returns for many hospitals. Yet, many other hospitals do not yet realise the significant amount of revenue that is leaking and being lost through existing supply management processes. Pharmacy ChargeLink enables identification of this potentially missed revenue.

Both US federal and state governments recognise the concerns of more consumers paying for their own healthcare. On May 5, 2009, the U.S. Congress introduced the Health Care Transparency Promotion Act of 2009, a bipartisan bill that directs states to establish laws requiring disclosure of information on hospital charges. The bill also would require hospitals and health plans to make information on hospital charges available to the public, and provide estimated out-of-pocket costs for health care services. Currently, 37 state legislatures have passed some form of pricing transparency legislation. Hospitals' need to comply with these laws requiring greater visibility into procedure costs. This need is driving sales of Craneware's Patient Charge Estimator™. This tool provides clear, accurate and complete estimates, which not only support pricing transparency, but also allow hospitals to outline payment options in advance, increase up-front collections, reduce bad debt and create a positive patient experience by communicating financial expectations before service occurs.

At the 2009 annual conference of the US Healthcare Financial Management Association, Stewart Hanson, vice president of healthcare solutions and wholesale lockbox at Fifth Third Bank, pointed out that Consumer Directed Healthcare (CDH) is a growing portion of a \$2 trillion market, which increased by 42 percent in 2008 and is expected to reach 14.9 million accounts by the end of 2009. He also indicated that hospitals need better tools for calculating patient responsibility. Craneware's Patient Charge Estimator™ is the tool US healthcare organisations need to better serve this growing CDH market.

In today's business climate with current market trends, Craneware solutions are increasingly critical to healthcare organisations' financial performance success. By implementing Craneware's automated software applications, hospitals are better able to:

- increase productivity by improving operational efficiencies,
- manage risk by supporting compliance,
- improve returns through optimising reimbursement, and
- enhance margins by identifying revenues lost through disconnects or leaks in current business processes.

During the last ten years, Craneware innovation has played a central role in improving how US healthcare provider organisations manage their business processes – effecting swift significant ROI results for these clients.

Additionally, through Craneware User Group Meetings, Client Advisory Council and online client community, clients participate in a collaborative network among all types and sizes of hospitals and health systems, where they engage in sharing best practices while influencing new and enhancing existing products. Our confidence is grounded in this strategic transformation of healthcare financial processes, which we've helped drive on behalf of clients and which positions Craneware for strong growth.

1 Will Dunham. "Health spending takes rising share of U.S. economy." Thomson Reuters (Feb. 24, 2009).



## Craneware's Financial Performance Solutions

### Quick Facts — The Technology

Craneware solutions are based on a subscription model per licensed user. Craneware products employ a mix of traditional client/server Windows applications and hosted ASP technologies to provide a comprehensive enterprise solution for healthcare financial performance management.

Customer data is always kept secure within healthcare facilities own networks, compliant with US Health Insurance Portability and Accountability Act (HIPAA) regulations related to sensitive patient information.

Only registered users can access Craneware's extensive knowledge base and regulatory products through available hospital-based browsers with Internet access. This allows Craneware's software to be rolled out to a number of staff within a facility, permitting different prescribed levels of interaction with minimal impact to resource-strained IS teams and busy users.

Craneware's products are divided into three product families, with the Craneware Business Solutions Group and Decision Dashboard® spanning across all three families.

### Strategic Pricing Solutions

#### Patient Charge Estimator™

Software that supports defensible and transparent pricing, and simplifies providing estimates for inpatient and outpatient services

#### Comparative Pricing Modules

Comparison modules for benchmarking a facility's current prices against those of similar organisations based on information derived from Medicare

#### Fee Schedule Modules

Fee schedule applications for viewing and comparing a facility's current pricing against published state and national rates

#### Pricing Policy Analysis Modules

Analysis modules that establish the accurate price for medications based on actual acquisition costs and proposed reimbursement in accordance with established markup formulas

### Supply Management Solutions

#### Pharmacy ChargeLink™

Pharmacy supply application for improving charge capture, pricing and cost management, establishing and maintaining a connection between a hospital's pharmaceutical purchases and its chargemaster

#### Supplies ChargeLink™

Supplies software solution for optimising reimbursement by establishing and maintaining a connection between a hospital's supply purchase history and its chargemaster, helping to ensure accurate pricing, coding and billing of chargeable supplies

### Revenue Cycle Solutions

#### Chargemaster Toolkit®, Chargemaster Corporate Toolkit®, Chargemaster Toolkit® - CAH

Toolset for capturing legitimate reimbursement by automating chargemaster management processes, customisable for organisations from small community hospitals to large healthcare networks

#### Bill Analyzer

Software for improving charge capture processes by identifying lost revenue and categorising areas of risk, resulting in cleaner, more compliant, claims

#### Online Reference Toolkit®

Web-based tool for reducing risk by providing access to reference and regulatory resources

#### Interface Scripting Module

Software for ensuring items are billed accurately by automatically uploading chargemaster changes to the patient billing system

#### Physician Revenue Toolkit® / Physician Management Toolkit

Software for managing a physician group's charges, codes, RVUs, fee schedules and related information – also includes Online Reference Toolkit for physician billing and, optionally, can track key financial and operational drivers through data trending with the addition of Decision Dashboard®

### Craneware Business Solutions Group

Services which assist organisations to enhance processes and implement best practices, resulting in improved financial performance

#### Decision Dashboard®

Software providing decision makers with actionable financial information by monitoring key performance indicators



#### No.1 in KLAS

Chargemaster Toolkit® is ranked No. 1 in the Revenue Cycle-Chargemaster Management market category in the "Top 20 Best in KLAS Awards" published in December 2008, 2007 and 2006.



#### Peer Reviewed by HFMA

The Healthcare Financial Management Association (HFMA) performs an annual independent industry evaluation. Craneware has achieved HFMA Peer Reviewed status for Craneware's Chargemaster Toolkit®, Chargemaster Corporate Toolkit®, Bill Analyzer, Online Reference Toolkit® and Interface Scripting Module. To achieve this status, HFMA interviewed Craneware clients and determined that Craneware solutions continue to meet the stringent peer review program standards and provide value.

## Chairman's Statement



**“Craneware has delivered both revenue and profit growth of over 20%, achieving greater than \$5 million in operating profit one year ahead of market expectations.”**

**George Elliott, Chairman**

These past twelve months have been another remarkable year in the development of Craneware. Against a backdrop of a global economic downturn, Craneware has delivered both revenue and profit growth of over 20%, achieving greater than \$5 million in operating profit one year ahead of market expectations.

This success has been achieved as a result of our commitment to our customers and our understanding of the growing pressures and complex issues they are currently facing. The US healthcare system is potentially on the verge of one of the biggest changes in its history and we are focused on providing our customers, the healthcare organisations, with the tools they require to manage this change. We help them run fiscally successful operations whilst managing risk and complying with increasing levels of legislation, enabling them to focus on their primary objective of patient care.

This year has seen the first full year contribution from our newly launched Patient Charge Estimator and Pharmacy ChargeLink products and we have been pleased by the positive market response to these innovative tools. This has resulted in a \$10.1m contribution from new products lines to total contracted revenues in the year. We now look forward to the launch of the next product in our Supply Management family; Supplies ChargeLink.

We have continued to extend our market reach during the year, signing new channel partnership agreements with Premier Purchasing Partners, the largest healthcare alliance in the U.S., and Amerinet, a leading national healthcare group purchasing organisation. Since the year end, we have further expanded our channel partnerships by signing a new agreement with McKesson, the world's largest healthcare services company.

This extended market reach, broadening product set and growing customer base, supported by high levels of revenue visibility give the Board confidence in continuing our many years of successful growth. We continue to explore opportunities for growth via acquisition in line with our M&A strategy.

I would like to thank all of the Craneware staff on both sides of the Atlantic for their continued hard work and commitment and look forward to working together to capitalise on our growing market opportunity.

**George Elliott**  
Chairman

4 September 2009



## Operational Review



“Sales performance over the year, delivered a record \$43.2m, representing a 68% increase on last year.”

Keith Neilson, CEO and co-founder



“We now have visibility over \$60.1m of contracted revenue that will be recognised in future years.”

Craig Preston, CFO

With the U.S. healthcare market undergoing an unprecedented level of scrutiny and potential upheaval, Craneware remains focused on the delivery of superior levels of support to our customers. Fundamental to our success is the belief that our customers are our strongest advocates. Through providing them with high levels of support we are, in turn, experiencing growing demand for our broadening product set. This is evidenced by the continued high level of customer renewals and the increased value and length of our average contract.

These factors, combined with accelerated investment in sales and marketing, have resulted in a record year of sales for Craneware, with over \$43m in new contracts being secured in the year, 68% year-on-year growth. Our annuity revenue recognition policy means that the majority of the new sales secured in the year will flow through into revenue in future years, giving us every confidence in our continued future success.

### The Market

With hospitals facing relentless pressure from demographic shifts, regulatory change, and financial uncertainty, Craneware solutions drive stronger financial and operational performance through more informed, more responsive revenue integrity management.

The regulatory framework in the U.S. healthcare industry continues to be the key driver behind the uptake of our core Revenue Cycle software family. Whilst there remains uncertainty as to the final format of President Obama's Healthcare Reform Plan, it is likely that the outcome could see more of the 40 million currently uninsured Americans become eligible for the State and federally funded healthcare programmes. This will add in both volume and complexity to an already highly regulated billing process with which hospitals are required to comply in order to recoup patient treatment costs, fuelling demand for our software.

Additionally, while these issues are being debated, U.S. hospitals continue to be affected by the wider economic downturn and fiscal pressures. Drug costs are rising, patient revenue is dropping and balance sheets have been impacted by the decreasing value of other investments. Hospital CFOs are therefore seeking areas for process improvement and enhanced operational efficiencies whilst delivering high levels of patient care within a competitive marketplace. Our newly launched Strategic Pricing and Supply Management product families have received excellent customer feedback in these areas, delivering immediate and easily identifiable return on investment.

We have also seen favourable movement in the competitive landscape during the year, with 3M dropping their competitive product in our marketplace due to internal restructuring. We continue to be the leader in our fields in terms of hospital numbers and customer reviews.

### Sales and Marketing

We have established a growing reputation within the broader financial performance improvement market at the board level within hospitals. As highlighted at the time of our Interim Results in February, we have accelerated investment into our sales and marketing activities with a view to driving forward sales in our core and new product families. We have increased our sales team with the addition of new client sales managers whilst increasing our marketing team with the addition of product marketing managers.

We have been pleased by the sales performance over the year, which delivered a record \$43.2m, representing a 68% increase on last year.

We believe the opportunity to further cross-sell from our enlarged product set is significant, with 23% of the total contracted sales signed within the year coming from our new product lines, proving the products suitably address market needs. With less than 10% of our current hospital base having more than two products, we expect to see this momentum maintained in the coming years as we continue with our cross-sell marketing initiatives. The average annualised contract value has increased in the year to \$34,891 (2008: \$23,306) reflecting the increased number of products now being sold. The average length of new contracts also continues to increase, now standing at over 5.3 years (2008: 4.4 years) adding to our significant revenue under contract.

### Product Development

Building on the success of Patient Charge Estimator and Pharmacy ChargeLink in the current financial year, this coming year will see the launch of the next piece of our Supply Management family; Supplies ChargeLink. This application establishes and maintains a connection between the hospital's supply purchase history and its charge description master (CDM), enabling the hospital to optimise reimbursement by ensuring accurate pricing, coding and billing of chargeable supplies, targeting what we believe to be a green-field site. The beta product was demonstrated at the Healthcare Financial Management Association (HFMA) Conference in June 2009 and was extremely well-received. We are therefore on track for the general release of the product before the end of the current calendar year.

