Fineos Corporation U.C. and Subsidiaries

Directors' Report and consolidated financial statements for the year ended 30 June 2017

FINEOS CORPORATION U.C. AND SUBSIDIARIES

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

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COMPANY INFORMATION

DIRECTORS	Michael Kelly Peter le Beau (Chairman) (British) Tom Wall Gilles Biscay (French)
SECRETARY	Tom Wall
REGISTERED OFFICE	FINEOS House, East Point Business Park, Dublin 3.
REGISTERED NUMBER OF INCORPORATION	205721
SOLICITORS	William Fry, 2 Grand Canal Square, Dublin 2.
BANKERS	Bank of Ireland, Lower Baggot Street, Dublin 2. HSBC Bank, 1 Grand Canal Square, Dublin 2.
AUDITORS	Mazars, Chartered Accountants & Statutory Audit Firm, Harcourt Centre, Block 3, Harcourt Road, Dublin 2.

DIRECTORS' REPORT
for the year ended 30 June 2017

The directors present herewith their report and audited consolidated financial statements for the year ended 30 June 2017. These financial statements reflect the performance of Fineos Corporation U.C. and its subsidiaries ("the group") for the year to 30 June 2017.

1. COMPANIES ACT 2014

Under the Companies Act 2014, the law of the unlimited company by virtue of section 1246 applies to Fineos Corporation with a requirement to have the company type added to the end of the company name, unless granted an exemption under section 1237 of the Companies Act 2014. As a result, Fineos Corporation is now known as Fineos Corporation U.C.

2. PRINCIPAL ACTIVITIES AND REVIEW OF THE DEVELOPMENT AND PERFORMANCE OF THE BUSINESS DURING THE FINANCIAL YEAR

FINEOS Corporation U.C. ("the company") and subsidiaries (collectively "FINEOS", or "the group") remains an innovator of enterprise claims management software for the Life, Accident and Health insurance industry. The group continues to develop and sell its solutions to enable greater flexibility, efficiency and profitability within business operations. FINEOS software solutions are typically integrated with existing back office administration systems and other systems in operation within insurance organisations.

The company is headquartered in Ireland, and has offices in the United States ("US"), Europe, New Zealand and Australia.

Business summary and key performance indicators
The key performance indicators of the 2017 results reflect a decrease in revenue from €45 million for the year ended 30 June 2016 ("2016") to €41.1 million for the year ended 30 June 2017 ("2017"). The loss before tax for the year ended 30 June 2017 is €10.1 million compared to a loss of €0.4 million for year ended 30 June 2016. This year on year revenue change reflects the move to a subscription based billing model and the re-allocation of billable staff to R & D based projects.

The group significantly increased investment in research and development during fiscal year 2017 in the FINEOS AdminSuite products, which includes the development of Absence Management, Policy Administration and Billing to complement Claims.

Euro based currency volatility continued during fiscal year 2017 in relation to the US Dollar, Sterling, Australian Dollar, New Zealand Dollar and Canadian Dollar, resulting in a foreign exchange loss of €0.2 million for the group in the year. Foreign exchange continues to be a risk for FINEOS given the export profile of company. This is closely managed with part of the risk being covered by the natural hedge of the non-euro denominated staff costs and other overheads being paid in local currency.

Continued close management and control of the fixed cost base is a key emphasis for all activities. This is important given the ongoing need for strong sales, implementation and support services of business activities in global but separate geographies such as Canada, Australia, New Zealand, US and the UK. FINEOS continues to align its organisational structure to reflect the specific business needs in the respective regions. This is complementary to the group's strategy of focusing on actively resourcing and training staff in line with business demand in the various regions.

2. PRINCIPAL ACTIVITIES AND REVIEW OF THE DEVELOPMENT AND PERFORMANCE OF THE BUSINESS DURING THE FINANCIAL YEAR (continued)

2017 reflects the continued focus on delivering value in the insurance market and specifically within the Life, Accident and Health claims sectors in the USA, Canada, Australia and Asia-Pacific regions.

The cash reserves closed out at €13.8 million for the year ended 30 June 2017 compared to €13 million for the year ended 30 June 2016. These reserves continue to be adequate for the on-going development of operations.

The consolidated statement of comprehensive income for the year ended 30 June 2017 and the consolidated statement of financial position at that date are set out on pages 12 and 13. The consolidated loss on ordinary activities for the year, before tax, amounted to €10.1 million compared to a loss of €0.4 million in 2016. After deducting taxation of €0.3 million, a loss of €10.4 million has been debited to reserves. The expense recognised in the period in respect of research and development was €17.9m (2016: €13.2m).

Non-financial key performance indicators include employment and environmental matters. The company and group will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The group adheres to best practice in the area of employee welfare and complies in all material respects with health and safety requirements.

3. PRINCIPAL RISKS AND UNCERTAINTIES FACED

In the opinion of the directors, the main risks and uncertainties faced by the group, along with the nature of their potential impact, are as follows:

- Global economic and political uncertainty and volatility continues in all market places where FINEOS trades. This could potentially lead to delays and uncertainty on the allocated budgets of existing and prospective customers and has directly contributed to extended procurement timelines, plus adding additional focus on return on investment and specific payback timelines on these investments;
- FINEOS continues to face competition in its respective markets, and if FINEOS fails to compete successfully, market share will decline;
- FINEOS subsidiaries and branches operate in currencies other than the Euro, and continued volatility in foreign exchange rates relative to the Euro could adversely affect the group reported earnings and cash flow;
- Competitors' products may replace existing FINEOS products and as a result, FINEOS may lose market share in the markets for these products;
- Major changes in technology could have an impact on FINEOS and its trading model unless it continues to invest in R&D and remains competitive;
- FINEOS sells product and services to North America, Canada, Australia, New Zealand, the UK and Europe, which increases complexity of local customer requirements, and also local compliance requirements in the respective countries;
- The loss of a key executive officer or other key employees, or the limited availability of qualified personnel may disrupt operations or increase the cost structure;
- The loss of a significant customer could have a significant negative effect on revenues.

3. PRINCIPAL RISKS AND UNCERTAINTIES FACED (continued)

The impact of the above is difficult or impossible to predict accurately and many of the risks and uncertainties faced are beyond the group's control.

In the normal course of business, the group is also exposed to price risk, credit risk, liquidity risk, and foreign exchange risk.

4. GROUP COMPANIES

Particulars of the companies within the group required to be disclosed under section 314 of the Companies Act 2014 in respect of group companies is detailed in note 13 to the financial statements.

