Report & Accounts 2017

CONCURRENT TECHNOLOGIES

Corporate Overview

- Established in the UK in 1985
- Established a US subsidiary in 1986
- Listed on AIM (formerly the Alternative Investment Market) in 1996
- Acquired a US subsidiary in 2002
- Established a subsidiary in India in 2008
- Designs, manufactures & sells Embedded Computer products (boards) based on processors from Intel
- Extensive customer base, with blue chip customers and long term relationships
- Key markets: defence, telecommunications, aerospace, transportation, scientific and industrial
- Sales and marketing channels in USA, many European Economic Area (EEA) countries, Israel, China, India, Japan, South Korea, Australia and Singapore
- Solid dividend record

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Strategic Report

Business Summary

The Group is a leading specialist in the design, manufacture and supply of innovative high-end embedded computer products aimed at a wide base of customers within the defence, telecommunication, aerospace, transportation, scientific and industrial markets.

The Group's core product range is central processing unit ("CPU") boards, designed using Intel® processors including the newly announced high performance 8th generation Intel® Core™ and Intel® Xeon® processors. These CPU boards, together with complementary accessory products such as switch fabric, mass storage and I/O boards are designed to be compliant with the CompactPCI®, OpenVPX™, VME, AMC and XMC open architecture standards. Many of the products are available in both commercial and ruggedized variants, making them suitable for a wide range of applications, including those in harsh environments and at temperatures from -40°C to +85°C.

The Group's products also support many of today's leading operating systems including Windows®, Linux®, Solaris™, QNX® and VxWorks®, all of which are commonly used in the embedded markets. An increasing range of complementary software products, such as security and inter-board networking products have been developed to provide additional features and functionality as well as ensuring inter-board operability. Software and firmware development is an integral part of the Group's engineering capabilities, and these elements are essential to ensure that the Group's hardware products can be easily integrated into the customers' applications. Providing customers with a smooth transition when updates or new product designs are available helps to ensure that the Group continues to see strong customer loyalty and long-term relationships.

The Group is committed to maintaining the long-term support of its customers by being an early adopter of the latest products from the world's leaders in silicon innovation and computer processing technology. A combination of substantial processing power coupled with very high levels of reliability make the Group's products ideal for use in critical embedded applications ranging from high-performance military systems to telecommunication test systems. Typically, these applications have a long lifespan and therefore provide the Group with high quality sales over many years.

All manufacturing and production testing takes place in the UK. The Group has design and engineering teams working in the UK, USA and India, whilst its sales, marketing and customer support teams operate from the UK and overseas facilities including the USA and China.

The Group's customer base continues to be well diversified with large, high quality, international businesses in multiple sectors across many countries.

Financial Highlights

	2017	2016
Revenue	£16.2m	£16.4m
EBITDA	£4.4m	£4.3m
Profit before tax	£3.0m	£2.9m
Earnings per share	3.79p	3.90p
Dividend per share	2.20p	2.10p
Cash (including Deposits)	£8.4m	£7.8m
Total Assets	£22.6m	£21.8m
Shareholders' Funds	£18.8m	£17.7m

Review of Operations

The Group achieved sales of £16.22m (2016: £16.42m). The gross profit increased to £8.99m (2016: £8.89m) while the gross margin for the year improved to 55.4% (2016: 54.2%).

Profit before tax improved to £2.97m (2016: £2.90m) and the earnings per share was 3.79 pence (2016: 3.90 pence). EBITDA (measured as Operating Profit plus Depreciation and Amortisation) for the Group in 2017 also increased to £4.39m (2016: £4.31m).

The Group continued its long-term investment in R&D and invested £3.19m in 2017 (2016: £3.39m), of which £2.13m was capitalised (2016: £2.27m).

The Group continues to have no borrowings and again paid increased dividends during the year. Its cash balances plus short to medium term cash deposits at the year-end improved to £8.41m (2016: £7.78m).

Strategic Report (continued)

Future Plans and Outlook

The future outlook for the Group continues to be encouraging as both new and existing customers increasingly require more sophisticated boards and solutions.