Following the release of Supplies ChargeLink, we will focus new product development within our Strategic Pricing family of products with a Pricing Analysis product. The Strategic Pricing family of products allows hospitals to address the complex issue of pricing within their marketplace. Setting pricing within a hospital has become increasingly important as a management strategy to combat eroding margins resulting from increases in cost and payment inadequacies. By setting an effective pricing strategy, a hospital can quickly increase profits with confidence. The Pricing Analysis product will allow a hospital to analyse the effects of applying specific strategies and their impact on profitability.

## Operational Review

The Pricing Analysis product is anticipated to contribute towards revenue by the end of calendar 2010.

During the year, the Company's flagship product, Chargemaster Toolkit®, was once again awarded the number one position in its category by the prestigious industry research house KLAS in the U.S., reaffirming Craneware's market leading position for the third year in a row.

### Customers

As stated earlier, our customers are a fundamental focus for Craneware. We were therefore delighted by the high scores given for our customer service and personnel in the KLAS market research described above. 63% of the respondents ranked Craneware as their "Best Software Vendor" and 100% of respondents ranked Craneware as their "Best or one of their Best Software Vendors."

More than 1,000 hospital facilities across 48 States are now utilising one or more of our software products. We continue to sign up a broad range of customers in terms of size from small community hospitals to large healthcare networks.

For customers coming to the end of their multi-year contracts, renewal rates remain in line with the high levels achieved in previous years, and we are pleased to report that the trend for longer-term contracts has continued, with our average multi-year contract length increasing to over 5 years. This commitment from our customers, including a number of 7 year contracts or longer, is testimony to our products' ability to provide return on investment, tangible cost savings and regulatory compliance for hospitals across the U.S.

### Channel Partners

We have extended our market reach during the year with the signing of several new partnership agreements with some of the leading participants in the U.S. healthcare industry. We expect to continue to utilise these partnerships as lead generators, supporting our future growth.

In April 2009 we signed a new 3 year agreement with Premier Purchasing Partners, the largest healthcare alliance in the U.S., enabling the sale of Craneware solutions, including Patient Charge Estimator and Pharmacy ChargeLink, to the group purchasing organisation's 2,100 members and client hospitals, and more than 54,000 other healthcare providers.

In June 2009 we announced our inclusion in the Amerinet Alliance for Financial Efficiency, a collaboration between Amerinet, a leading national healthcare group, Perot Systems, worldwide provider of information technology services and business solutions and Craneware for the co-marketing of our revenue cycle management solutions.

Since the year end, we have signed a third-party agreement with McKesson the world's largest healthcare services company, who will integrate Craneware's Chargemaster Toolkit® software with McKesson's next generation hospital information system (HIS), Horizon Enterprise Revenue Management™ as part of their ongoing legacy system replacement and upgrading programme. By integrating the two solutions, McKesson and Craneware are delivering a synchronised approach to achieving revenue integrity, which aids hospitals in improving their financial performance.

### Board Changes

We were delighted to welcome Ron Verni onto the Board of the Company in May 2009 as a non-executive director. Ron brings with him extensive experience in running highly successful, rapidly growing, international software companies through his time with Sage Software, Inc and Peachtree Software Inc. amongst others. We are delighted he has agreed to join our team and look forward to working with him as we seek to capitalise on our strong position in the U.S. healthcare market.

### Financial Review

Craneware has delivered another year of strengthened financial performance.

The total value of contracts signed during the year increased by over 68%, to \$43.2m (2008: \$25.7m) underpinning a 23% increase in revenue, which was recognised in the year, to \$23.0m (2008: \$18.7m).

As a result of our annuity revenue recognition model, the majority of the benefit derived from these new contract wins and renewals has been to increase our visibility over future revenues and our confidence in future performance.

We now have visibility over \$60.1m of contracted revenue that will be recognised in future years. This is an increase of \$20.2m during this year and is in addition to the \$23.0m of revenue that has been recognised through the Income Statement. Of this future revenue under contract we have already invoiced \$11.1m which is recorded as deferred income in the balance sheet, the remaining \$49.0m to be invoiced in subsequent years.

Of the future revenue under contract (Figure 1) the directors consider that \$20.7m will be recognised during FY10 with a further \$15.3m and \$11.2m respectively to be recognised in FY11 and FY12. In addition, assuming as has happened in the year, the total monetary value of renewed contracts is at least equal to the total monetary value of contracts that were due to renew, \$2.8m revenues will be recognised from renewal activity during FY10, with a further \$6.2m and \$9.8m respectively in FY11 and FY12 relating to contracts due for renewal from 1 July 2009 through these years.

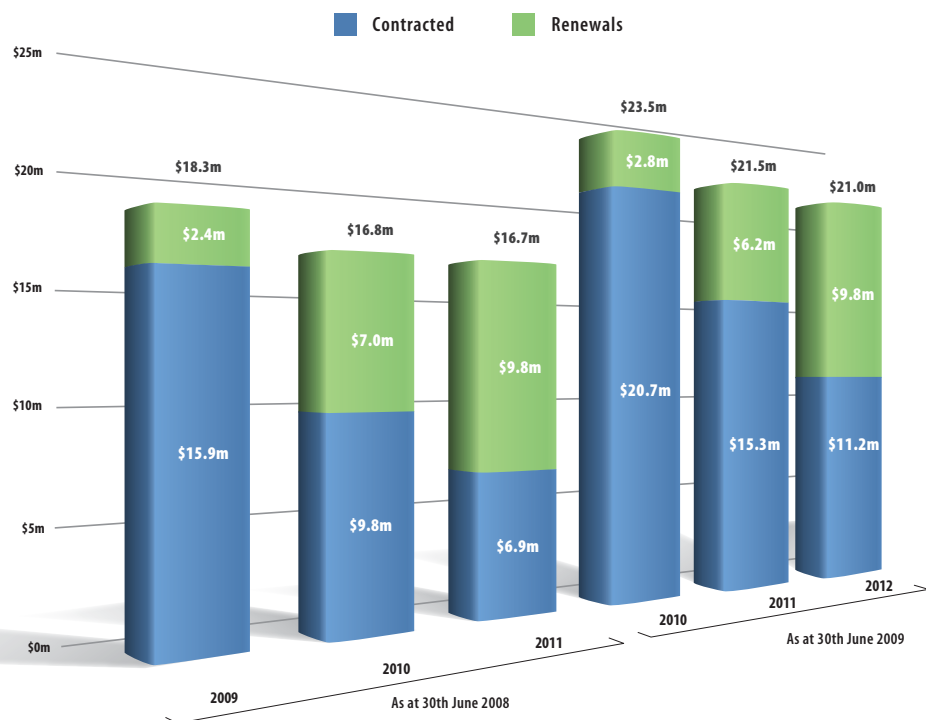


Figure 1.

## Operational Review

As previously stated, for customers coming to the end of their multi-year contracts, the Company's renewal rate remains within the high levels achieved in previous years. This combined with increased upsell and cross selling to the renewing hospital base, has resulted in the total monetary value of the current year renewals increasing by 114% as compared to the original annuity value to the Company.

Net operating expenses have risen to \$16.3m (2008: \$14.1m) due to the increased investment in product management and marketing in the year together with the full year effect of the investments made in FY08 in the areas of customer support and sales infrastructure. However, as a proportion of revenues, net operating expenses have reduced to 71% from 76% in FY08.

As a result of all these factors, profit before share based payments, depreciation, and amortisation has increased 29% to \$5.8m (2008: \$4.5m).

Total expenditure on research and development in the year was \$3.0m (2008: \$2.6m) after capitalisation of \$0.6m of cost in respect of Supplies ChargeLink (Total amount capitalised in 2008 \$0.5m). We continue to amortise R&D expenditure capitalised in prior years for Patient Charge Estimator and Pharmacy ChargeLink.

Under IFRS 2 "Share-Based Payments" the Group's earnings have now reflected most of the charge relating to share options which existed at IPO, as a result the share based payment charge in the year reduced to \$0.1m (2008: \$0.6m).

Profit before tax increased to \$5.9m (2008: \$4.2m), whilst profit after tax increased to \$4.4m (2008: \$3.3m).

Following the increase in trade receivables reported in the interim report, the second half of the year has seen a return to normal levels, at \$4.4m (2008: \$3.8m) of which over 70% is either within payment terms or not yet due for payment. Due to our advance annual billing model ahead of revenue recognition and our continued focus on the collection of receivables, we reported a net working capital inflow during the year. This has allowed cash generated from operations to increase to \$7.4m (2008: \$5.0m).

As a result, cash balances have increased to \$26.2m as at 30 June 2009 (2008: \$21.1m) after paying \$1.9m in dividends to shareholders during the year.

With the reporting currency (and cash reserves) of the Company being in US dollars, we have benefited from a strengthening US dollar during the year on our UK purchases including the salary costs of our UK based employees. We entered the current financial year with an exchange rate of \$1.9906:£1 which has strengthened resulting in an average conversion rate for the Company during the reporting period of \$1.6142:£1. As highlighted at the time of our Interim Results, we have taken advantage of the potentially short term benefits of the strengthening US Dollar to accelerate our investment in the areas of Product Management and Marketing.

### Dividend

Basic and diluted earnings per share were \$0.18 (2008: \$0.14) and \$0.17 (2008: \$0.13) respectively and the Board recommends a final dividend of 2.9p (4.77 cents) per share giving a total dividend for the year of 4.7p (7.43 cents) per share (2008: 3.1p (4.96 cents) per share). Subject to confirmation at the Annual General Meeting, the final dividend will be paid on 8 December to shareholders on the register as at 6 November.

### Outlook

Craneware continues to invest in the development and deployment of its software to help address the opportunities created by the unprecedented level of change and public scrutiny facing the US healthcare system as well as the extraordinary levels of fiscal and legislative pressure healthcare organisations are experiencing as a result of the global economic downturn.

The Channel Partner agreements we now have in place, including the new McKesson agreement signed since the year end, confirms our belief in our market leading position and reputation within the industry. The long term foundations these agreements provide combined with our strong business fundamentals and customer base, leaves us well positioned to serve the growing market demand.

**Keith Neilson**  
Chief Executive Officer  
4 September 2009

**Craig Preston**  
Chief Financial Officer  
4 September 2009

## Board of Directors

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



**George R Elliott, 56** — Non-Executive Chairman :: Appointed 10 August 2007

Prior to joining Craneware's Board, George was Chief Financial Officer of Wolfson Microelectronics plc, a leading global provider of high performance semiconductors to the consumer electronics market. Previously, he was Business Development Director at McQueen International Ltd (now Sykes), where he was responsible for strategic sales and marketing. George is also non-executive Chairman of Corsair Memory Inc and Scotcloth Ltd and non-executive director of Summit plc (SUMM), Oxonica plc (OXN) and ClearSpeed Technology Ltd. George, formerly a partner of Grant Thornton, is a member of the Institute of Chartered Accountants of Scotland and has a degree in Accountancy and Finance from Heriot-Watt University.



**Keith Neilson, 40** — Chief Executive Officer :: Founder

Keith co-founded Craneware in 1999 and has served as its CEO ever since. Under Keith's guidance, Craneware became recognised as the pioneer in charge capture management and a leading provider of superior products and professional services. Keith's direction has helped Craneware to win multiple prestigious awards in such areas as international achievement, business growth strategy and innovation. Keith was named The Entrepreneurial Exchange's "Emerging Entrepreneur of the Year 2003" and was a finalist in the 2004 World Young Business Achiever Award, winning the Award of Excellence in the Business Strategy category. Most recently, he received the U.K. Software & Technology Entrepreneur of the Year Award from Ernst & Young in 2008. Prior to launching Craneware, Keith worked primarily in international management, where he handled sales, marketing and technical consulting for companies with operations across the globe. He studied Physics at Heriot-Watt University, Edinburgh, receiving a bachelor's degree in 1991.