5. RESEARCH AND DEVELOPMENT

The group engages in research and development activity to develop new and innovative products to respond to the needs of its customers. The investment in research and development expenditure is planned to increase significantly to develop new products as part of its AdminSuite offering, adding Billing and Policy Administration to its existing Claims solutions to ensure the FINEOS product offering remains competitive and current.

The expense recognised in the period in respect of research and development was €17.9m (2016: €13.2m).

6. POLITICAL DONATIONS

There were no political donations made during the year ended 30 June 2017.

7. DIVIDENDS

During the year the company made no interim dividend payments to A, B and C Ordinary shareholders or Preference shareholders. The directors do not propose the payment of a final dividend for the year.

8. ACCOUNTING RECORDS

The directors are responsible for ensuring that proper books and accounting records, as outlined in Sections 281 to 285 of the Companies Act 2014, are kept by the company. To achieve this, the directors have appointed a professionally qualified financial director who reports to the board and ensures that the requirements of Sections 281 to 285 of the Companies Act 2014 are complied with. These books and accounting records are maintained at the company's registered office at FINEOS House, East Point Business Park, Dublin 3.

9. FUTURE DEVELOPMENTS IN THE BUSINESS

The group had a number of new sales during fiscal year 2017 and experienced growth in staff numbers. Potential market demand for the group's products remains positive. The group continues to invest in its existing product lines while continuing to develop new product offerings for Billing and for Policy Administration including a Cloud based SaaS product offering to meet the demands in the market. Maintaining growth and market share is an on-going challenge and combined with the increase in operating costs, continues to put pressure on maintaining operating margins.

10. DIRECTORS

The present directors are as listed on page 2 and, unless otherwise indicated, have served throughout the year.

Larry Wilson resigned as a director on 8th December 2017.

11. RELEVANT AUDIT INFORMATION

So far as the directors are aware, there is no relevant audit information of which the company's statutory auditors are unaware. The directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information, and to establish that the company's statutory auditors are aware of that information.

12. ULTIMATE AND IMMEDIATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a wholly owned subsidiary of FINEOS Europe Unlimited, the immediate parent undertaking and controlling party, which is incorporated in Jersey.

The ultimate parent undertaking is FINEOS International Limited, which is incorporated in Jersey.

Michael Kelly is the ultimate controlling party of the FINEOS group.

13. TRANSACTIONS WITH DIRECTORS

There were no contracts of any significance in relation to the business of the group in which the directors had any interest, as defined by the Companies Act 2014, at any time during the year ended 30 June 2017.

14. DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES

The directors and company secretary and their immediate families had no beneficial interests in the shares of the company or subsidiary undertakings at the beginning and end of the financial year.

The directors and company secretary held the following interests in the ultimate parent undertaking, Fineos International Limited, at the beginning and end of the financial year:

		Number of shares held	
	Class of shares	*30 June 2017*	*30 June 2016*
Michael Kelly	'A' ordinary shares of €0.0127 each	11,851,673	11,851,673
	'C' ordinary redeemable shares of €0.0127 each	6,381,670	6,381,670

		Number of options held	
	Class of shares over which options held	*30 June 2017*	*30 June 2016*
Tom Wall	'A' ordinary shares of €0.0127 each	277,564	277,564

15. EVENTS SINCE THE YEAR END

There have been no significant events affecting the group subsequent to the year end.

16. AUDITORS

Mazars Chartered Accountants & Statutory Audit Firm, continue in office in accordance with Section 383(2) of the Companies Act 2014.

On behalf of the board

Michael Kelly
Director

Tom Wall
Director

31 January 2018

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council, and promulgated by the Institute of Chartered Accountants in Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position, of the group and parent company as at the financial year end date, and the profit or loss for the group for the financial year, and otherwise comply with the Companies Act 2014.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reasons for any material departure from those standards; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Michael Kelly
Michael Kelly
Director

Tom Wall
Tom Wall
Director

31 January 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FINEOS CORPORATION U.C.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Fineos Corporation U.C. ('the company') for the year ended 30 June 2017, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and notes to the financial statements, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and parent company as at 30 June 2017 and of the group's loss for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate: or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FINEOS CORPORATION U.C.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited and financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made.

We have nothing to report in this regard.

MAZARS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FINEOS CORPORATION U.C.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or parent company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description of auditors responsibilities for audit.pdf. This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Lorcan Colclough **31 January 2018**
for and on behalf of Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Centre,
Block 3
Harcourt Road
Dublin 2

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2017

	Note	2017 €	2016 €
Turnover	5	41,101,789	45,003,753
Cost of sales		(10,736,853)	(9,804,153)
Gross profit		30,364,936	35,199,600
Distribution costs		(1,205,164)	(1,605,499)
Administrative expenses		(41,487,731)	(35,999,441)
Other income	7	2,454,538	2,049,593
Operating loss		(9,873,421)	(355,747)
Interest receivable and similar income		13,619	42,884
Interest payable and similar charges	8	(282,033)	(58,233)
Loss on ordinary activities before taxation	9	(10,141,835)	(371,096)
Tax on loss on ordinary activities	10	(296,081)	(379,994)
Loss for the financial year		(10,437,916)	(751,090)
Exchange movement arising on retranslation of the financial statements of foreign subsidiaries and branches		(40,200)	7,752
Total comprehensive loss for the year		(10,478,116)	(743,338)

All turnover is in respect of continuing operations.

The notes on pages 18 to 45 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2017

	Note	2017 €	2016 €
FIXED ASSETS			
Intangible assets	11	235,485	302,455
Tangible assets	12	1,162,169	1,175,627
		1,397,654	1,478,082
CURRENT ASSETS			
Debtors	14	14,386,922	9,388,458
Cash at bank and in hand		13,782,062	13,014,502
		28,168,984	22,402,960
CREDITORS (amounts falling due within one year)	15	(10,948,143)	(10,021,196)
NET CURRENT ASSETS		17,220,841	12,381,764
TOTAL ASSETS LESS CURRENT LIABILITIES		18,618,495	13,859,846
NON CURRENT LIABILITIES			
Long term loan	20	(15,000,000)	-
NET ASSETS		3,618,495	13,859,846
CAPITAL AND RESERVES			
Called up share capital presented as equity	16	281,937	281,937
Share premium account		10,744,382	10,744,382
Foreign exchange reserves		(44,577)	(4,377)
Profit and loss account		(8,319,607)	2,118,309
Capital translation reserves		872	872
Capital redemption reserve fund		227,588	227,588
Other reserves		727,900	491,135
SHAREHOLDERS' FUNDS		3,618,495	13,859,846

The notes on pages 18 to 45 are an integral part of these consolidated financial statements.