The key to continued success is to expand the Group's range of products, with a particular focus on the OpenVPX™ bus architecture. In addition to boards and associated software the Group has recently started to provide development systems based on the OpenVPX™ and MicroTCA® architectures. These development systems will enable users to reduce their own product development times.

Competitive advantage can be maintained through continued R&D investment and constant expansion of the Group's range of advanced technology products, in particular targeting products and development systems for harsh environments and expanding the development of additional software and firmware products. The Group will continue to recruit additional engineers in the UK, USA and India to enable this development.

The Board continues to look for worldwide acquisition opportunities but sees many opportunities to grow the business organically into new market areas without taking unacceptable risks.

Sales and new opportunities arising this year have been encouraging and the Group's current healthy order book gives the Board confidence in the Group's performance for the full year.

Dividend

The Board has declared a second interim dividend of 1.30 pence per share (2016: 1.30 pence) which when added to the first interim dividend of 0.90 pence per share (2016: 0.80 pence) will make a total of 2.20 pence per share for the year (2016: 2.10 pence). This is an increase of 4.8% on dividends paid for 2016. The total cost of this second interim dividend amounted to £945,340. As in previous years, the Directors do not intend to recommend a final dividend.

Annual General Meeting

The Annual General Meeting this year will be held on 22 May 2018.

Strategic Report (continued)

Operational Highlights

Several new high performance embedded computer boards and accessory boards as well as modules were released during 2017. These included the new generation quad-core Intel® Xeon® processors. In addition to providing the latest high performance and low power units across all of its open architectures for new applications and new customers, the Group's product portfolio allows for practical upgrade paths for its existing long life cycle customers.

Principal Risks and Uncertainties

Like most businesses, there is a range of risks and uncertainties facing the Group and the matters described below are not intended to be an exhaustive list of all possible risks and uncertainties.

The principal risks and uncertainties affecting the business include the following:

- Product development and technology risk: The Group continually develops and introduces new high-technology products based on advanced processors and other computing components. These technologies and products involve business risk both in terms of possible abortive expenditure, reputational risk and potential customer claims. Such risks may materially impact on the Group. Appropriate measures are taken to protect the Group's intellectual property rights and to minimise the risk of infringement of third party rights; measures include hardware security features.
- Product failure: The Group provides warranties to customers regarding the specification and/or proper operation of the products that it supplies. Failure of these products to operate properly or to meet specifications may increase the Group's costs by requiring the replacement of parts and equipment or monetary re-imbursement to a customer, thereby reducing the Group's profitability. The Group has numerous ISO 9001 approved quality processes, procedures and work instructions in place to mitigate against product failure.
- Human resources risk: This risk is defined as a shortage of requisite knowledge, skills and experience within the Group. This risk, especially in relation to technical skills, is kept at the forefront of the Group's concerns and is addressed primarily through remuneration and recruitment policies which are under continuous review by the Board. The UK's pending exit from the European Union is expected to make UK recruitment more difficult and the Board are looking to offset this risk by recruiting into other regions.
- Environmental risks: The Group places emphasis upon environmental compliance in its business and not only seeks to ensure ongoing compliance with relevant legislation in the major markets, but also strives to ensure that environmental best practice is incorporated into its key processes. The Group's products are compliant with the European Union's "Restriction of Hazardous Substances Directive" which dramatically reduces the amounts of certain hazardous substances that can be used in electronic assemblies. From the Group's perspective, lead, which was used in solder, was the main substance.
- Performance of investments: The Group has the ability to acquire other businesses and companies. These acquisitions and investments may not perform in line with expectations, thereby having a detrimental impact on the Group's financial performance.
- Competitive risk: The Group operates in highly competitive markets. Product innovations or technical advances by competitors could adversely affect the Group. The Group invests directly in development in order to sustain competitive advantage, and also works continually to ensure that its cost base is competitive.
- Supply chain: The Group relies on its own manufacturing operations and independent suppliers for key raw materials and components, some of which may be available from a limited number of suppliers. Any disruption to the supply chain could have an impact on its ability to meet customer requirements and adversely affect the Group's results. Within the markets that the Group operates, there can be times where components are in short supply with long lead times or components can be discontinued. The Group aims to supply its products for many years and therefore endeavours to select components with longevity of supply and components which have a second source while simultaneously regularly monitoring component availability.
- The effect of legislation and other regulatory activities: The Group regularly monitors forthcoming and current legislation including Company law, environmental law, export regulations, COSSH and Reach laws to ensure compliance with requirements. Each company within the Group is liable to pay tax in the countries in which it operates. Changes in the tax legislation in these countries could have an adverse impact on the level of tax paid on the profits generated by the Group. The technology in some of its products is sophisticated and may be subject to export control legislation, which could restrict its ability to sell in some countries.