**Craig T Preston, 38** — Chief Financial Officer :: Appointed 15 September 2008

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



**Neil P Heywood, 47** — Non-Executive Director :: Appointed 31 January 2002

Neil is Managing Director of Matrix Trading Systems and Chairman of Codeplay Software. Prior to Matrix, Neil was co-founder and CEO of Quadstone from 1995 to 2001. Quadstone won numerous awards for its software and was named best "Small Start-up" of the year at the Financial Times/BVCA awards in 1999. It was acquired by Portrait Software in 2006. Quadstone was a buy-out from the Edinburgh Parallel Computing Centre, a department at the University of Edinburgh, which Neil managed. Neil created and executed the commercial strategy that generated revenues in excess of \$15 million. Prior to EPCC, Neil was a co-founder and later Commercial Director of 3L, a software firm specialising in writing C compilers for parallel computers. 3L was bought by Spectrum Signal Processing, Inc. Neil received his B.Sc. in Computer Science from the University of Edinburgh in 1984.



**Ron F Verni, 62** — Non-Executive Director :: Appointed 1 May 2009

Ron was President & CEO of Sage Software, Inc, and a member of the Board of Directors of the Sage Group, plc. Under his leadership, the company grew from less than \$160 million in revenue to over \$1 billion. Ron also engineered over 20 acquisitions and oversaw their successful integration into the company. Ron was most recently CEO of Corrigo, Inc., a leading Software as a Service (SaaS) company focused on the service sector. Prior to Sage Software, Ron was President and CEO of Peachtree Software, Inc., a leading pioneer in business management solutions for small to medium size businesses. Ron also was a Vice President of Marketing with Automatic Data Processing, President and CEO of NEBS Software, Inc., and the founder and CEO of ASTEC Software. He has extensive experience in vertical markets, including Healthcare, Accounting, Manufacturing, Distribution, and Non-Profit. Currently Ron is serving on the Board of Directors of iLumen, and is on the Board of Advisors of company.com, CEOVentures, and the Robinson College of Business.

## Directors' Report

The directors present herewith their report and the audited financial statements for the year ended 30 June 2009.

### Principal Activities

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

### Business Review

#### » Market Position and Products

The Group has continued to enhance its product range and functionality, whilst increasing the number of hospitals using its software products within its market in the US. The directors are satisfied with the performance of the Company and Group for the year and expect this growth, as set out below, to continue in future years.

#### » Financial Highlights

With the value of total contracts signed in the year being \$43.2m (2008: \$25.7m), the Group has increased revenues by 23.1% to \$23.0m and operating profits from \$3.6m to \$5.4m, with cash reserves of \$26.2m after paying \$1.9m in dividends to shareholders during the year and future revenue under contract of \$60.1m as at 30 June 2009.

#### » Operational Highlights

During the year the Group exceeded the threshold of 1,000 facilities using its software. The new products introduced during 2008 in the strategic pricing and supply management areas gained traction with sales to both new hospitals and into the Group's existing customer base. Product development has continued during the year, resulting in a further product in the supply management area being made generally available for sale in fiscal 2010.

#### » Future Developments

The Group continues to grow strongly with a positive outlook going forward as outlined in the Chairman's Statement and the Operational Review.

#### » Corporate Social Responsibility and Environmental Policy

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

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

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

### Principal Risks and Uncertainties and Key Performance Indicators (KPIs)

The directors consider that the US healthcare software market is likely to continue to provide growth opportunities for the Company's existing products and development pipeline. In addition, and with a continued high contract renewal rate, the Company's predominantly annuity-based pricing models and revenue recognition approach gives a high degree of revenue visibility and earnings growth predictability.

Nevertheless the market is not immune to the macro-economic climate and continues to be very competitive. The Company therefore aims to remain at the forefront of product innovation and delivery, through a combination of in-house development whilst assessing specific acquisition opportunities. This requires the recruitment, retention, and reward of skilled staff, alongside a responsiveness to opportunities as they arise.

With approximately one third of its cost denominated in Sterling, the Company requires to continually assess the most appropriate approach to managing its currency exposure in line with an overall goal of achieving predictable earnings growth.

The principal financial risks are detailed in Note 3 to the financial statements.

The directors consider that the following operating and financial KPIs remain critical to an understanding of the development, performance, and position of the business:

	2005 \$m's	2006 \$m's	2007 \$m's	2008 \$m's	2009 \$m's
<b>Value of contracts written in the year</b>	<b>12.8</b>	<b>15.1</b>	<b>20.7</b>	<b>25.9</b>	<b>43.2</b>
<b>Revenue</b>	<b>10.5</b>	<b>13.2</b>	<b>15.1</b>	<b>18.7</b>	<b>23.0</b>
<b>Earnings before interest, taxation, depreciation, amortisation and share based payments</b>	<b>2.9</b>	<b>3.7</b>	<b>3.8</b>	<b>4.5</b>	<b>5.8</b>
<b>Cash and receivables less payables</b>	<b>8.9</b>	<b>10.5</b>	<b>11.4</b>	<b>24.1</b>	<b>27.5</b>
Deferred income	10.7	9.5	9.5	10.3	11.1
Further contractual entitlements	14.7	17.8	23.4	29.6	49.0
<b>Future revenue under contract</b>	<b>25.4</b>	<b>27.3</b>	<b>32.9</b>	<b>39.9</b>	<b>60.1</b>

## Directors' Report

### Dividends

During the year the Company paid an interim dividend of 1.8p (2.66 cents). The directors are recommending the payment of a final dividend of 2.9p (4.77 cents) per share giving a total dividend of 4.7p (7.43 cents) per share based on the results for 2009 (2008: 3.1p (4.96 cents)). Subject to approval at the Annual General Meeting, the final dividend will be paid on 8 December to shareholders on the register as at 6 November.

The level of dividend proposed for the year is intended to deliver a dividend yield the directors believe is appropriate for a Company of this size and nature. In future years the directors intend to continue with a progressive dividend policy based on the Group's retained annual earnings. The level of distributions will be subject to the Group's working capital requirements and the ongoing needs of the business.

### Going Concern

The directors have reviewed the financial forecast for the Group and consider that it is appropriate to prepare the financial statements on the going concern basis.

### Research and Development activities

The Group continues its development programme of software products for the US healthcare industry which includes research and development of new complimentary products and the enhancements to the existing portfolio of market leading products. The directors regard investment in development activities as a prerequisite for success in the medium and long term future. During the year development expenditure amounted to \$3.0m (2008: \$2.6m) net of expenditure capitalised of \$0.6m (2008: \$0.5m).

### Power of Directors

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

### Authorised and Issued Share Capital

The Company's authorised share capital at the balance sheet date was 50,000,000 ordinary shares of 1p each of which 25,297,750 were issued and fully paid up. During the year, options were exercised pursuant to the Company's share option schemes, resulting in the allotment of 187,800 new ordinary shares. No further new ordinary shares have been allotted under these schemes since the end of the financial year to the date of this report.

### Directors and their interests

The directors of the Company are listed on page 10. Craig Preston was appointed as Chief Financial Officer on 15 September 2008 and Ron Verni was appointed as a new non-executive director on 1 May 2009. A M McDougall resigned on 15 September 2008.

The interests of the directors who held office at 30 June 2009 and up to the date of this report, were as follows:-

	2009	2008
<b>G R Elliot</b>	<b>15,650</b>	15,650
<b>N P Heywood</b>	<b>145,272</b>	150,000
<b>K Neilson</b>	<b>3,887,800</b>	3,887,800
	<b>4,048,722</b>	<b>4,053,450</b>

Director's interests in share options are detailed in the Remuneration Committee Report on page 19.

### Substantial shareholders

As at the 30 June 2009, the Company had been notified of the following beneficial interests in 3% or more of the issued share capital pursuant to section 793 of the Companies Act 2006:

	No. of Ordinary £0.01 Shares	% of issued share capital
<b>K Neilson</b>	3,887,800	15.37
<b>W G Craig</b>	3,394,504	13.42
<b>Blackrock Investment Mgmt.</b>	2,558,779	10.11
<b>Standard Life Investments</b>	2,525,336	9.98
<b>Fidelity Investments</b>	2,444,700	9.66
<b>Artemis Investment Mgmt.</b>	2,280,500	9.01
<b>Axa Investment Mgmt.</b>	1,322,750	5.23
<b>Aegon Asset Mgmt.</b>	1,031,486	4.08
<b>F&amp;C Asset Mgmt.</b>	843,121	3.33
<b>D W Paterson</b>	835,900	3.30
<b>Liontrust Asset Mgmt.</b>	802,039	3.17

The total number of shares as at 30 June 2009 was 25,297,750.

### Indemnity of Directors and Officers

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

### Employee Involvement

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

### Policy on payment of Creditors

It is the Group's normal practice to make payments to suppliers in accordance with agreed terms and conditions, generally within 30 days, provided that the supplier has performed in accordance with the relevant terms and conditions. Trade creditors at 30 June 2009 represented, on average 26 days purchases (2008: 13 days) for the Group and 30 days purchases (2008: 17 days) for the Company.

### Charitable and Political Contributions

The Group made charitable contributions of \$4,820 during the year relating to corporate participation in the Highland 100 charitable bike riding events (2008: \$1,382). Neither the Company nor its subsidiary made any donation for political purposes in 2009 or 2008.

### Employment of Disabled Persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and the appropriate training is arranged. It is the policy of the Company 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 suffer from a disability.

### Annual General Meeting

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

## Directors' Report

### Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report, the directors' remuneration report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing these financial statements, the directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that year.

In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State that the financial statements comply with IFRSs as adopted by the European Union; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group and Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary. This statement should cover both the Parent Company and the Group as a whole.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and for ensuring that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of 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 the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Auditors and Disclosure of Information to Auditors

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

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the annual general meeting.

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

**Craig Preston**  
Company Secretary

4 September 2009



The Board of Directors ("the Board") acknowledge the importance of the Principles set out in The Combined Code on Corporate Governance issued by the Financial Reporting Council in June 2006. Although the Combined Code is not compulsory for AIM listed companies, the Board has applied the principles in this statement, together with the Remuneration Committee Report set out on page 18 as far as practicable for a public Company of its size, as follows:

### Composition of the Board

The Company is managed by the Board of Directors, now comprising a non-executive chairman, chief executive officer, chief financial officer and two independent non-executive directors.

The composition of the Board changed during the year with the appointment of Craig Preston as the new Chief Financial Officer on 15th September 2008, taking over from A. McDougall who resigned from the same date. In addition, Ron Verni, was appointed as an independent non-executive director on 1 May 2009.

The Board is satisfied with the balance between executive and non-executive directors. The Board considers that its composition is appropriate in view of the size and requirements of the Group's business and the need to maintain a practical balance between executive and non-executive directors.

Each member of the Board brings different experience and skills to the Board and its various committees. The Board composition is kept under review and, when a new appointment is to be made, consideration is given to the particular skills, knowledge and experience that a potential new member could add to the existing Board composition. This mix of skills and business experience is a major contribution to the proper functioning of the Board, ensuring matters are debated and that no individual or group dominates the Board decision-making process.

Each of the executive directors is expected to act in accordance with ethical principles, including those of any professional body of which they are a member. The non-executive directors are a high-calibre and contribute wide-ranging business and financial experience to the Board's decision making process.

The Chairman, George Elliott, holds other directorships, and the Board has considered the time commitment required by his other roles and has concluded they do not detract from his chairmanship of the Company.

At every Annual General Meeting, at least one-third of the Directors who are subject to retirement by rotation, are required to retire and may be proposed for re-election under the retirement by rotation provisions in the Company's Articles of Association. In addition, any Director who was last appointed or re-appointed three years or more prior to the AGM is required to retire from office and may be proposed for re-election. Such a retirement will count in obtaining the number required to retire at the AGM.

New Directors, who were not appointed at the previous AGM, automatically retire at their first AGM and, if eligible, can seek re-appointment. As such Keith Neilson, Neil Heywood and Ron Verni (being his first AGM since appointment) will retire from office at the Company's forthcoming AGM and stand for re-appointment.

Since the year end, evaluation of the performance of the Board, its Committees and individual members has been conducted. The evaluation took the form of a questionnaire, discussions at formal Board meetings and informal meetings between the Chairman and individual members of the Board.