On behalf of the board

Michael Kelly

Michael Kelly
Director

Tom Wall

Tom Wall
Director

31 January 2018

COMPANY STATEMENT OF FINANCIAL POSITION
as at 30 June 2017

	Note	2017 €	2016 €
FIXED ASSETS			
Intangible assets	11	234,342	302,455
Tangible assets	12	958,275	1,101,187
Financial assets	13	1,215	1,215
		1,193,832	1,404,857
CURRENT ASSETS			
Debtors	14	14,101,175	9,191,788
Cash at bank and in hand		11,210,615	11,191,398
		25,311,790	20,383,186
CREDITORS (amounts falling due within one year)	15	(10,827,307)	(9,984,129)
NET CURRENT ASSETS		14,484,483	10,399,057
TOTAL ASSETS LESS CURRENT LIABILITIES		15,678,315	11,803,914
NON CURRENT LIABILITIES			
Long term loan	20	(15,000,000)	-
NET ASSETS		678,315	11,803,914
CAPITAL AND RESERVES			
Called up share capital presented as equity	16	281,937	281,937
Share premium account		10,744,382	10,744,382
Profit and loss account		(11,304,364)	58,000
Capital translation reserves		872	872
Capital redemption reserve fund		227,588	227,588
Other reserves		727,900	491,135
SHAREHOLDERS' FUNDS		678,315	11,803,914

On behalf of the board

Michael Kelly
Director

Tom Wall
Director

31 January 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2017

	Called up share capital presented as equity €	Share premium account €	Foreign exchange reserves arising on translation €	Profit and loss account €	Capital translation reserves €	Capital redemption reserve fund €	Other reserves €	Total €
At 30 June 2015	281,937	10,744,382	(12,129)	2,869,399	872	227,588	240,834	14,352,883
Loss for the year	-	-	-	(751,090)	-	-	-	(751,090)
Other comprehensive income	-	-	7,752	-	-	-	-	7,752
Share-based payment charge	-	-	-	-	-	-	250,301	250,301
At 30 June 2016	281,937	10,744,382	(4,377)	2,118,309	872	227,588	491,135	13,859,846
Loss for the year	-	-	-	(10,437,916)	-	-	-	(10,437,916)
Other comprehensive income	-	-	(40,200)	-	-	-	-	(40,200)
Share-based payment charge	-	-	-	-	-	-	236,765	236,765
At 30 June 2017	281,937	10,744,382	(44,577)	(8,319,607)	872	227,588	727,900	3,618,495

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2017

	Called up share capital presented as equity €	Share premium account €	Profit and loss account €	Capital translation reserves €	Capital redemption reserve fund €	Other reserves €	Total €
At 30 June 2015	281,937	10,744,382	1,512,295	872	227,588	240,834	13,007,908
Loss for the year	-	-	(1,454,295)	-	-	-	(1,454,295)
Other comprehensive income	-	-	-	-	-	-	-
Share-based payment charge	-	-	-	-	-	250,301	250,301
At 30 June 2016	281,937	10,744,382	58,000	872	227,588	491,135	11,803,914
Loss for the year	-	-	(11,362,364)	-	-	-	(11,362,364)
Other comprehensive income	-	-	-	-	-	-	-
Share-based payment charge	-	-	-	-	-	236,765	236,765
At 30 June 2017	281,937	10,744,382	(11,304,364)	872	227,588	727,900	678,315

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2017

	2017 €	2016 €
Cash flows from operating activities		
Group loss after tax	(10,437,931)	(751,090)
Adjusted for:		
Tax charge	296,081	379,334
Interest expense	282,033	58,233
Interest income	(13,619)	(42,884)
Depreciation	675,753	644,674
Amortisation	68,143	38,108
Movement in debtors	(5,084,744)	1,835,478
Movement in creditors	755,103	1,425,274
Net tax paid	(260,583)	(311,282)
Share-based payment expense	236,765	250,301
Net cash (used in)/generated from operating activities	(13,482,999)	3,526,806
Cash flows from investing activities		
Interest received	13,619	42,884
Purchase of tangible fixed assets	(662,222)	(228,494)
Purchase of intangible assets	(1,173)	(340,563)
Net cash used in investing activities	(649,776)	(526,173)
Cash flow from financing activities		
Loan finance received	15,000,000	-
Interest paid	(65,700)	(58,233)
Net cash generated from/(used in) financing activities	14,934,300	(58,233)
Net increase in cash and cash equivalents	801,525	2,942,400
Effect of movement in exchange rates	(33,965)	(4,802)
Cash and cash equivalents at the beginning of the year	13,014,502	10,076,904
Cash and cash equivalents at the end of the year	13,782,062	13,014,502

1. GENERAL INFORMATION

Fineos Corporation U.C. is a private unlimited company incorporated in the Republic of Ireland. The registered office is Fineos House, Eastpoint Business Park, Dublin 3.

The principal activity of the group is that of enterprise claims management and accident compensation software.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS 102") and the Companies Act 2014.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of financial statements

The consolidated and separate financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS 102") and the Companies Act 2014. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

In accordance with Section 304 of the Companies Act, 2014, the Company is availing of the exemption from presenting its individual statement of comprehensive income account to the Annual General Meeting and from filing it with the Registrar of Companies. The company's loss for the year was €11,362,364 (2016: €1,454,295).

Going concern

Management have prepared projections and forecasts for the 12 month period from the date of approval of the financial statements. These include consideration of revenue growth, funding and overdraft facilities in place, and cash reserves held. On this basis, the directors consider that it is appropriate to prepare the financial statements on the going concern assumption.

(b) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to the use of exemptions by the company's shareholders.

The company has taken advantage of the following exemptions:

i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows included in these financial statements, includes the company's cash flows;

ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraph 12.26 to 12.29, as the information is provided in the consolidated financial statements disclosures;

iii) from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of consolidation

The financial statements of the group comprise the financial statements of the company and its subsidiaries.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the group owns less than 50% of the voting powers of an entity but control the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity it accounts for that entity as a subsidiary.

Where a subsidiary has different accounting policies to the group, adjustments are made to those subsidiary financial statements to apply the group's accounting policies when preparing the consolidated financial statements.

Any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to the income statement but excludes those amounts that are not required to be reclassified.