Strategic Report (continued)

Principal Risks and Uncertainties (continued)

- <u>Financial risk:</u> The Group is exposed to a number of financial risks including market risk, credit risk and liquidity risk. A description of these risks, and the Group's approach to managing them, is described in Note 23 to the financial statements.
- <u>Customer risk:</u> Revenues are largely dependent upon the ability of customers to develop and sell products that incorporate its products. No assurance can be given that customers will not experience financial, technical or other difficulties that could adversely affect their operations and, in turn, the Group's results of operations.

The Group has long experience in managing all these risks, while delivering profitability.

The Group has a strong balance sheet with significant cash balances and debtor balances with major, well rated customers and as such the Board does not consider that the Group is subject to undue financial risk.

Performance Monitoring

The Board monitors the Group's performance in a number of ways including key performance indicators. The key financial performance indicators together with the information for 2017 and 2016 are as follows:

	2017	2016
Revenue	£16.2m	£16.4m
Gross Margin %	55.4%	54.2%
Pre-tax Profit	£3.0m	£2.9m
Cash and Other financial assets	£8.4m	£7.8m

The Revenue indicator represents what has been delivered to customers in the year and measures sales growth or decline in value terms.

The Gross Margin percentage is calculated by dividing gross profit by revenue and measures the total profitability of product sales.

Pre-tax Profit is the profit generated by the Group from operations including finance income and finance costs and is stated after capitalisation of development costs but before taxation. This indicator measures the overall profitability of the business.

The Cash and Other financial assets indicator is the year-end balance sheet position of Cash and cash equivalents and Other financial assets as reported in the Consolidated Balance Sheet. This indicator can be affected by the pattern of trading towards year end but does give a general indication of the ability of the Group to generate cash.

These performance indicators are measured against a budget approved by the Board.

The Board also regularly reviews the following non-financial performance indicators and is pleased to report there were no significant matters arising during the year:

- Manufacturing quality
- Product warranty performance
- Development projects measured against project milestones
- Manufacturing output measured against manufacturing plans and customer requirements
- Stock recording accuracy
- Health and safety incidents

By order of the Board

M Collins
Chairman
3 April 2018

G A Fawcett
Managing Director
3 April 2018

Report of the Directors

The Directors present their Report and Financial Statements of the Group (Concurrent Technologies Plc and its wholly owned subsidiaries, Concurrent Technologies Inc, Omnibyte Corporation and Concurrent Tech India Private Ltd) for the year ended 31 December 2017.

Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report, the Strategic 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 to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors 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.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the 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 auditors are aware of that information.

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.

Results and Dividends

The profit on ordinary activities after taxation for the year ended 31 December 2017 was £2.76m (year to 31 December 2016: £2.83m). An interim dividend of 0.90 pence per ordinary share (2016: 0.80 pence) was paid on 13 October 2017. The Board has declared a further interim dividend of 1.30 pence per share (2016: 1.30 pence) which will make a total of 2.20 pence per share for the year (2016: 2.10 pence).

During the year the Company did not purchase any of its own shares (2016: nil, with a nominal value of £nil). For further details, see Note 21 to the Financial Statements. The Company will continue to use its authority to buy back its own shares when the Directors consider it appropriate.