### Functioning of the Board

The Board meets regularly, usually monthly, to discuss and agree on the various matters brought before it, including the trading results. The Company has a highly committed and experienced Board, which is supported by a senior management team, with the qualification and experience necessary for the running of the Group.

The Board's role includes the review of the Company's strategy, the consideration and approval of business plans, significant transactions, and the monitoring of operational and financial performance. This is achieved through quarterly reviews by the Board and supplemented by monthly financial reporting and forecast updates.

In addition, there is regular communication between Executive and Non-Executive Directors, where appropriate, to update the Non-Executive Directors on matters requiring attention prior to the next Board meeting. The Non-Executive Directors will meet at least annually without Executive Directors being present. Due to the size of the Board during the year it has not been feasible for the Non-Executive Directors to meet without the Chairman being present.

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

There is a formal schedule of matters reserved for the Board for decision, which include approval of Group strategy, annual budgets and business plans, acquisitions, disposals, business development, annual reports and interim statements, any significant financing and capital expenditure plans. The day-to-day operation of the Group's business is delegated to management, subject to defined authority limits.

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

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

### Non-Executive Directors

On 1 May 2009 the Board appointed Ron Verni as an independent Non-Executive Director.

All Non-Executive Directors serving at the year-end are considered to be independent, as defined in Section A3.2 of the Code. They have been appointed for specified initial terms and provide the necessary balance to the Executive Directors as a result of their outside expertise.

In 2007, Neil Heywood received additional non-recurring fees in respect of advisory services provided to the Company prior to its admission to AIM. Due to the nature of these services and the length of time the services were provided for, the Board has concluded the payment of these fees did not impair his independence.

### Board Committees

The Board has established three Committees to deal with specific aspects of the Group's affairs: Audit, Remuneration and Nomination Committees. The terms of reference of these Committees are available on request from the Company.

The Committees now review their terms of reference and their effectiveness annually and, if necessary, recommend any changes to the Board. The minutes of the Committee meetings are available to all Directors and oral updates are given at Board meetings.

### The Audit Committee

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

During the year the Audit Committee, operating under its terms of reference, discharged its responsibilities, including reviewing and monitoring:

- interim and annual reports information including consideration of the appropriateness of accounting policies and material assumptions and estimates adopted by management;
- developments in accounting and reporting requirements;
- external auditors' plan for the year-end audit of the Company and its subsidiaries;
- the Committee's effectiveness;



## Corporate Governance Report

- the Risks and Controls Report covering the systems of internal control and their effectiveness, reporting and making new recommendations to the Board on the results of the review and receiving regular updates on key risk areas of financial control;
- the requirements or otherwise for an internal audit function;
- the performance and independence of the external auditors concluding in a recommendation to the Board on the reappointment of the auditors by shareholders at the Annual General Meeting. The auditors provide annually a letter to the Committee confirming their independence and stating the methods they employ to safeguard their independence;
- the audit and non-audit fees charged by the external auditors; and
- the formal engagement terms entered into with the external auditors.

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

The Audit Committee has also implemented procedures relating to the provision of non-audit services by the Company auditors, which include requiring non-audit work and any related fees over and above a de minimis level to be approved in advance by the Chairman of the Audit Committee.

### The Remuneration Committee

During the year, the Remuneration Committee was chaired by Neil Heywood (Ron Verni has taken over the chair of the Committee from the date of this report), and its other members are George Elliott and Ron Verni. It is usual for Keith Neilson, as Chief Executive Officer to be invited to attend meetings except where matters under review by the Committee relate to him.

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

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

### The Nomination Committee

The Nomination Committee is chaired by Neil Heywood and its other members are George Elliott and Ron Verni.

The role of the Nomination Committee is to assist the Board in determining the composition and make-up of the Board. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as directors, as the need may arise.

Before recommending the appointment of a non-executive director, the Committee establishes that the prospective director can give the time and commitment necessary to fulfil their duties, in terms of availability both to prepare for and attend meetings and to discuss matters at other times.

With regard to the appointment of Craig Preston as the Chief Financial Officer on 15 September 2008 and the appointment of Ron Verni on 1 May 2009, the Nomination Committee undertook an extensive search, supported by an external search firm, and considered both internal and external candidates for the role.

### Attendance at Board and Committee meetings

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

	Board	Nominations Committee	Remuneration Committee	Audit Committee
No. Meetings in year	10	5	2	3
<b>Executive Directors</b>				
K Neilson	10/10	5/5	2/2	1/1
CT Preston	8/8	-	-	2/2
A M McDougall	1/2	-	-	1/1
<b>Non Executive Directors</b>				
G R Elliot	10/10	5/5	2/2	2/3
N P Heywood	10/10	5/5	2/2	3/3
R Verni	1/1	-	-	-

### Internal Control

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

Executive Directors and senior management meet to review both the risks facing the business and the controls established to minimise those risks and their effectiveness in operation on an ongoing basis. The

aim of these reviews is to provide reasonable assurance that material risks and problems are identified and appropriate action taken at an early stage.

The Board confirms that procedures to identify, evaluate and manage the significant risks faced by the Group have been in place throughout the year and up to the date of approval of the Annual Report.

### Financial Control

The annual financial plan is reviewed and approved by the Board. Financial results with comparisons to plan and forecast results are reported on at least a quarterly basis to the Board together with a report on operational achievements, objectives and issues encountered. The quarterly reports are supplemented by interim monthly financial information. Forecasts are updated quarterly in the light of market developments and the underlying performance and expectations. Significant variances from plan are discussed at Board meetings and actions set in place to address them.

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

### Quality of Personnel and Employee Involvement

The Group is committed to attracting and retaining the highest calibre of personnel. It strives to do this through, amongst other things, the application of high standards in recruitment.

The Group is aware of the importance of good communication in relationships with its staff. The Group follows a policy of encouraging training and regular meetings between management and staff in order to provide a common awareness on the part of the staff of the financial and economic circumstances affecting the Company's performance. Most employees participate in the growth of the business through the ownership of share options and participation in the Group bonus scheme.

### Commitment to Continuous Improvement

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

### Business Ethics

The Board recognises that the Company is accountable to its shareholders and, at the same time, seeks to take into account the interests of all its stakeholders including customers, suppliers and subcontractors, employees, as well as the local community, and the environment in which it operates.

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

### Customers

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

### Suppliers and Subcontractors

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

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

### Employees

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

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

### Community

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

### Environment

The Group recognises that the nature of its business has inherently limited impact on the environment. However, every effort is made to ensure the environmental impact of the Group's operational practices is kept to a minimum, including strict adherence to all statutory requirements. To this end, a policy of minimising and recycling waste and conserving energy is pursued wherever it is viable to do so.

### Relations with Shareholders

The Chief Executive Officer and Chief Finance Officer have, where appropriate, had regular dialogue with institutional investors and analysts to discuss strategic and other issues and half-year results.

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

The Company's Annual Report is circulated to all shareholders on record and other interested parties, and may also be requested from the Company's registered office. The Company also monitors the opinions of shareholders and the research published by market analysts insofar as this is practicable, and responds to concerns when appropriate. The Company reports half yearly on its performance, and gives presentations to institutional investors and analysts and holds one-to-one briefings with key shareholders. All shareholders have at least 21 clear days' notice of the Annual General Meeting (AGM), which is held at a convenient location with adequate facilities for the expected audience. The Directors and Committee Chairmen are available for questions at the AGM.

### Going Concern

The Directors, having made suitable enquiries and analysis of the accounts, consider that the Group has adequate resources to continue in business for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing financial statements.

### Statement by Directors on Compliance with the Provisions of the Combined Code

The Board considers that they have complied with the provisions of The Combined Code, as far as practicable and appropriate for a public Company of this size, in accordance with the recommendations on corporate governance of the Quoted Companies Alliance. The specific provisions of The Combined Code not yet adopted are A1.3, A3.3, A6.1, A7.2 and D1.1. It is the intention of the Group to develop its procedures in certain areas where it would be valuable to do so.

### AIM Rule Compliance Report

Craneware plc is quoted on AIM and, as such under AIM Rule 31 the Company is required to:

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

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

**Craig Preston**  
Company Secretary

4 September 2009



## Remuneration Committee Report

The composition of The Remuneration Committee is outlined in the Corporate Governance Report on page 15.

The Remuneration Committee is responsible for determining and reviewing the terms of appointment and the remuneration of executive Directors. The Committee takes external advice, as appropriate, on remuneration issues and takes cognisance of major surveys covering all aspects of the pay and benefits of directors and senior executives in many companies.

### Policy

The Committee aims to provide base salaries and benefits which are competitive in the relevant external market and which take account of the Company and individual performance thus enhancing the Company's ability to recruit and retain the calibre of individuals required for its continuing business success. It is the policy of the Committee to provide financial incentives and to reward superior performance over the medium and long term by creating opportunities to enable cash bonuses, benefits packages and share incentives at all levels throughout the organisation. A large proportion of bonuses are dependent upon the achievement of targets and objectives.

### Service Contracts

The executive directors and the non-executive directors are employed under individual employment arrangements or letters of appointment where appropriate, which provide for three and one months notice respectively by either party.

G R Elliott was appointed Chairman for an initial term of three years commencing 10th August 2007.

### Directors' Interests

The Directors' interests in the ordinary shares of the Company are set out in the Directors' Report on page 12.

### Directors' Emoluments

For Directors who held office during the course of the year, emoluments for the year ending 30 June 2009 were as follows:

	Salary/Fees (\$)	Benefits (\$)	Bonus (\$)	Pension (\$)	2009 Total (\$)	2008 Total (\$)
<b>Executives</b>						
K Neilson	234,059	712	84,991	8,059	<b>327,821</b>	283,298
C T Preston	163,732	366	110,488	-	<b>274,586</b>	-
A M McDougall	92,148	454	-	-	<b>92,602</b>	233,393
<b>Non-Executives</b>						
G R Elliott	87,772	-	-	-	<b>87,772</b>	89,313
N P Heywood	42,292	-	-	-	<b>42,292</b>	432,888
R Verni	6,667	-	-	-	<b>6,667</b>	-
<b>Total</b>	<b>626,670</b>	<b>1,532</b>	<b>195,479</b>	<b>8,059</b>	<b>831,740</b>	1,038,892

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

• Benefits represent payments for health insurance.

• Accrued bonuses are included in the above and were approved by the Remuneration Committee.

• With the exception of R Verni, all Directors are paid in UK Sterling; the amounts above are translated at the relevant average exchange rate for period being reported.

All options which were granted or exercised during the year, or are outstanding at 30th June 2009 are over ordinary shares. Options over ordinary shares described as "initial options" were granted on the day following IPO and are subject to performance criteria. Options over Incentive Shares lapsed at IPO without any such options having been exercised.

## Remuneration Committee Report

### Directors' interests in share options

Directors' share options as at 30th June 2009 were, in respect of Directors who held office during the course of the year:

	Exercise Price (cents)	Exercise Price (pence)	Issue Date	Held At 30/06/08	Granted During Year	Exercised During Year	Lapsed During Year	Held At 30/06/09
<b>K Neilson</b>								
Ordinary shares ("initial options")	1.991	1.0	Sep-07	20,000	-	-	-	<b>20,000</b>
<b>A M McDougall</b>								
Ordinary shares ("initial options")	1.991	1.0	Sep-07	98,000	-	-	(98,000)	-
<b>CT Preston</b>								
Ordinary shares	365.0	208.0	Sep-08	-	72,115	-	-	<b>72,115</b>

Employee share options as at 30th June 2009 were:

	Exercise Price (cents)	Exercise Price (pence)	Issue Date	Held At 30/06/08	Granted During Year	Exercised During Year	Lapsed During Year	Held At 30/06/09
Ordinary shares	0.007	0.0033	May-06	205,800	-	(187,800)	-	<b>18,000</b>
Ordinary shares ("initial options")	1.991	1.0	Sep-07	1,040,800	-	-	(130,500)	<b>910,300</b>
Ordinary shares	0.007	0.0033	Sep-07	50,100	-	-	-	<b>50,100</b>
Ordinary shares	369.0	187.0	May-08	40,600	-	-	-	<b>40,600</b>
Ordinary shares	355.3	211.0	Oct-08	-	14,424	-	-	<b>14,424</b>
Ordinary shares	310.0	212.0	Jan-09	-	30,000	-	-	<b>30,000</b>

On behalf of the Remuneration Committee:

**Neil Heywood**  
Chairman of the Remuneration Committee

4 September 2009

## Independent Auditors' Report to the members of Craneware plc

We have audited the group and parent company financial statements of Craneware plc for the year ended 30 June 2009 which comprise the Consolidated Income Statement, Statement of Changes in Equity, the Consolidated and Company Balance Sheets, the Group and Company Cashflow Statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 2006.