Where control of a subsidiary is achieved in stages, the initial acquisition that gave the group control is accounted for as a business combination. Thereafter where the group increases its controlling interest in the subsidiary the transaction is treated as a transaction between equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity. No changes are made to the carrying value of assets, liabilities or provisions for contingent liabilities.

Intra-group assets and liabilities, equity, income, expenses and cash flows relating to intragroup transactions are eliminated on consolidation.

(d) Business combinations

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable or measureable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Business combinations (continued)

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair value to the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement.

Non-controlling interests are identified separately from the group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

In accordance with FRS 102 Section 35.10 (a), the group elected not to apply Section 19 Business Combinations and Goodwill to business combinations that were effected before the date of transition (1 July 2014).

(e) Revenue recognition

The group's revenue is derived from product licence fees, support and charges for services.

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for delivery of licence keys and performance of services. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duties. The following criteria must also be met before revenue is recognised:

Rendering of services, including professional services, support contracts and subscriptions

Revenue from rendering of services is recognised in the accounting period in which the services are rendered when the outcome of the contract can be estimated reliably.

Professional services are provided primarily on a time and materials basis for which revenue is recognised in the period that the services are provided.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) *Revenue recognition (continued)*

For the services element of fixed price project engagements, revenue is recognised when the outcome of the transaction can be estimated reliably by reference to the stage of completion of the transaction at the end of the reporting period. The stage of completion is generally measured using output measures, primarily arrangement milestones, where such milestones indicate progress to completion.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, an entity shall recognise revenue only to the extent of the expenses recognised that are recoverable.

Income arising on support contracts and rental/ subscription sales where the provision of the service has not been completed at the year end date is deferred and recognised as the service is provided.

When the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the effective rate of interest.

Licence fees (initial and annual)

Initial software licence revenue is recognised upon delivery of the software to the customer, provided that the group has no significant related obligations or collection uncertainties remaining.

Subscriptions are recognised on a straight line basis, for the right to continued access and support for licences held, in accordance with the master licence agreement in place.

Interest income

Interest income is recognised using the effective interest method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

(f) *Employee benefits*

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

Defined contribution pension plans

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) ***Employee benefits (continued)***

The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds. The assets of the scheme are held separately from those of the group.

Share-based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by an external valuer using an appropriate pricing model. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each year end date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest, or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in the cumulative expense since the previous year end date is recognised in the statement of comprehensive income, with a corresponding entry in 'other reserves'.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the statement of comprehensive income for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from 'other reserves', with any excess over fair value being treated as an expense in the statement of comprehensive income.

The group has no cash-settled arrangements.

(g) ***Leases***

At inception the group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Leases (continued)

Finance lease

The lease of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the group's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Operating lease

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(h) Borrowing costs

All borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

(i) Foreign currencies

Functional currency and presentation currency

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the group are presented in Euro ("€") which is also the functional currency of the group, and all values presented are rounded to the nearest Euro, unless otherwise indicated.

Transactions and balances

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction or an average rate where this rate approximates the actual rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the year end date. All differences are taken to the statement of comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Foreign currencies (continued)

Translation of financial statements of foreign subsidiaries and branches

The statements of financial position and statements of comprehensive income of foreign subsidiaries and branches have been translated into euro for consolidation purposes using the rates ruling at the year end date and average rates for the current year respectively, except for share capital and reserves which have been translated at historic rates. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'other comprehensive income' and allocated to non-controlling interests as appropriate.

(j) Government grants

Grants are recognised under the accruals model. Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment.

Capital grants

Government grants in respect of capital expenditure are credited to the government grant account when the related expenditure is incurred. Grants are amortised over the expected useful lives of the relevant assets by equal annual instalments.

Revenue grants

Grants of a revenue nature are credited to the statement of comprehensive income over the same period as the related expenditure is incurred.

(k) Taxation

The taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is based on the profit or loss for the year, and is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. The charge for the year takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Current or deferred taxation assets and liabilities are not discounted.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the year end date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the year end date.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) ***Taxation (continued)***

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

(l) ***Research and development costs***

All expenditure relating to research and development of software products has been written off as incurred as an expense in the statement of comprehensive income. Research and development tax credits are recognised as a gain, set against the related expenditure, in the year to which they relate.

(m) ***Exceptional items***

The group classifies certain one-off charges or credits that have a material impact on the group's financial results as "exceptional items". These are disclosed separately to provide further understanding of the financial performance of the group.

(n) ***Intangible assets***

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between three and five years, on a straight line basis.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

(o) ***Tangible assets***

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs, and borrowing costs capitalised.

Depreciation

Depreciation is calculated using the straight line method to write off the cost of tangible fixed assets over their expected useful lives as follows:

Office equipment	33.33%
Computer equipment	33.33%
Fixtures and fittings	20.00% - 33.33%

Subsequent additions

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the group and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Tangible assets (continued)

Derecognition
Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

(p) Investments in subsidiary companies
Investments in subsidiary companies are stated at cost less accumulated impairment losses.

(q) Cash and cash equivalents
Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents net of outstanding bank overdraft, if any.

(r) Impairment of non-financial assets
At each year end date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's (or asset's cash generating unit) continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation.

Thereafter any excess is recognised in the income statement.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Financial instruments

The group has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade debtors, unbilled receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade creditors, and amounts due to ultimate parent undertaking, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) *Financial instruments (continued)*

The group enters into foreign exchange contracts to reduce its exposure to market risks from changes in foreign exchange rates. These forward contracts have maturities of no more than twelve months and are entered into for the sole purpose of hedging exposure arising from the normal course of business. Gains and losses on derivative contracts used to hedge foreign exchange trading exposures are recognised in the statement of comprehensive income when the hedged transactions settle.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(t) *Related party transactions*

The group avails of the exemption contained in Financial Reporting Standard 102 Section 33 and does not disclose transactions entered into between wholly owned members of the group. Transactions with entities not wholly group owned are disclosed in accordance with the accounting standards and the Companies Act 2014.

(u) *Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) *Distributions to equity holders*

Dividends and other distributions to shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

(w) *Provisions and contingencies*

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) *Provisions and contingencies (continued)*

Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

Critical judgements made in applying the group accounting policies

Management is of the opinion that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Useful life of intangible fixed assets

Intangible fixed assets are amortised over their useful lives. The estimated useful life reflects management estimate of the period that the group intends to derive future economic benefits from the use of intangible fixed assets. Changes in the economic usage and developments could affect the economic useful life of the intangible fixed asset which could then consequently impact future amortisation charges. The carrying amount of the intangible fixed assets of the group as at 30 June 2017 was €235,485 (2016: €302,455) (Note 11).