Future Developments

Details about future developments are set out in the Strategic Report.

Financial Risk Management

Details about financial risk management are referred to in the Strategic Report and set out in Note 23.

Design and Development

The Group recognises the importance of investing in design and development programmes in order to maintain technical and commercial competitiveness. Expenditure on design and development of £2.1m was capitalised in the year to 31 December 2017 (2016: £2.3m), in accordance with the Group accounting policy (see Note 2 to these Financial Statements).

Property, Plant and Equipment

Details of additions to property, plant and equipment are given in Note 11 to the Financial Statements.

Donations

The Group made no political donations during the year.

Report of the Directors (continued)

Substantial Shareholders

As at 31 December 2017 the following entities or persons, other than the Directors and their family interests, had an interest in 3% or more of the Company's Ordinary Shares, excluding those held in Treasury.

Name	N° of Ordinary Shares	Shareholding %
The Bank of New York (Nominees) Ltd	10,963,695	14.8
State Street Nominees Ltd	6,903,138	9.3
Platform Securities Nominees Ltd*	6,890,848	9.3
HALB Nominees Ltd	5,921,835	8.0
BNY (OCS) Nominees Ltd	5,447,096	7.4
HSBC Global Custody Nominee (UK) Ltd	5,077,200	6.9
Hargreaves Lansdown (Nominees) Ltd	2,185,299	3.0

*This includes shares held by M Collins

Non-Executive Directors

Michael Collins LLB, Solicitor, aged 72. Chairman.
Previously a partner in DLA Piper UK LLP, was appointed a Director of the Company in 1987.

Clive Mannering Thomson FSI, aged 70.
Formerly a Director of stockbroker Bell Lawrie White & Co., and now the Chairman and Managing Director of a private company, Meeting Makers Ltd. He was appointed a Director of the Company in 2004.

Directors

The Directors set out below have held office during the whole of the year from 1 January 2017 to 31 December 2017. Their beneficial interests in the Ordinary Share capital of the Company on 31 December 2017 are shown below:

	1p Ordinary Shares	
	31/12/2017	**01/01/2017**
J B Annear	1,855,096	1,855,096
M Collins	4,443,287	4,443,287
D Evans-Hughes	880,506	880,506
G A Fawcett	1,688,181	1,688,181
C M Thomson	190,000	190,000

There were no non-beneficial interests of the Directors holding office on the 31 December 2017 in the share capital of the Company at that date or at the end of the previous year.

The interests of the Directors in the Share Option Scheme are disclosed in the Report of the Remuneration Committee.

Rotation of Directors

The Directors throughout the year are listed above. In accordance with the Articles of Association, Mr C Thomson and Mr D Evans-Hughes retire by rotation and being eligible offer themselves for re-appointment at the next Annual General Meeting.

Officers' Insurance

The Group has purchased and maintains insurance to cover its officers against liabilities in relation to their duties to the Group.

Auditors

Grant Thornton UK LLP has expressed their willingness to continue in office and so a Resolution will be proposed at the next Annual General Meeting for their re-appointment as auditors.

By order of the Board

Cargil Management Services Limited
Company Secretary
3 April 2018

Corporate Governance Statement

Companies that have securities traded on AIM are not required to comply with the UK Corporate Governance Code. Whilst the Group therefore does not apply the UK Corporate Governance Code, it is committed to high standards of corporate governance. We have adopted many of the practices set out in the Corporate Governance Code issued by the Quoted Companies Alliance, an alternative governance code, particularly aimed at small and mid-size quoted companies.

Internal Financial Control

The Board of Directors has overall responsibility for the Group's system of internal financial control and for reviewing its effectiveness. Such a system can only provide reasonable and not absolute reassurance against material misstatement or loss.

The Group has a long established framework of internal financial controls:

Control Environment: the Group's control environment is the responsibility of the Group's Directors and Managers at all levels. The Group's organisational structure has clear lines of responsibility. Operating and financial responsibility for subsidiary companies is the responsibility of the Board.