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### 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 and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

### Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2009 and of the group's profit and group's and company's Cashflows for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matters prescribed by the Companies Act 2006

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

### Matters on which we are required to report by exception

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

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

**Caroline Roxburgh**  
Senior Statutory Auditor  
for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors  
Edinburgh

4 September 2009

## Consolidated Income Statement for the year ended 30 June 2009

	Notes	2009 \$'000	2008 \$'000
<b>Revenue</b>	4	<b>22,993</b>	18,676
Cost of sales		<b>(1,381)</b>	(954)
<b>Gross profit</b>		<b>21,612</b>	<b>17,722</b>
Net operating expenses	5	<b>(16,262)</b>	(14,141)
<b>Operating profit</b>	6	<b>5,350</b>	3,581
<b>Analysed as:</b>			
Profit before share-based payments, depreciation and amortisation		<b>5,812</b>	4,516
Share-based payments	9	<b>(82)</b>	(634)
Depreciation of plant and equipment		<b>(204)</b>	(183)
Amortisation of intangible assets		<b>(176)</b>	(118)
Finance income	10	<b>520</b>	607
<b>Profit before taxation</b>		<b>5,870</b>	4,188
Tax charge on profit on ordinary activities	11	<b>(1,422)</b>	(899)
<b>Profit for the year</b>		<b>4,448</b>	3,289

The results relate to continuing operations.

### Earnings per share for the period attributable to equity holders

	Notes	2009	2008
- Basic (\$ per share)	13a	<b>0.177</b>	0.137
- Diluted (\$ per share)	13b	<b>0.170</b>	0.130

## Statements of Changes in Equity for the year ended 30 June 2009

Group	Notes	Share Capital \$'000	Share Premium Account \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total \$'000
At 1 July 2007		1	1,823	2,477	(550)	3,751
Share split		386	(386)	-	-	-
Allotment pursuant to IPO		14	(14)	-	-	-
Share-based payments		-	-	564	557	1,121
New shares issued in the year		86	7,852	-	-	7,938
Options exercised		22	(22)	-	-	-
Retained profit for the year		-	-	-	3,289	3,289
<b>At 30 June 2008</b>		<b>509</b>	<b>9,253</b>	<b>3,041</b>	<b>3,296</b>	<b>16,099</b>
Share-based payments		-	-	82	(37)	<b>45</b>
Options exercised		3	(3)	-	-	-
Retained profit for the year		-	-	-	4,448	<b>4,448</b>
Dividends	12	-	-	-	(1,917)	<b>(1,917)</b>
<b>At 30 June 2009</b>		<b>512</b>	<b>9,250</b>	<b>3,123</b>	<b>5,790</b>	<b>18,675</b>

Company	Notes	Share Capital \$'000	Share Premium Account \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total \$'000
At 30 June 2007		1	1,823	1,793	(430)	3,187
Share split		386	(386)	-	-	-
Allotment pursuant to IPO		14	(14)	-	-	-
Share-based payments		-	-	402	61	463
New shares issued in the year		86	7,852	-	-	7,938
Options exercised		22	(22)	-	-	-
Retained profit for the year		-	-	-	2,560	2,560
<b>At 30 June 2008</b>		<b>509</b>	<b>9,253</b>	<b>2,195</b>	<b>2,191</b>	<b>14,148</b>
Share-based payments		-	-	31	38	<b>69</b>
Options exercised		3	(3)	-	-	-
Retained profit for the year		-	-	-	4,117	<b>4,117</b>
Dividends	12	-	-	-	(1,917)	<b>(1,917)</b>
<b>At 30 June 2009</b>		<b>512</b>	<b>9,250</b>	<b>2,226</b>	<b>4,429</b>	<b>16,417</b>

Other reserves relate to share-based payments and are detailed in Note 1, accounting policies, on page 28, and these reserves are not available for distribution.



## Consolidated Balance Sheet as at 30 June 2009

	Notes	2009 \$'000	2008 \$'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Plant and equipment	14	345	415
Intangible assets	15	1,206	794
Deferred tax	18	718	1,075
Trade and other receivables	17	25	75
		<b>2,294</b>	<b>2,359</b>
<b>Current Assets</b>			
Trade and other receivables	17	5,187	4,685
Cash and cash equivalents	21	26,169	21,112
		<b>31,356</b>	<b>25,797</b>
<b>Total Assets</b>		<b>33,650</b>	<b>28,156</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Deferred income		124	444
		<b>124</b>	<b>444</b>
<b>Current Liabilities</b>			
Deferred income		10,964	9,853
Trade and other payables	22	3,887	1,760
		<b>14,851</b>	<b>11,613</b>
<b>Total Liabilities</b>		<b>14,975</b>	<b>12,057</b>
<b>Equity</b>			
Called up share capital	19	512	509
Share premium account		9,250	9,253
Other reserves		3,123	3,041
Retained earnings		5,790	3,296
<b>Total Equity</b>		<b>18,675</b>	<b>16,099</b>
<b>Total Equity and Liabilities</b>		<b>33,650</b>	<b>28,156</b>

The financial statements on pages 21 to 44 were approved and authorised for issue by the board of directors on 4 September 2009 and were signed on its behalf by:

Keith Neilson  
Director

Craig Preston  
Director and Company Secretary

## Company Balance Sheet as at 30 June 2009

	Notes	2009 \$'000	2008 \$'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Investment in subsidiary undertaking	16	-	-
Plant and equipment	14	250	315
Intangible assets	15	1,198	785
Deferred Tax	18	157	281
Trade and other receivables	17	25	75
		<b>1,630</b>	<b>1,456</b>
<b>Current Assets</b>			
Trade and other receivables	17	4,584	4,437
Cash and cash equivalents	21	23,959	20,336
		<b>28,543</b>	<b>24,773</b>
<b>Total Assets</b>		<b>30,173</b>	<b>26,229</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Deferred income		124	444
		<b>124</b>	<b>444</b>
<b>Current Liabilities</b>			
Deferred income		10,964	9,853
Trade and other payables	22	2,668	1,784
		<b>13,632</b>	<b>11,637</b>
<b>Total Liabilities</b>		<b>13,756</b>	<b>12,081</b>
<b>Equity</b>			
Called up share capital	19	512	509
Share premium account		9,250	9,253
Other reserves		2,226	2,195
Retained earnings		4,429	2,191
<b>Total Equity</b>		<b>16,417</b>	<b>14,148</b>
<b>Total Equity and Liabilities</b>		<b>30,173</b>	<b>26,229</b>

The financial statements on pages 21 to 44 were approved and authorised for issue by the board of directors on 4 September 2009 and signed on its behalf by:

Keith Neilson  
Director

Craig Preston  
Director and Company Secretary

## Cashflow Statements for the year ended 30 June 2009

	Notes	Group		Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Cash flows from operating activities</b>					
Cash generated from operations	20	<b>7,378</b>	4,987	<b>6,145</b>	4,376
Interest received		<b>520</b>	607	<b>520</b>	607
Tax paid		<b>(202)</b>	(1,495)	<b>(464)</b>	(1,168)
<b>Net cash from operating activities</b>		<b>7,696</b>	4,099	<b>6,201</b>	3,815
<b>Cash flows from investing activities</b>					
Purchase of plant and equipment		<b>(134)</b>	(111)	<b>(78)</b>	(59)
Capitalised intangible assets		<b>(588)</b>	(478)	<b>(583)</b>	(474)
<b>Net cash used in investing activities</b>		<b>(722)</b>	(589)	<b>(661)</b>	(533)
<b>Cash flows from financing activities</b>					
Dividends paid to company shareholders	12	<b>(1,917)</b>	-	<b>(1,917)</b>	-
Net IPO proceeds		-	7,938	-	7,938
<b>Net cash (used)/from in financing activities</b>		<b>(1,917)</b>	7,938	<b>(1,917)</b>	7,938
<b>Net increase in cash and cash equivalents</b>		<b>5,057</b>	11,448	<b>3,623</b>	11,220
Cash and cash equivalents at the start of the year		<b>21,112</b>	9,664	<b>20,336</b>	9,116
<b>Cash and cash equivalents at the end of the year</b>		<b>26,169</b>	21,112	<b>23,959</b>	20,336

### General Information

Craneware plc (the Company) is a public limited company incorporated in Scotland. The Company has a primary listing on the AIM stock exchange. The address of its registered office and principal place of business is disclosed on page 45 of the annual report. The principal activity of the Company is described in the directors' report.

### Basis of preparation

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

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

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

## 1 Principal accounting policies

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

### Reporting Currency

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

### Currency Translation

Transactions denominated in foreign currencies are translated into US dollars at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities expressed in foreign currencies are translated into US dollars at rates of exchange ruling at the balance sheet date (\$1.6452/£1). Exchange gains or losses arising upon subsequent settlement of the transactions and from translation at the balance sheet date, are included within the related category of expense where separately identifiable, or in general and administrative expenses.

### New Standards, amendments and interpretations effective in the year

IAS 39, 'Financial instruments: Recognition and measurement' and IFRS 7, 'Financial instruments: Disclosure', on the 'Reclassification of financial assets' (both effective 1 July 2008\*), amendments that permit reclassification of some financial instruments out of the fair-value-through-profit-or-loss category and out of the available-for-sale category. These amendments have had no impact on the Group financial statements.

IFRIC 9, 'Re-assessment of embedded derivatives', clarifies certain aspects of the treatment of embedded derivatives under IAS 39, 'Financial Instruments: Recognition and Measurement' (if endorsed: effective for accounting periods ending 30 June 2009). This interpretation will have no impact on the Group financial statements.

IFRIC 12, 'Service concession arrangements' (effective 1 January 2008\*), applies to contractual arrangements whereby a private sector operator participates in the development, financing, operations and maintenance of infrastructure for public sector services. This amendment has had no impact on the Group financial statements.

IFRIC 13, 'Customer loyalty programmes' (effective 1 July 2008\*), clarifies that where goods or services are sold together with a customer loyalty incentive, the arrangement is a multi-element arrangement and the consideration receivable from the customer is allocated between components of the arrangement using fair values. This clarification has had no impact on the Group financial statements.

IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction (effective 1 January 2008\*)', provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. This interpretation has had no impact on the Group financial statements.

### New Standards, amendments and interpretations not yet effective

IFRS 1, 'First time adoption of IFRS' and IAS 27, 'Consolidated and separate financial statements' (effective 1 July 2009\*), amendment to allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure initial cost of investment in subsidiaries, jointly controlled entities and associates in the separate financial statements. There is no anticipated impact on the Group financial statements of this amendment.

IFRS 2, 'Share-based payments' (effective 1 January 2009\*), amendment relating to vesting conditions and cancellations. There is no anticipated impact on the Group financial statements of this amendment.

IFRS 3, 'Business combinations' and the consequential amendments to IAS 27, 'Consolidated and separate financial statements' (if endorsed: both effective 1 July 2009\*), a comprehensive revision and amendment on applying the acquisition method. There is no anticipated material impact on the Group financial statements should these be endorsed although any future acquisition costs will be required to be expensed.

IFRS 7, 'Financial instruments: Disclosure' (if endorsed: effective 1 January 2009\*), an amendment requiring enhanced disclosures in respect of fair value measurement and reinforces existing principles about liquidity risk. There is no material impact anticipated on the Group financial statements should this amendment be endorsed, although it is likely to result in some enhanced disclosure requirements.