(b) Impairment of trade debtors

The group assesses its trade debtors on a continuous basis for any objective evidence of impairment by considering factors, including the ageing profile, the creditworthiness and the past collection history of each debtor. If the financial conditions of these debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The group's trade debtors carrying amounts as at 30 June 2017 was €6,919,001 (2016: €4,095,275) (Note 14).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Key sources of estimation uncertainty (continued)

(c) Useful economic lives of tangible fixed assets

Tangible fixed assets are depreciated over their estimated useful lives after taking into account their estimated residual values. The estimated useful life reflects management's estimate of the period that the group intends to derive future economic benefits from the use of the group's tangible fixed assets. The residual value reflects management's estimated amount that the group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economic useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the tangible fixed assets of the group at 30 June 2017 was €1,162,169 (2016: €1,175,627) (Note 12).

(d) Research and development

Development expenditure is expensed or capitalised in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. All research and development costs have been expensed in the year and amounted to €17,904,694 (2016: €13,161,132).

5. TURNOVER

	2017	2016
	€	€
Amount of turnover by class of activity:		
Initial licence fees	4,829,899	6,241,180
Subscriptions	12,955,821	12,234,663
Professional services and support contracts	23,316,069	26,527,910
	41,101,789	45,003,753

	2017	2016
	€	€
Amount of turnover by market:		
Europe	5,292,000	6,161,000
Rest of world	35,809,789	38,842,753
	41,101,789	45,003,753

6. EMPLOYEES

The average monthly number of persons employed by the group (including directors) during the year was as follows:

	2017 Number	2016 Number
Product development	421	370
Business development	13	17
Business operations	38	37
	472	424

The staff costs comprise:	2017 €	2016 €
Wages and salaries	36,399,118	32,433,677
Social welfare costs	3,178,470	2,804,751
Pension costs	1,973,492	1,707,015
Share-based payments	236,765	250,301
	41,787,845	37,195,744

Directors' remuneration	2017 €	2016 €
Directors' remuneration in respect of qualifying services in respect of Fineos Corporation U.C.:		
- Emoluments	783,412	790,883
- Pensions	26,642	25,992

The number of directors to whom retirement benefits are accruing under defined contribution scheme pension costs noted above is one (2016: one).

Other than as shown above any further disclosures in Section 305 and 306 of the Companies Act 2014 are €nil for both financial years presented.

Aggregate amount of gains by the directors on the exercise of share options during the financial year amounted to €nil (2016: €nil).

7. OTHER INCOME

	2017 €	2016 €
Grant income	–	459,502
Research and development tax credit	2,454,538	1,590,091
	2,454,538	2,049,593

Grants are receivable from Enterprise Ireland, to enable the implementation of a transformative product suite which the group will sell to its current core market. There are no unfulfilled conditions attached to the grant agreement. Contingencies attaching to the grants are detailed in note 19 to the financial statements. The company is availing of research and development tax credits pursuant to Section 33, Finance Act 2004.

8. INTEREST PAYABLE AND SIMILAR CHARGES	2017 €	2016 €
Bank charges and interest	282,033	58,233

9. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		2017 €	2016 €
The loss on ordinary activities before taxation is stated after charging/ (crediting):			
Auditor's remuneration	- Audit of group companies	42,500	42,500
	- Tax compliance services	6,250	6,250
	- Other non-audit services	19,850	19,400
Depreciation (note 12)		675,753	644,674
Amortisation (note 11)		68,143	38,108
Research and development expense		17,904,694	13,161,132
Research and development tax credits (note 7)		(2,454,538)	(1,590,091)
Grant income (note 7)		–	(459,502)
Foreign exchange loss		214,340	675,854
Operating lease rentals (note 21)		609,989	628,112

10. TAX ON LOSS ON ORDINARY ACTIVITIES	2017 €	2016 €
(a) *Tax on loss on ordinary activities*		
The tax charge is made up as follows:		
Current tax:		
Overseas taxation	351,115	358,513
Foreign withholding tax	3,439	20,935
Adjustments in respect of previous years	(26,219)	(43)
Total current tax	328,335	379,405
Deferred tax:		
Origination and reversal of timing differences	(32,254)	589
Tax on loss on ordinary activities	296,081	379,994

Overseas taxation has been provided on the results of overseas subsidiary companies at the appropriate overseas rates of tax.

(b) Factors affecting the tax charge for the year

The current tax charge for the year differs from the amount computed by applying the standard rate of corporation tax in the Republic of Ireland to the loss on ordinary activities before taxation. The sources and tax effects of the differences are explained below:

10. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

	2017 €	2016 €
Loss on ordinary activities before tax	(10,141,835)	(371,096)
Loss on ordinary activities multiplied by the standard rate of tax of 12.5%	(1,267,729)	(46,387)
Depreciation greater than capital allowances	12,738	13,949
Short term timing differences	16,225	1,069
Non-deductible expenses/non-taxable income	38,609	47,758
Higher tax charge on passive income	3,420	4,968
Higher rates of tax on foreign income	250,680	213,336
Research and development tax credits claimed	(379,751)	(198,761)
Foreign withholding tax	3,439	20,935
Adjustments in respect of previous years	(26,219)	(43)
Losses carried forward	1,676,923	322,581
Deferred tax	(32,254)	589
Total tax charge	296,081	379,994

At 30 June 2017 there is an unrecognised deferred tax asset of approximately €0.2 million (2015: €0.2 million) related to research and development tax credits forward.

In addition there is an unrecognised deferred tax asset of approximately €2.5 million (2016: €0.8 million) related to losses incurred by the group. These tax credits are in the Irish tax jurisdiction. No deferred tax assets have been recognised in the financial statements in respect of tax credits and losses forward because of the uncertainty as to the existence of suitable future taxable profits from which the future reversal of these timing differences could be deducted.