Financial Reporting: there is a comprehensive budgeting system in place with an annual budget approved by the Board. Actual profit and loss together with a balance sheet are reported against budget every month, together with order intake analysis. A review of the results to date and latest year end forecasts is undertaken by the Board at least six times a year. Comments arising from the detailed review of the performance and financial position are included within the Strategic Report. The Directors' responsibilities for the Financial Statements are described on page 5. The Company reports to Shareholders twice a year.

Delegation of Authority: the Group has a procedure that defines levels of authority before committing the Group to defined actions involving commercial risk.

Risk Assessment: executive management has a clear responsibility for the identification of risks facing the business and for putting in place procedures to eliminate, mitigate and monitor risks. The Group continually sets and monitors performance targets. The full Board monitors these processes through a system of Board Meeting reports.

Treasury: the strategy of hedging against foreign exchange and interest rates, levels of borrowing, charges over assets and investment of cash are reviewed and approved by the Board. The policy regarding insurance of various business risks is reviewed and approved by the Board at least once a year.

Board's Monitoring System: the Board reviews and approves budgets and monitors the Group's performance against those budgets monthly. Variances from expected outcomes are investigated and where lapses in internal control are detected, these are rectified. The Group's cash flow is also monitored monthly.

Main Control Procedures: financial control procedures operate throughout the Group to ensure the integrity of the Group's Financial Statements. The Board approves capital expenditure when approving the annual budget and the Board must approve any other material capital expenditure. To supplement these procedures the Company has a comprehensive set of written non-financial procedures which are audited internally on a regular basis and twice yearly by external independent auditors as per ISO 9001 requirements.

The Board reviewed the effectiveness of the systems of internal financial control for the year ended 31 December 2017 and is confident that they are appropriate and has also taken account of any material developments which have taken place since the year end.

Corporate Governance Statement (continued)

The Board of Directors

The full Board of Directors meets a minimum of six times per year and exercises control, including the monitoring of senior management, throughout the Company. Six Board Meetings were held during 2017 and all Board Meetings were attended by all Directors.

The Chairman, who carries out his duties on a part-time basis, is primarily responsible for the running of the Board, and the Managing Director is responsible for the day-to-day running of the Group and for implementing Group strategy. All Directors are aware of their right to seek independent professional advice at the Company's expense to assist them in their duties and to have access to the services of the Company Secretary.

Board Committees

The Audit Committee is responsible for ensuring the financial performance of the Group is properly measured and reported and for reviewing reports from auditors relating to the Group accounts and the Group's internal control systems. The Audit Committee also reviews the independence and the objectivity of the auditors.

The Audit Committee, which meets twice yearly, comprises:

M Collins	Non-Executive Chairman and Chairman of the Audit and Remuneration Committees.
C M Thomson	Non-Executive Director.

The Remuneration Committee is responsible for setting the remuneration and performance related bonus for Executive Directors. The Committee, which meets at least once each year, comprises:

M Collins	Non-Executive Chairman and Chairman of the Audit and Remuneration Committees.
C M Thomson	Non-Executive Director.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to enable them to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these Financial Statements. Further details are given in Note 2.

M Collins
Chairman
3 April 2018

Report of the Remuneration Committee

The Remuneration Committee consists of two Non-Executive Directors: Mr M Collins, who is Chairman, and Mr C M Thomson.

Directors' Emoluments

Each Executive Director is employed by the Company under a written contract of employment which provides for termination by either party giving twelve months written notice.

Each Executive Director receives a remuneration package comprising a basic salary and benefits in kind. For each year, commencing on 1 January, the Remuneration Committee recommends to the Board of Directors, the level of emoluments to be paid to each Executive and Non-Executive Director and the basis upon which any bonuses will be payable to each Executive Director. Bonuses are specifically related to the Group's performance and are calculated according to a formula recommended by the Remuneration Committee at the beginning of each year. The Non-Executive Directors are not entitled to bonuses.