IFRS 8, 'Operating segments' (effective 1 January 2009\*), replaces IAS 14, 'Segment reporting'. The new standard requires a 'managed approach', under which segment information is presented on the same basis as that used for internal reporting purposes. There is no anticipated impact on the Group financial statements although this will be continually assessed by management as reportable operating segments will be subject to change based on amendments to internal reporting.

IAS 1, 'Presentation of financial statements' (effective 1 January 2009\*), a revision of the standard that will affect the way financial statements are presented. Management is assessing the affects of the revised disclosure requirements of this standard; although no material impact on the Group financial statements is anticipated.

## Notes to the Financial Statements

IAS 23, 'Borrowing costs' (effective 1 January 2009\*), is amended to remove the option to immediately expense borrowing costs that are directly attributable to a qualifying asset. This amendment will not have any impact on the Group financial statements.

IAS 32, 'Financial instruments: Presentation' and IAS 1, 'Presentation of financial statements on puttable financial instruments and obligations arising on liquidation' (effective 1 January 2009\*). These amendments will not have any anticipated impact on the Group financial statements.

IAS 39, 'Financial instruments: Recognition and measurement' (if endorsed: effective 1 July 2009\*), to clarify two hedge accounting issues: inflation in a financial hedged item and one-sided risk in a hedged item. There is no anticipated impact on the Group financial statements should this amendment be endorsed.

IFRIC 15, 'Agreements for construction of real estates' (effective 1 January 2009\*), provides additional clarity in applying either 'Revenue' or 'Construction contracts' to specific contracts. This interpretation will have no anticipated impact on the Group financial statements.

IFRIC 16, 'Hedges of a net investment in a foreign operation' (effective 1 October 2008\*), provides additional clarification on the accounting treatment in respect of net investment hedging. This interpretation will have no anticipated impact on the Group financial statements.

IFRIC 17, 'Distributions on Non-cash Assets to Owners' (effective 1 July 2009\*), a clarification of recognition, measurement and disclosure. This interpretation will have no impact on the Group financial statements.

IFRIC 18, 'Transfers of assets from customers' (effective 1 July 2009\*), a clarification of the accounting arrangements where an item of property, plant and equipment which is provided by the customer is used to provide an ongoing service. This interpretation will have no impact on the Group financial statements.

The directors anticipate that the future adoption of these standards, amendments and interpretations (where relevant to the Group) will have no material financial impact on the financial statements of the Group. None of the above standards, amendments or interpretations have been adopted early.

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

### Basis of consolidation

The consolidated income statement and balance sheet include the accounts of the Parent Company and its subsidiary. Intra Group revenue and profits are eliminated on consolidation and all sales and profit figures relate to external transactions only. As permitted by Section 408(4) of the Companies Act 2006, the income statement of the Parent Company is not presented.

### Revenue Recognition

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

Revenue comprises the value of software license sales, installation, training, maintenance and support services, and consulting engagements. Revenue is recognised when (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) the sales price has been fixed and determinable; and (iv) collectability is reasonably assured.

For software arrangements with multiple elements, revenue is recognised dependent on whether vendor-specific objective evidence ("VSOE") of fair value exists for each of the elements. VSOE is determined by reference to sales to external customers made on a stand-alone basis. Where there is no VSOE revenue is recognised rateably over the full term of each contract.

Revenue from standard license products which are not modified to meet the specific requirements of each customer is recognised when the risks and rewards of ownership of the product are transferred to the customer.

Revenue from installation and training is recognised as services are provided, and from consulting engagements when all obligations under the consulting agreement have been fulfilled.

Software sub licensed to third parties is recognised in accordance with the underlying contractual agreements. Where separate services are delivered, revenue is recognised on delivery of the service.

The excess of amounts invoiced and future invoicing over revenue recognised is included in deferred Income. If the amount of revenue recognised exceeds the amounts invoiced the excess amount is included within accounts receivable.

### Plant and Equipment

All equipment and fixtures are stated at historical cost less depreciation. Depreciation is provided to write off the cost less estimated residual values of tangible fixed assets over their expected useful lives. It is calculated at the following rates:

Computer equipment	—	33% straight line
Tenants improvements	—	20% straight line
Office furniture	—	25% straight line

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

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

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

### Acquired Intangible Assets

Computer software and licensed to-use technology are capitalised at cost and amortised on a straight-line basis over a prudent estimate of the time that the Group is expected to benefit from them, which is typically three to five years.

### Intangible Assets – Research and Development Expenditure

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

### Impairment Tests

The Group considers whether there is any indication that non-current assets are impaired on an annual basis. If there is such an indication, the Group carries out an impairment test by measuring the assets' recoverable amount, which is the higher of the assets' fair value less costs to sell and their value in use. If the recoverable amount is less than the carrying amount an impairment loss is recognised.

### Taxation

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

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

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

### Investments in subsidiary

The investment in subsidiary is stated at cost less any provision for impairment.

### Operating leases

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

### Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all conditions pertaining to the grant. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

### Financial assets

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

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

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

### Financial liabilities

The only financial liability held by the Group at each balance sheet date included in the financial information is trade payables. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held with banks and short term highly liquid investments. For the purpose of the cash flow statement, cash and cash equivalents comprise of cash on hand, deposits held with banks and short term high liquid investments.

### Employee Benefits

The Group operates a defined contribution Stakeholder Pension Scheme as described in Section 3 of Welfare Reform and Pensions Act 1999. Private medical insurance is also offered to every employee. Amounts payable in respect to these benefits are charged to the income statement as they fall due.

### Share-Based Payments

The Group grants share options to certain employees. In accordance with IFRS 2, "Share-Based Payments" equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of the Black-Scholes pricing model as appropriately amended. The fair value determined at the date of grant of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest.

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

### Dividends

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

### 2 Critical accounting estimates and judgements

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

- **Provision for impairment of trade receivables:-** the Group assesses trade receivables for impairment which requires the directors to estimate the likelihood of payment forfeiture by customers.
- **Revenue recognition:-** the Group assesses the economic benefit that will flow from future milestone payments in relation to sub-licensing partnership arrangements. This requires the directors to estimate the likelihood of the Group, its partners, and sub-licensees meeting their respective commercial milestones and commitments.
- **Capitalisation of development expenditure:-** the Group capitalises development costs provided the aforementioned conditions have been met. Consequently the directors require to continually assess the commercial potential of each product in development and its useful life following launch.
- **Provisions for income taxes:-** the Group is subject to tax in the UK and US and this requires the directors to regularly assess the applicability of its transfer pricing policy.
- **Share-based payments:-** the Group requires to make a charge to reflect the value of share-based equity-settled payments in the period. At each grant of options and balance sheet date, the directors are required to consider whether there has been a change in the fair value of share options due to factors including number of expected participants.

### 3 Financial risk management

#### Financial risk factors

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

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

#### (a) Market risk

##### (i) Foreign exchange risk

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

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

The directors believe that a 10% change in the value of Sterling relative to the Dollar would impact post-tax profits by approximately \$600,000 as a result of foreign exchange gains/losses on Sterling denominated transactions and the translation of Sterling denominated current liabilities.

##### (ii) Cash flow and interest rate risk

The Group has no significant interest-bearing assets or liabilities, other than cash held on deposit at variable rates. The directors believe that a 25 basis point move in interest rates would, with all variables held constant, alter post-tax profit for the year in the region of \$60,000 higher/lower respectively.

#### (b) Credit risk

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

#### (c) Liquidity risk

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

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

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

#### Capital risk management

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

### 4 Revenue

The Group revenue is derived entirely from the sale, supply, installation and ongoing support of software products to hospitals within the United States of America and is deemed to have no other segments.

At 30 June 2008	Less than 1 year \$'000	Between 1 & 2 years \$'000	Between 2 & 5 years \$'000	Over 5 years \$'000	Total \$'000
Trade Payables	257	-	-	-	257
<b>At 30 June 2009</b>					
<b>Trade Payables</b>	<b>551</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>551</b>

## Notes to the Financial Statements

### 5 Net operating expenses

Net operating expenses are made up as follows:-

	2009 \$'000	2008 \$'000
Sales and marketing expenses	6,110	4,857
Client Servicing	4,017	3,359
Research and development	2,960	2,623
Administrative expenses	2,662	2,319
Share-based payments	82	634
Depreciation of plant and equipment	204	183
Amortisation of intangible assets	176	118
Exchange loss	51	48
<b>Net operating expenses</b>	<b>16,262</b>	<b>14,141</b>

### 6 Operating profit

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

	Notes	2009 \$'000	2008 \$'000
Staff costs	8	10,247	9,217
Depreciation of plant and equipment		204	183
Amortisation of intangible assets		176	118
Impairment of trade receivables		247	110
Purchased licences expensed		233	73
Operating lease rents for premises		232	256

### Services provided by the Group's auditor

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

	2009 \$'000	2008 \$'000
Statutory audit - Group	60	96
Tax compliance and other tax services	59	64
Employee incentive advice	-	90
Other assurance services	4	116
Reporting accountants at IPO	-	356
	<b>123</b>	<b>722</b>

### 7 Grant

	2009 \$'000	2008 \$'000
<b>Grants received / receivable in the year</b>	<b>-</b>	<b>399</b>

The grant receivable in the prior year related to an application made by the Group for a RSA grant. The criteria to qualify for this consisted of adding to existing development and support staff. This grant was not shown separately on the income statement but reduced the prior year net operating expenses.



## Notes to the Financial Statements

### 8 Staff costs

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

	2009 Number	2008 Number
Sales and distribution	26	21
Client Servicing	40	31
Research and development	35	31
Administration	16	17
	<b>117</b>	<b>100</b>

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

	2009 \$'000	2008 \$'000
Wages and salaries	9,211	7,760
Social security costs	929	803
Post employment benefits	25	20
Share-based payments	82	634
<b>Total direct costs of employment</b>	<b>10,247</b>	<b>9,217</b>

#### Highest paid director:-

Salary and short-term employee benefits	320	233
Post employment benefits	8	-
Share-based payments	3	53
	<b>331</b>	<b>286</b>

Director's emoluments are detailed in the Remuneration Committee Report on page 18 and key management compensation is given in the Related Party Transaction note on pages 43 and 44. Retirement benefits are accruing to 1 of the executive directors under a defined contribution scheme (2008: 1).

### 9 Share-based payments

The Group has an equity-settled share-based payment scheme, whereby options over shares in Craneware plc can be granted to employees and directors. A charge is shown in the income statement of \$81,847 (2008: \$633,554) as detailed in Note 8 above.

Options issued under the 2006 Share Options Plan over Ordinary shares and Incentive shares were granted at par and have been adjusted to reflect the 299 for 1 share split. Options over Ordinary shares vested on admission to AIM on 13 September 2007 and became fully exercisable on that date, whilst options over Incentive shares lapsed at this event. Outstanding options lapse upon leaving employment or if not exercised within 10 years from the date of grant. Directors and employees interests in share options are set out in the Remuneration Committee Report on page 19.

The market value of share options exercised during the year ranged from \$3.14 (£2.20) to \$3.86 (£2.267). The market value at 30 June 2009 was \$3.85 (£2.34).

Under the 2007 Share Options Plan, options over a maximum of 1,400,000 ordinary shares ("initial options") were granted on 14 September 2007 shortly after admission to AIM with an exercise price of \$0.02 (£0.01) per share. These options are subject to performance targets, will not normally vest until 1 October 2010, and will lapse upon leaving employment or 30 April 2011.

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

The fair value of options granted was estimated on the date of grant using the Black-Scholes option pricing model as appropriately adjusted. The Company estimates the number of options likely to vest by reference to the Group's staff retention rate, and expenses the fair value over the relevant vesting period. Volatility has been estimated by reference to similar companies whose shares are traded on a recognised stock exchange.