(c) Deferred tax

	2017 €	2016 €
At beginning of year	228,322	230,527
Charged to the income statement *(note 10(a))*	32,254	(589)
Foreign exchange	(2,149)	(1,616)
At end of year	258,427	228,322

10. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

The deferred tax asset is analysed as follows:

Timing differences between depreciation and capital allowances	(6,512)	1,568
Timing differences on holiday leave	244,748	199,560
Other timing differences	20,191	27,194
At end of year	258,427	228,322

11. INTANGIBLE ASSETS

GROUP 2017	*Software* €	*Total* €
Cost		
At 30 June 2016	340,563	340,563
Additions	1,173	1,173
At 30 June 2017	341,736	341,736
Amortisation		
At 30 June 2016	38,108	38,108
Charged in year	68,143	68,143
At 30 June 2017	106,251	106,251
Net book amounts		
At 30 June 2016	302,455	302,455
At 30 June 2017	235,485	235,485

COMPANY 2017	*Software* €	*Total* €
At 30 June 2016	340,563	340,563
Additions	-	-
At 30 June 2017	340,563	340,563
Amortisation		
At 30 June 2016	38,108	38,108
Charged in year	68,113	68,113
At 30 June 2017	106,221	106,221
Net book amounts		
At 30 June 2016	302,455	302,455
At 30 June 2017	234,342	234,342

11. INTANGIBLE ASSETS (continued)

Prior Year

GROUP 2016	*Software*	*Total*
	€	*€*
Cost		
At 30 June 2015	–	–
Additions	340,563	340,563
At 30 June 2016	340,563	340,563
Amortisation		
At 30 June 2015	–	–
Charged in year	38,108	38,108
At 30 June 2016	38,108	38,108
Net book amounts		
At 30 June 2015	–	–
At 30 June 2016	302,455	302,455

COMPANY 2016	*Software*	*Total*
	€	*€*
Cost		
At 30 June 2015	–	–
Additions	340,563	340,563
At 30 June 2016	340,563	340,563
Amortisation		
At 30 June 2015	–	–
Charged in year	38,108	38,108
At 30 June 2016	302,455	302,455
Net book amounts		
At 30 June 2015	–	–
At 30 June 2016	302,455	302,455

12. TANGIBLE FIXED ASSETS

GROUP 2017	*Office equipment*	*Computer equipment*	*Leased computer equipment*	*Fixtures & fittings*	*Total*
	€	€	€	€	€
Cost					
At 30 June 2016	608,802	5,197,623	830,191	2,628,694	9,265,310
Additions	78,992	413,188	–	170,042	662,222
Disposals	–	(25,900)	–	–	(25,900)
Translation adjustment	(2,142)	22,719	–	(8,345)	12,232
At 30 June 2017	685,652	5,607,630	830,191	2,790,391	9,913,864
Depreciation					
At 30 June 2016	600,096	4,835,154	830,191	1,824,242	8,089,683
Charged in year	21,354	295,075	–	359,324	675,753
Disposals	–	(25,900)	–	–	(25,900)
Translation adjustment	(4,366)	22,633	–	(6,108)	12,159
At 30 June 2017	617,084	5,126,96	830,191	2,177,458	8,751,695
Net book amounts					
At 30 June 2017	68,568	480,668	–	612,933	1,162,169
At 30 June 2016	8,706	362,469	–	804,452	1,175,627

GROUP 2016	*Office equipment*	*Computer equipment*	*Leased computer equipment*	*Fixtures & fittings*	*Total*
	€	€	€	€	€
Cost					
At 30 June 2015	613,324	4,977,348	830,191	2,623,953	9,044,816
Additions	–	228,494	–	–	228,494
Translation adjustment	(4,522)	(8,219)	–	4,741	(8,000)
At 30 June 2016	608,802	5,197,623	830,191	2,628,694	9,265,310
Depreciation					
At 30 June 2015	586,973	4,548,300	830,191	1,484,687	7,450,151
Charged in year	16,423	291,135	–	337,116	644,674
Translation adjustment	(3,300)	(4,281)	–	2,439	(5,142)
At 30 June 2016	600,096	4,835,154	830,191	1,824,242	8,089,683
Net book amounts					
At 30 June 2016	8,706	362,469	–	804,452	1,175,627
At 30 June 2015	26,351	429,048	–	1,139,266	1,594,665

12. TANGIBLE FIXED ASSETS (continued)

COMPANY 2017

	Office equipment €	Computer equipment €	Leased computer equipment €	Fixtures & fittings €	Total €
Cost					
At 30 June 2016	469,349	4,536,384	830,191	2,190,133	8,026,057
Additions	63,657	261,991	-	116,888	442,536
Disposals	-	(25,900)	-	-	(25,900)
At 30 June 2017	533,006	4,772,475	830,191	2,307,021	8,442,693
Depreciation					
At 30 June 2016	467,355	4,222,531	830,191	1,404,793	6,924,870
Charged in year	11,446	229,710	-	344,292	585,448
Disposals	-	(25,900)	-	-	(25,900)
At 30 June 2017	478,801	4,426,341	830,191	1,749,085	7,484,418
Net book amounts					
At 30 June 2017	54,205	346,134	-	557,936	958,275
At 30 June 2016	1,994	313,853	-	785,340	1,101,187

COMPANY 2016

	Office equipment €	Computer equipment €	Leased computer equipment €	Fixtures & fittings €	Total €
Cost					
At 30 June 2015	469,349	4,330,654	830,191	2,190,133	7,820,327
Additions	-	205,730	-	-	205,730
At 30 June 2016	469,349	4,536,384	830,191	2,190,133	8,026,057
Depreciation					
At 30 June 2015	461,040	3,971,588	830,191	1,073,298	6,336,117
Charged in year	6,315	250,943	-	331,495	588,753
At 30 June 2016	467,355	4,222,531	830,191	1,404,793	6,924,870
Net book amounts					
At 30 June 2016	1,994	313,853	-	785,340	1,101,187
At 30 June 2015	8,309	359,066	-	1,116,835	1,484,210

13. FINANCIAL FIXED ASSETS	2017	2016
	€	€
COMPANY		
Shares in group undertakings – unlisted, at cost:		
At beginning of year	1,215	1,203
Additions during year	-	12
At end of year	1,215	1,215

The company has the following subsidiary undertakings. All subsidiaries are wholly owned unless otherwise indicated, and all shareholdings are in ordinary shares:

	2017	2016
	€	€
FINEOS Corporation Limited (UK)	2	2
FINEOS Inc. (USA)	32	32
FINEOS Australia Pty Limited	6	6
FINEOS New Zealand Limited	1	1
FINEOS South Africa Limited	89	89
FINEOS Polska Sp Zoo	1,066	1,066
FINEOS Canada Limited	7	7
FINEOS Hong Kong Limited	12	12
	1,215	1,215

FINEOS Corporation Limited is incorporated in the United Kingdom and has its registered office at 5 Clapham Chase, Bedford, Bedfordshire, MK41 6FA, UK (previously 5 Amberly Gardens, Bedford, Bedfordshire).. It provides sales and marketing services to its parent undertaking.