Executive Directors are entitled to be members of the Company's pension scheme, details of which are set out in Note 22 to the Financial Statements. Non-Executive Directors are not entitled to join the Company's pension scheme.

Each Non-Executive Director is employed by the Company under a written contract that provides for termination by either party giving three months written notice.

Directors' Emoluments during the year ended 31 December 2017 were:

Director	Emoluments & Compensation including benefits received (£)	Company Contributions to Pension Scheme (£)	Total Emoluments (£)
M Collins	45,300	-	45,300
C M Thomson	26,300	-	26,300
G A Fawcett	211,207	21,655	232,862
J B Annear	167,650	20,290	187,940
D Evans-Hughes	154,474	2,756	157,230

Report of the Remuneration Committee (continued)

Share Options

The Company operates an Enterprise Management Incentive Share Option Scheme. Details of the Scheme are set out in Note 26 to the Financial Statements. The Board of the Company administers the Scheme, delegated to the Remuneration Committee, which has authority to offer options to a limited number of employees.

Interests of the Directors in the Share Option Scheme

The interests of the Directors in the Share Option Scheme during the year were as follows:

Director	Number of Shares under option at 31/12/16	Options Exercised	Number of Shares under option at 31/12/17	Exercise Price	Date from which Share Option is Exercisable	Expiry date of Share Option
J B Annear	50,630	-	50,630	39.5p	13 April 2011	13 April 2018
	400,000	-	400,000	39.0p	26 March 2018	26 March 2025
D Evans-Hughes	50,630	-	50,630	39.5p	13 April 2011	13 April 2018
	400,000	-	400,000	39.0p	26 March 2018	26 March 2025
G A Fawcett	50,630	-	50,630	39.5p	13 April 2011	13 April 2018
	400,000	-	400,000	39.0p	26 March 2018	26 March 2025

The market price of the Company's shares as at the end of the financial year was 82.5p and the range of published market prices during the year was 56p to 95.5p.

M Collins
Chairman of the Remuneration Committee
3 April 2018

Report of the Auditors

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Concurrent Technologies Plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Consolidated and Company Statements of Changes in Equity and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 31 December 2017 and of the Group's profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, 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.

Who we are reporting to

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) 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 or the parent company'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.

Overview of our audit approach

- Overall Group materiality: £174,000, which is approximately 4% of the Group's earnings before interest, tax, depreciation and amortisation;
- The principal trading entity is Concurrent Technologies Plc. We performed a full scope audit of the financial information of the parent company Concurrent Technologies Plc, and on all other entities in the Group we have performed targeted procedures; and
- The key audit matter identified was impairment of intangible assets.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter – Group and Parent

Impairment of intangible asset related to development cost

The carrying value of intangible assets related to development costs amount to £7,387,314 (2016: £6,813,420). The net book value of one development project has been fully impaired during the year with a charge to the Income Statement of £254,550.

There is a risk that intangible assets recognised regarding capitalisation of development costs may be impaired. An annual impairment review is completed in order to assess the carrying value of each identified development project.

The review is based on identifiable projects for which future revenues and gross margins can be assigned to calculate a value in use based on a discounted cash flow model.

Management's assessment of the potential impairment of the Group's intangible assets incorporates key assumptions over the timing and extent of future revenues, gross margin and the discount rate used.

Due to the inherent uncertainty involved in forecasting and discounting future cash flows, we identified the impairment of intangible assets, as a significant risk, which was one of the most significant assessed risks of material misstatement.

How the matter was addressed in the audit – Group and Parent

Our audit work included, but was not restricted to:

- confirming the mathematical accuracy of the discounted cash flow models;
- comparing the Group's disclosures in respect of impairment tests (see Note 12) and key judgements and estimates (see Note 2) against disclosure requirements specified in IAS 36 Impairment of assets;
- challenging management's assessment as to whether there were any indicators of impairment associated with the capitalised development costs based on our knowledge of the Group and its trading performance and the status of individual projects;
- challenging management on specific projects that have significantly revised cash flows estimates compared to historic forecasts;
- challenging the reasonableness of the key assumptions including margin, growth rates and the discount rate used by management based on market factors and historical performance; and
- performing sensitivities over management's discount cash flow models with reference to revenue forecasts and the discount rate used, to identify whether a reasonably probable change in assumptions would indicate an impairment.