## Notes to the Financial Statements

### 9 Share-based payments (continued)

The assumptions for each option grant were as follows:

Date of Grant	05-Jan-09	21-Oct-08	08-Sep-08	02-May-08	14-Sep-07	13-Sep-07	16-Mar-07	26-Oct-06	11-May-06
Share price at date of grant	\$3.10	\$3.55	\$3.65	\$3.69	\$2.60	\$2.60	\$2.06*	\$1.97*	\$1.87*
Share price at date of grant	£2.12	£2.11	£2.08	£1.87	£1.28	£1.28	£1.06*	£1.04*	£0.99*
Vesting period (years)	3.00	3.00	3.00	3.00	3.04	0.00	0.45	0.84	1.30
Expected volatility	40%	40%	40%	40%	40%	40%	40%	40%	40%
Risk free rate	2.10%	3.82%	4.41%	5.00%	5.75%	5.75%	5.25%	4.75%	4.50%
Dividend yield	1.5%	1.5%	1.5%	1%	1%	1%	2%	2%	2%

#### Options over Ordinary shares

Exercise price	\$3.10	\$3.55	\$3.65	\$3.69	\$0.02	0.007¢	0.007¢	0.007¢	0.007¢
Exercise price	£2.12	£2.11	£2.08	£1.87	£0.01	0.0033p	0.0033p	0.0033p	0.0033p
Number of employees	1	1	1	1	84	1	19	5	48
Shares under option	30,000	14,424	72,115	40,600	1,400,000	50,100	56,700	16,200	1,412,700
Fair value per option	\$0.85	\$1.01	\$1.67	\$1.11	\$0.95	\$2.60	\$2.04	\$1.93	\$1.82

#### Options over Incentive shares

Exercise price							0.001¢	0.001¢	0.001¢
Exercise price							0.0003p	0.0003p	0.0003p
Number of employees							18	5	42
Shares under option							147,900	15,000	1,104,000
Weighted average fair value per option							\$0.004	\$0.037	\$0.131

\* At directors' valuation prior to IPO.

The following options have been granted over Ordinary shares and Incentive shares:

	2009 Options Number	2008 Options Number
<b>2006 Share Option Plan:-</b>		
<b>Ordinary share options (0.0033p exercise price)</b>		
Outstanding at 1 July	255,900	1,480,800
Granted	-	50,100
Forfeited	-	(191,580)
Exercised	(187,800)	(1,083,420)
<b>Outstanding at 30 June</b>	<b>68,100</b>	<b>255,900</b>
<b>Incentive share options (0.0003p exercise price)</b>		
Outstanding at 1 July	-	1,266,900
Granted	-	-
Forfeited	-	(1,266,900)
<b>Outstanding at 30 June</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements

### 9 Share-based payments

The following options have been granted over Ordinary shares and Incentive shares:

	2009 Options Number	2008 Options Number
<b>2007 Share Option Plan:-</b>		
<b>Initial options of ordinary shares (£0.01 exercise price)</b>		
Outstanding at 1 July	1,158,800	-
Granted	-	1,400,000
Forfeited	(228,500)	(241,200)
Exercised	-	-
<b>Outstanding at 30 June</b>	<b>930,300</b>	<b>1,158,800</b>
<b>Ordinary share options (£1.87 exercise price)</b>		
Outstanding at 1 July	40,600	-
Granted	-	40,600
Forfeited	-	-
<b>Outstanding at 30 June</b>	<b>40,600</b>	<b>40,600</b>
<b>Ordinary share options (£2.08 exercise price)</b>		
Outstanding at 1 July	-	-
Granted	72,115	-
Forfeited	-	-
<b>Outstanding at 30 June</b>	<b>72,115</b>	<b>-</b>
<b>Ordinary share options (£2.11 exercise price)</b>		
Outstanding at 1 July	-	-
Granted	14,424	-
Forfeited	-	-
<b>Outstanding at 30 June</b>	<b>14,424</b>	<b>-</b>
<b>Ordinary share options (£2.12 exercise price)</b>		
Outstanding at 1 July	-	-
Granted	30,000	-
Forfeited	-	-
<b>Outstanding at 30 June</b>	<b>30,000</b>	<b>-</b>

### 10 Finance Income

	2009 \$'000	2008 \$'000
Deposit interest receivable	472	607
Other interest receivable	48	-
<b>Total interest receivable</b>	<b>520</b>	<b>607</b>

## Notes to the Financial Statements

### 11 Tax on profit on ordinary activities

	2009 \$'000	2008 \$'000
Profit on ordinary activities before tax	5,870	4,188
<b>Current tax</b>		
Corporation tax on profits of the period	1,620	701
Foreign exchange on taxation in the year	24	-
Adjustments for prior years	(543)	(8)
Total current tax charge	1,101	693
<b>Deferred tax</b>		
Origination & reversal of timing differences	122	206
Adjustments for prior periods	199	-
Total deferred tax charge	321	206
<b>Tax on profit on ordinary activities</b>	<b>1,422</b>	<b>899</b>

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

Profit on ordinary activities at the UK tax rate 28% (2008: 29.5%)	1,644	1,235
Effects of		
Adjustment in respect of prior years		
Current tax	(543)	(8)
Deferred tax	199	31
State tax	43	49
Additional US tax on profit/(losses) 34% (2008: 34%)	51	(40)
Foreign exchange	24	-
Expenses not deductible for tax purposes	17	79
Non-taxable income	-	(61)
Tax deduction on share plan charges	(13)	(375)
Adjustment to rate at which deferred tax will unwind	-	(11)
<b>Total tax charge</b>	<b>1,422</b>	<b>899</b>

### 12 Dividends

The dividends paid during the year were as follows:-

	2009 \$'000	2008 \$'000
Final dividend, re 30 June 2008 - 4.96 cents (3.1 pence)/share	1,172	-
Interim dividend, re 30 June 2009 - 2.66 cents (1.8 pence)/share	745	-
<b>Total dividends paid to company shareholders in the year</b>	<b>1,917</b>	<b>-</b>

The proposed final dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these accounts.

## Notes to the Financial Statements

### 13 Earnings per share

#### (a) Basic

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

	2009	2008
Profit attributable to equity holders of the Company (\$'000)	4,448	3,289
Weighted average number of ordinary shares in issue ('000)	25,187	23,964
<b>Basic earnings per share (\$ per share)</b>	<b>0.177</b>	<b>0.137</b>

#### (b) Diluted

For diluted earnings per share, the weighted average number of ordinary shares calculated above is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has one category of dilutive potential ordinary shares, being those share options granted to directors and employees under the share option scheme (Note 9).

	2009	2008
Profit attributable to equity holders of the Company (\$'000)	4,448	3,289
Weighted average number of ordinary shares in issue ('000)	25,187	23,964
Adjustment for Share options ('000)	1,007	1,408
Weighted average number of ordinary shares for diluted earnings per share ('000)	26,194	25,372
<b>Basic earnings per share (\$ per share)</b>	<b>0.170</b>	<b>0.130</b>

## Notes to the Financial Statements

### 14 Plant and equipment

Group	Computer Equipment \$'000	Office Furniture \$'000	Tenants Improvements \$'000	Total \$'000
<b>Cost</b>				
At 1 July 2008	611	239	323	<b>1,173</b>
Additions	98	26	10	<b>134</b>
At 30 June 2009	709	265	333	<b>1,307</b>
<b>Depreciation</b>				
At 1 July 2008	464	138	156	<b>758</b>
Charge for the year	106	48	50	<b>204</b>
At 30 June 2009	570	186	206	<b>962</b>
<b>Net book value at 30 June 2009</b>	<b>139</b>	<b>79</b>	<b>127</b>	<b>345</b>
<b>Cost</b>				
At 1 July 2007	528	213	321	1,062
Additions	83	26	2	111
At 30 June 2008	611	239	323	1,173
<b>Depreciation</b>				
At 1 July 2007	370	98	107	575
Charge for the year	94	40	49	183
At 30 June 2008	464	138	156	758
<b>Net book value at 30 June 2008</b>	<b>147</b>	<b>101</b>	<b>167</b>	<b>415</b>
<b>Company</b>				
<b>Cost</b>				
At 1 July 2008	370	173	323	<b>866</b>
Additions	43	25	10	<b>78</b>
At 30 June 2009	413	198	333	<b>944</b>
<b>Depreciation</b>				
At 1 July 2008	292	103	156	<b>551</b>
Charge for the year	58	35	50	<b>143</b>
At 30 June 2009	350	138	206	<b>694</b>
<b>Net book value at 30 June 2009</b>	<b>63</b>	<b>60</b>	<b>127</b>	<b>250</b>
<b>Cost</b>				
At 1 July 2007	328	158	321	807
Additions	42	15	2	59
At 30 June 2008	370	173	323	866
<b>Depreciation</b>				
At 1 July 2007	237	75	107	419
Charge for the year	55	28	49	132
At 30 June 2008	292	103	156	551
<b>Net book value at 30 June 2008</b>	<b>78</b>	<b>70</b>	<b>167</b>	<b>315</b>

## Notes to the Financial Statements

### 15 Intangible assets

Research & Development, plus computer software:-

	Group			Company		
	In Process R & D \$'000	Computer Software \$'000	Total \$'000	In Process R & D \$'000	Computer Software \$'000	Total \$'000
<b>Cost</b>						
At 1 July 2008	1,317	252	<b>1,569</b>	1,317	194	<b>1,511</b>
Additions	569	19	<b>588</b>	569	14	<b>538</b>
At 30 June 2009	1,886	271	<b>2,157</b>	1,886	208	<b>2,094</b>
<b>Amortisation</b>						
At 1 July 2008	599	176	<b>775</b>	599	127	<b>726</b>
Charge for the year	126	50	<b>176</b>	126	44	<b>170</b>
At 30 June 2009	725	226	<b>951</b>	725	171	<b>896</b>
<b>NBV at 30 June 2009</b>	<b>1,161</b>	<b>45</b>	<b>1,206</b>	<b>1,161</b>	<b>37</b>	<b>1,198</b>
<b>Cost</b>						
At 1 July 2007	867	224	1,091	867	170	1,037
Additions	450	28	478	450	24	474
At 30 June 2008	1,317	252	1,569	1,317	194	1,511
<b>Amortisation</b>						
At 1 July 2007	536	121	657	536	83	619
Charge for the year	63	55	118	63	44	107
At 30 June 2008	599	176	775	599	127	726
<b>NBV at 30 June 2008</b>	<b>718</b>	<b>76</b>	<b>794</b>	<b>718</b>	<b>67</b>	<b>785</b>

### 16 Investment in subsidiary undertaking

The following information relates to the subsidiary which, in the opinion of the directors, principally affected the profits or assets of the Group:-

Name of Company	Class of Shares held	Proportion of Nominal Value of Issued Shares held by Craneware plc	Nature of Business
Craneware Inc.	Ordinary	100%	Sales & Marketing

The above Company is incorporated in the United States of America and Craneware plc hold 10,000 (2008: 10,000) common shares with a nominal value of \$0.01 each. The results of the Subsidiary Company have been included in the consolidated financial statements.

## Notes to the Financial Statements

### 17 Trade and other receivables

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Trade receivables	4,371	3,808	4,371	3,808
less: provision for impairment of trade receivables	(322)	(196)	(322)	(196)
Net trade receivables	4,049	3,612	4,049	3,612
Other receivables	84	68	34	63
Prepayments and accrued income	1,079	1,080	526	837
	5,212	4,760	4,609	4,512
Less non-current trade receivables	(25)	(75)	(25)	(75)
<b>Current portion</b>	<b>5,187</b>	<b>4,685</b>	<b>4,584</b>	<b>4,437</b>

There is no material difference between the fair value of trade and other receivables and the book value stated above.

As at 30 June 2009, trade receivables of \$300,919 (2008: \$256,842) were past due and therefore deemed to be impaired. The amount of the provision against these receivables was \$275,119 as of 30 June 2009 (2008: \$196,296). The individually impaired receivables mainly relate to clients' financial difficulties and unresolved disputes. It was assessed a portion of the receivables is expected to be recovered.