FINEOS Inc. is incorporated in the United States of America and has its registered office at 60 State Street, Suite 700, Boston, MA 02109 United States of America. It provides sales and marketing services to its parent undertaking.

FINEOS New Zealand Limited is incorporated in New Zealand and has its registered office at Level 22, 209 Queen Street, Auckland 1010, New Zealand. It services local customers and is supported by the provision of services from its parent undertaking.

FINEOS South Africa Limited is incorporated in South Africa and has its registered office at 4th floor, 191 Jan Smuts Ave, Rosebank, 2196.

FINEOS Australia Pty Limited is incorporated in Australia and has its registered office at Level 8, 224 Queen Street, Melbourne, VIC 3000, Australia. It provides sales and marketing services to its parent undertaking.

FINEOS Hong Kong Limited is incorporated in Hong Kong and has its registered office at 16th floor, Wing on Centre, 111 Connaught Road Central, Hong Kong.

13. FINANCIAL FIXED ASSETS (continued)

FINEOS Polska S.p Z.o.o is incorporated in Poland and has its registered office at ul. Cypriana Kamila Norwida 2, 80-280 Gdansk, Poland. It services local customers and is supported by the provision of services from its parent undertaking.

FINEOS Canada Limited is incorporated in Canada and has its registered office at 900-1959 Upper Water Street, Halifax, NS, Canada B3J 3N2. It services local customers and is supported by the provision of services from its parent undertaking.

14. DEBTORS

GROUP	2017	2016
	€	€
Due within one year		
Trade debtors	6,919,001	4,095,275
Unbilled receivables	1,226,975	1,302,326
Other debtors	70,396	167,299
Prepayments	647,245	781,331
Research and development tax credits	4,950,205	2,495,667
Value added tax recoverable	173,447	60,615
Corporation tax recoverable	141,226	257,623
Deferred tax asset	258,427	228,322
	14,386,922	9,388,458

COMPANY		
Due within one year		
Trade debtors	6,339,745	4,067,325
Unbilled receivables	1,226,975	1,302,326
Other debtors	26,404	99,759
Prepayments	5,500,591	3,096,105
Value added tax recoverable	148,400	39,988
Amounts due from subsidiary undertakings	753,799	331,733
Corporation tax recoverable	105,261	254,552
	14,101,175	9,191,788

Trade and other debtors
The carrying amounts of trade debtors and other receivables approximate their fair value largely due to the short-term maturities and nature of these instruments. All trade debtors are due within the group's and company's normal terms, which is 30 days. Trade debtors are shown net of impairment in respect of doubtful debts.

Amounts due from subsidiary undertakings
The amounts due from subsidiary undertakings are unsecured, interest free and are repayable on demand.

15. CREDITORS (amounts falling due within one year)

	2017 €	2016 €
GROUP		
Trade creditors	624,205	485,649
Amount due to ultimate parent undertaking	93,509	93,509
Corporation tax	43,381	87,867
Value added tax	187,024	56,515
PAYE and PRSI	736,617	576,115
Accruals	2,630,273	2,257,935
Deferred income	6,633,134	6,463,606
	10,948,143	10,021,196
COMPANY		
Trade creditors	502,652	276,935
Amount due to ultimate parent undertaking	93,509	93,509
Amounts due to subsidiary undertakings	1,260,341	1,237,286
PAYE and PRSI	724,393	556,293
Accruals	1,613,278	1,356,500
Deferred income	6,633,134	6,463,606
	10,827,307	9,984,129

Trade and other creditors

The carrying amounts of trade and other creditors approximate their fair value largely due to the short-term maturities and nature of these instruments. The repayment terms of trade creditors vary between on demand and 30 days. No interest is payable on trade creditors.

Reservation of title

Certain trade creditors purport to claim a reservation of title clause for goods supplied. Since the extent to which these creditors are secured at any time depends on a number of conditions, the validity of some of which is not readily determinable, it is not possible to indicate how much of the above was effectively secured.

Amount due to group companies

The amount due to group and related companies are unsecured, interest free and are repayable on demand.

Accruals

The terms of the accruals are based on underlying invoices.

Taxes and social welfare costs

Taxes and social welfare costs are subject to the terms of the relevant legislation. Interest accrues on late payments. No interest was due at the financial year end date.

16. CALLED UP SHARE CAPITAL

	2017	2016
	€	€
GROUP AND COMPANY		
Authorised:		
450,000,000 'A' ordinary shares of €0.0127 each	5,715,000	5,715,000
2,462,944 'B' ordinary redeemable shares of €0.01 each	24,629	24,629
7,978,180 preferred 'A' shares of €0.01 each	79,782	79,782
8,341,420 'C' ordinary redeemable shares of €0.0127 each	105,936	105,936
	5,925,347	5,925,347
Allotted, called up, fully paid and presented as equity:		
15,158,235 'A' ordinary shares of €0.0127 each	192,510	192,510
36,440 'B' ordinary redeemable shares of €0.01 each	364	364
441,124 preferred 'A' shares of €0.01 each	4,411	4,411
6,665,486 'C' ordinary redeemable shares of €0.0127 each	84,652	84,652
Total	281,937	281,937

The 'A' ordinary shares, 'B' ordinary redeemable shares, preferred 'A' shares, and 'C' ordinary redeemable shares shall rank pari passu together in relation to all dividends which may be declared or paid by the company. The holders of the 'A' ordinary, 'B' ordinary redeemable, preferred 'A' shares and 'C' ordinary redeemable shares shall be entitled to receive notice of and to attend and vote at all general meetings of the company and on a poll shall be entitled to one vote per share. 'B' ordinary redeemable shares and 'C' ordinary redeemable shares can be redeemed, subject to the approval of the board, upon written application to the company, at a redemption price not less than €1.69. During the year the company made no interim dividend payments to A, B and C Ordinary shareholders or Preference shareholders. The directors do not propose the payment of a final dividend for the year.

17. RESERVES

Share premium
The share premium reserve represents the premium on issue of the ordinary shares.

Profit and loss account
The profit and loss account represents cumulative gains and losses recognised, net of transfers to/from other reserves and dividends paid.

Capital translation reserves
This reserve records the nominal value of shares repurchased by the company.