The ageing of these receivables is as follows:-

	2009 \$'000	2008 \$'000
Less than 30 days past due	26	23
30 – 60 days past due	-	-
61 – 90 days past due	16	23
91 – 120 days past due	-	-
121+ days past due	259	211
	301	257



## Notes to the Financial Statements

### 17 Trade and other receivables

As at 30 June 2009, trade receivables of \$860,989 (2008: \$1,218,915) were past due but not impaired. These relate to a number of clients for whom there is no recent history of default.

The ageing analysis of these trade receivables is as follows:

	2009 \$'000	2008 \$'000
Less than 30 days past due	581	489
31 – 60 days past due	106	176
61 – 90 days past due	83	148
91 – 120 days past due	-	55
121+ days past due	91	351
	<b>861</b>	<b>1,219</b>

As at 30 June 2009, trade receivables of \$3,162,080 (2008: \$2,331,946) were not past due or impaired, and the Group does not anticipate collection issues. A further \$46,861 (2008: \$Nil) was not past due but deemed to be impaired due to a client in financial difficulty.

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

	2009 \$'000	2008 \$'000
At 1 July	196	271
Provision for receivables impairment on revenue recognised	305	189
Receivables written off during year as uncollectable	(122)	(155)
Unused amounts reversed	(57)	(109)
<b>At 30 June</b>	<b>322</b>	<b>196</b>

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

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

## Notes to the Financial Statements

### 18 Deferred taxation

Deferred tax is calculated in full on the temporary differences under the liability method using a rate of tax of 28% (2008: 28%) in the UK and 39% (2008: 39%) in the US including a provision for state taxes.

The movement on the deferred tax account is shown below:-

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
At 1 July 2008	1,075	810	281	460
Income statement charge	(321)	(206)	(162)	(240)
Transfer direct to equity	(36)	471	38	61
<b>At 30 June 2009</b>	<b>718</b>	<b>1,075</b>	<b>157</b>	<b>281</b>

The movements in deferred tax assets and liabilities during the year are shown below. Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net. The net deferred tax asset to be recovered from 30 June 2009 was \$718,361 (2008: \$1,075,367).

#### Deferred tax assets - recognised

Group	Accelerated accounting depreciation \$'000	Short term timing differences \$'000	Losses \$'000	Share Options \$'000	Total \$'000
At 1 July 2008	7	89	479	567	1,142
Charged to income statement	-	-	(232)	(128)	(360)
(Charged)/credited to equity	-	-	(247)	211	(36)
<b>Total provided at 30 June 2009</b>	<b>7</b>	<b>89</b>	<b>-</b>	<b>650</b>	<b>746</b>
At 1 July 2007	4	79	-	758	841
Charged to income statement	3	10	232	(415)	(170)
Credited to equity	-	-	247	224	471
<b>Total provided at 30 June 2008</b>	<b>7</b>	<b>89</b>	<b>479</b>	<b>567</b>	<b>1,142</b>

#### Deferred tax liabilities - recognised

Group	Accelerated tax depreciation \$'000	Total \$'000
At 1 July 2008	(67)	(67)
Credited to income statement	39	39
<b>Total provided at 30 June 2009</b>	<b>(28)</b>	<b>(28)</b>
At 1 July 2007	(31)	(31)
Charged to income statement	(36)	(36)
<b>Total provided at 30 June 2008</b>	<b>(67)</b>	<b>(67)</b>

## Notes to the Financial Statements

### 18 Deferred taxation

<b>Deferred tax assets - recognised</b>	Accelerated accounting depreciation \$'000	Short term timing differences \$'000	Losses \$'000	Share Options \$'000	<b>Total \$'000</b>
<b>Company</b>					
At 1 July 2008	-	-	-	348	<b>348</b>
Charged to income statement	-	-	-	(201)	<b>(201)</b>
Credited to equity	-	-	-	38	<b>38</b>
<b>Total provided at 30 June 2009</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>185</b>	<b>185</b>
At 1 July 2007	-	-	-	492	492
Charged to income statement	-	-	-	(204)	(204)
Credited to equity	-	-	-	60	60
<b>Total provided at 30 June 2008</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>348</b>	<b>348</b>

<b>Deferred tax liabilities - recognised</b>	Accelerated tax depreciation \$'000	<b>Total \$'000</b>
<b>Company</b>		
At 1 July 2008	(67)	<b>(67)</b>
Credited to income statement	39	<b>39</b>
<b>Total provided at 30 June 2009</b>	<b>(28)</b>	<b>(28)</b>
At 1 July 2007	(32)	(32)
Charged to income statement	(35)	(35)
<b>Total provided at 30 June 2008</b>	<b>(67)</b>	<b>(67)</b>

### 19 Called up share capital

	2009		2008	
	Number	\$'000	Number	\$'000
<b>Authorised</b>				
<u>Equity share capital</u>				
Ordinary shares of 1p each	<b>50,000,000</b>	<b>1,014</b>	50,000,000	1,014
<b>Allotted called-up and fully paid</b>				
<u>Equity share capital</u>				
Ordinary shares of 1p each	<b>25,297,750</b>	<b>512</b>	25,109,950	509

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

- 187,800 Ordinary Share options were exercised in the year, as detailed in the Remuneration Committee Report on page 19.

## Notes to the Financial Statements

### 20 Cash flow generated from operating activities

Reconciliation of profit before tax to net cash inflow from operating activities:-

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Profit before tax	5,870	4,188	5,012	3,557
Finance income	(520)	(607)	(520)	(607)
Depreciation on plant and equipment	204	183	143	132
Amortisation on intangible assets	176	118	170	107
Share-based payments	82	634	32	414
Less US employer tax on exercise of options	-	(58)	-	-
Less related professional fees	-	(12)	-	(12)
<b>Movements in working capital:</b>				
Decrease in inventory	-	8	-	-
Increase in trade and other receivables	(452)	(669)	(96)	(580)
Increase in trade and other payables	2,018	1,202	1,404	1,365
<b>Cash generated from operations</b>	<b>7,378</b>	<b>4,987</b>	<b>6,145</b>	<b>4,376</b>

### 21 Cash and cash equivalents

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Cash at bank and in hand</b>	<b>26,169</b>	<b>21,112</b>	<b>23,959</b>	<b>20,336</b>

The effective rates on short term bank deposits were 2.23% (2008: 3.55%).

### 22 Trade and other payables - current

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Trade payables	551	257	133	169
Amounts owed to group companies	-	-	791	551
Social security and PAYE	120	125	120	125
Corporation tax	775	(124)	421	151
Accruals	2,303	1,354	1,065	640
Advance receipts	138	148	138	148
	<b>3,887</b>	<b>1,760</b>	<b>2,668</b>	<b>1,784</b>

Amounts owed to Group companies are non interest bearing and have no fixed repayment terms. Trade payables are settled in accordance with those terms and conditions agreed, generally within 30 days, provided that all trading terms and conditions on invoices have been met. The Group's average payment period at 30 June 2009 was 26 days (2008: 13 days).

## Notes to the Financial Statements

### 23 Contingent liabilities and financial commitments

#### (a) Capital commitments

The Group has no capital commitments at 30 June 2009 (2008: \$nil).

#### (b) Lease commitments

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

	2009 \$'000	2008 \$'000
Within one year	203	240
Between 2 and 5 years	164	489
	<b>367</b>	<b>729</b>

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

### 24 Related party transactions

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

Group	2009		2008	
	Charged \$	Outstanding at year end \$	Charged \$	Outstanding at year end \$
<b>Investor monitoring fees</b>	-	-	6,321	-
<b>Fees for services provided as Non-Executive Directors</b>				
Fees	48,959	6,788	432,888	4,678
Salaries and short-term employee benefits	87,772	-	89,313	-
<b>Executive Directors</b>				
Salaries and short-term employee benefits	686,950	195,479	506,671	64,132
Post employment benefits	8,059	-	10,020	-
Share-based payments	34,683	-	55,213	-
<b>Other Key Management</b>				
Salaries and short-term employee benefits	1,082,650	199,982	825,347	96,198
Post employment benefits	8,059	-	10,020	-
Share-based payments	10,766	-	248,806	-

## Notes to the Financial Statements

### 24 Related party transactions (continued)

Company	2009		2008	
	Charged \$	Outstanding at year end \$	Charged \$	Outstanding at year end \$
<b>Investor monitoring fees</b>	-	-	6,321	-
<b>Fees for services provided as Non-Executive Directors</b>				
Fees	48,959	6,788	432,888	4,678
Salaries and short-term employee benefits	87,772	-	89,313	-
<b>Executive Directors</b>				
Salaries and short-term employee benefits	686,950	195,479	506,671	64,132
Post employment benefits	8,059	-	10,020	-
Share-based payments	34,683	-	55,213	-
<b>Other Key Management</b>				
Salaries and short-term employee benefits	536,009	169,982	486,434	64,132
Post employment benefits	8,059	-	10,020	-
Share-based payments	3,064	-	197,560	-
<b>Amounts due to Craneware Inc. - subsidiary company</b>				
Sales commission	10,452,304	-	8,005,396	-
Net operating expenses	1,876,245	-	1,778,079	-
Balance (Note 22)	-	791,411	-	551,046

Key management are considered to be the directors together with the Chief Operating Officer, Chief Technology Officer, the President of Craneware Inc. and the Head of Marketing (appointed to the Operations Board at the start of the year).

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

### 25 Ultimate controlling party

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

## Contact Craneware

### Support & Information

#### Client training/support:

+1 888 601 4162  
support@craneware.com  
training@craneware.com

#### Sales:

+1 877 624 2792  
sales@craneware.com

#### Careers:

+44 (0)1506 407666  
hr@craneware.com

#### General enquiries:

+1 407 384 1711  
info@craneware.com

#### Investor information:

+44 (0) 207 651 8688  
ICIS

### UK Headquarters

#### Craneware plc

Rosebank Business Park  
Kirkton Campus  
Livingston  
West Lothian EH54 7EJ  
United Kingdom

Fax: +44 (0)1506 407667

### USA Headquarters

#### Craneware, Inc.

5770 Hoffner Ave., Suite 102  
Orlando, FL 32822-4809  
USA

Fax: +1 407 384 9413

## Directors, Secretary and Advisors

### Directors and Officials

#### Directors

G R Elliott [Chairman, non-executive]  
K Neilson  
N P Heywood [non-executive]  
A M McDougall (Resigned 15/09/2008)  
C T Preston (Appointed 15/09/2008)  
R F Verni [non-executive] (Appointed 01/05/2009)

### Secretary and Registered Office

#### C T Preston

Rosebank Business Park  
Kirkton Campus  
Livingston  
EH54 7EJ

### Brokers & Nominated Advisors

#### KBC Peel Hunt Ltd

111 Old Broad Street  
London  
EC2N 1PH

### Registrars

#### Capita Registrars Ltd

The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

### Registered Auditors

#### PricewaterhouseCoopers LLP

Erskine House  
68-73 Queen Street  
Edinburgh  
EH2 4NH

### Solicitors

#### McGrigors LLP

Princes Exchange  
1 Earl Grey Street  
Edinburgh  
EH3 9AQ

### Bankers

#### The Royal Bank of Scotland plc

36 St. Andrew Square  
Edinburgh  
EH2 2YB

#### Clydesdale Bank

20 Waterloo Street  
Glasgow  
G2 6DB

#### Barclays Commercial Bank

Aurora House  
120 Bothwell Street  
Glasgow  
G2 7JT

#### HSBC Bank plc

7 West Nile Street  
Glasgow  
G1 2RG

*craneware.com*

**marketing@craneware.com**  
**training@craneware.com**  
**sales@craneware.com**  
**support@craneware.com**

**Craneware plc**

Rosebank Business Park  
Kirkton Campus  
Livingston  
EH54 7EJ, UK  
Tel: (+44) 01506 407 666  
Fax: (+44) 01506 407 667



Company Registration No. SC196331  
Craneware plc