17. RESERVES (continued)

Capital redemption reserve fund

This reserve records the nominal value of shares repurchased by the company.

Other reserves

Other reserves represent movements in share-based payments. The movement in the cumulative expense since the previous year end date is recognised in the income statement, with a corresponding entry in 'other reserves'.

18. SHARE-BASED PAYMENTS

FINEOS International Limited, the ultimate parent undertaking of the group to which the company is a member, established a share option scheme in April 2012, which was available to all employees of the company and such other persons as the board of directors determine. The pricing and vesting periods of the options granted are generally determined by the board of directors. The options generally vest over the subsequent three year period if the employee remained in service at these vesting times. No options can be exercised until a "triggering event" occurs, being an acquisition by any person, or group of persons acting in concert (excluding any persons connected or related to the existing shareholders), of control of the company (FINEOS International Limited) as a result of purchasing and/or subscribing for shares under a trade sale or IPO. The exercise price of the options was set at the time of grant against the market value of the underlying share. There are no cash settlement alternatives. In 2015, a new share option scheme was established with the same terms and conditions as the scheme established in 2012.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options granted under the schemes to employees of FINEOS Corporation U.C. during the year. There were no shares issued during the year or prior year.

	2017 No.	2017 WAEP	2016 No.	2016 WAEP
Outstanding as at 1 July	2,222,564	1.85	2,222,564	1.85
Options granted during year	-	-	-	-
Options expired during year	(106,950)	1.85	-	-
Outstanding at 30 June	2,115,614	1.85	2,222,564	1.85
Exercisable at 30 June	-	-	-	-

Liabilities arising from share-based payment transactions at 30 June 2017 amounted to €nil (2016: €nil).

18. SHARE-BASED PAYMENTS (continued)

For the share options outstanding as at 30 June 2017 the weighted average remaining contractual life is 3.5 years. The fair value of equity-settled share options granted is estimated as at the date of grant using a Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The Black-Scholes model is internationally recognised as being appropriate to value employee share schemes. Since shares in the group are not freely tradable useful volatility information is not available. The company has therefore used expected share price volatilities of comparable listed companies.

The following table lists the inputs to the model used for the year ended 30 June 2017:

	2017 %
Dividend yield	0
Expected volatility	19
Risk free interest rate	1
Average expected life remaining in years	6

19. CONTINGENT LIABILITIES

Under the terms of research and development and training agreements between the group and Enterprise Ireland, amounts received from Enterprise Ireland may be revoked in certain circumstances, being the breach of standard terms and conditions attached to the agreement. The group has complied with the terms of the grant agreements to 30 June 2017. The contingent liability existing at 30 June 2017 was €Nil (2016: €1,408,139). The contingent liability ends 5 years from date of the last payment of the grant by Enterprise Ireland.

20. BANK LOANS

	2017 €	2016 €
Due after one year	15,000,000	-

A five year loan agreement was entered into during the year. Two interest-only repayments are repayable per annum, with a final payment required in full and final settlement of the principal and interest on the loan at the end of the five year period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 June 2017

21. COMMITMENTS

(a) ***Capital commitments***
At the year end the group had no capital commitments.

(b) ***Finance lease commitments***
At the year end the group had no finance lease commitments.

(c) ***Operating lease commitments***
Operating lease commitments comprise the rental of office premises.

The group has future minimum lease payments under non-cancellable operating lease commitments as follows:

At 30 June 2017	**Land and buildings €**	**Software licences €**	**Total €**
Due within one year	610,714	223,542	834,256
Due within two to five years	1,866,464	223,542	2,090,006
Due after five years	781,370	-	781,370
	3,258,548	447,084	3,705,632

At 30 June 2016	**Land and buildings €**	**Software licences €**	**Total €**
Due within one year	610,985	239,628	850,613
Due within two to five years	1,633,911	447,084	2,080,995
Due after five years	1,181,370	-	1,181,370
	3,426,266	686,712	4,112,978

Operating lease payments in respect of rent recognised as an expense in the period amounted to €609,989 (2016: €628,112).

22. ULTIMATE AND IMMEDIATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a wholly owned subsidiary of FINEOS Europe Unlimited, the immediate parent undertaking and controlling party, which is incorporated in Jersey.

The ultimate parent undertaking is FINEOS International Limited, which is incorporated in Jersey.

Michael Kelly is the ultimate controlling party of the FINEOS group.

23. PENSION BENEFITS

The group operates a defined contribution pension scheme. Pension benefits are funded over the employee's period of service by way of contributions to an insured fund. The group's contributions are charged to the income statement in the year to which they relate and amounted to €1,973,492 (2016: €1,707,015). An amount of €234,002 was payable at the year end.

24. FINANCIAL INSTRUMENTS

The analysis of the carrying amounts of the financial instruments of the Group required under Section 11 of FRS 102 is as follows:

Financial assets that are debt instruments measured at amortised cost	***Group 2017 €***	***Group 2016 €***
Trade debtors	6,919,001	4,095,275
Cash at bank and in hand	13,782,062	13,014,502
Financial liabilities at amortised cost		
Trade creditors	624,205	485,649
Long term loan	15,000,000	-
Amounts due to ultimate parent undertaking	93,509	93,509

25. RELATED PARTY TRANSACTIONS

A 10 year lease was signed on 13 June 2014 between FINEOS Corporation U.C. and Jacquel Properties Limited for an annual rent of €400,000 net of vat to be paid quarterly in advance. The rental expense for the year was €400,000. The total rent due to Jacquel Properties Limited at 30 June 2017 was €Nil. Michael Kelly is the majority shareholder in Jacquel Properties Limited and FINEOS International Limited. There were no amounts written off during the period to or from related parties.

Consulting fees invoiced by non-executive directors during the year amounted to €88,131 (2016: €90,220).

In common with other companies, which are members of a group of companies, the financial statements reflect the effect of such membership. The group is availing of the exemption contained in Financial Reporting Standard 102 Section 33 and is not disclosing its transactions between wholly owned group companies.

Key Management Personnel
All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total remuneration is respect of these individuals is €843,581 (2016: €846,246).

26. SUBSEQUENT EVENTS

There were no significant events subsequent to year end.

27. COMPARATIVES

Certain of the comparatives for the prior year have been regrouped/reclassified in the current period for the purposes of comparability, understandability and consistency. The reclassifications are in line with the latest accounting standards and requirements of company law.

28. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements and company statement of financial position in respect of the year ended 30 June 2017 were approved and authorised for issue by the directors on 31 January 2018.