The Group's accounting policies on intangible assets is shown in Note 2 to the financial statements.

Key observations

Our testing did not identify any material misstatement in the carrying value of intangible assets related to development costs.

Report of the Auditors (continued)

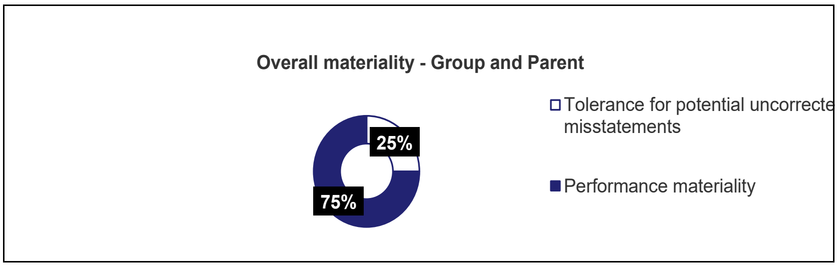
Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

Materiality was determined as follows:

Materiality measure	Group	Parent
Financial statements as a whole	£174,000 which is approximately 4% of the Group's earnings before interest, tax, depreciation and amortisation (EBITDA). This benchmark is considered the most appropriate because EBITDA is a primary measure of profitability used by shareholders and is a generally accepted audit benchmark. Materiality for the current year is lower than the level that we determined for the year ended 31 December 2016, which was £190,000, which is a result of the decrease in earnings before interest, tax, depreciation, amortisation and impairment.	£157,000 which is approximately 4% of the parent's earnings before interest, tax, depreciation and amortisation (EBITDA). This benchmark is considered the most appropriate because EBITDA is a primary measure of profitability used by shareholders and the entity is the primary trading component of the Group. Materiality for the current year is lower than the level that we determined for the year ended 31 December 2016, being £171,000, which is a result of a decrease in earnings before interest, tax, depreciation, amortisation and impairment of the parent entity.
Performance materiality used to drive the extent of our testing	75% of financial statement materiality.	75% of financial statement materiality.
Specific materiality	We also determine a lower level of specific materiality for certain areas such as Directors' remuneration.	We also determine a lower level of specific materiality for certain areas such as Directors' remuneration.
Communication of misstatements to the audit committee	£8,800 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£7,800 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The chart below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.



Report of the Auditors (continued)

An overview of the scope of our audit

Our audit approach was based on our understanding of the Group's business and was risk based. We took into account the size and risk profile of each entity, any changes in the business and other factors when determining the level of work to be performed at each entity:

- The finance team based in the UK has responsibility for the accounting for Concurrent Technologies Plc and the Group consolidation. Although day-to-day processes and controls are separately managed in each overseas subsidiary, Group management are responsible for all judgemental processes including significant risk areas;
- We performed a full scope audit of the financial information of the parent company Concurrent Technologies Plc. For all other entities in the Group, we performed targeted procedures to support the Group audit opinion;
- Our audit approach was primarily substantive in nature but included controls review over perpetual stock count processes;
- The total percentage coverage of full-scope and targeted procedures over revenue was 100%;
- The total percentage coverage of full scope procedures over intangible assets was 100%;
- Component auditors were used to complete targeted audit procedures for the Indian entity. The Group audit team instructed the component auditor of the targeted procedures to be completed over the significant areas within the component for Group audit purposes. The Group audit team reviewed the audit working papers for these significant areas.
- The Group auditors completed targeted procedures over the USA entity.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 16 to 43 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.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Report of the Auditors (continued)

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 5, 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 the Directors 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 and the parent company'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 the Directors either intend to liquidate the Group or the parent company or to cease operations, or have 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 (UK) 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Alison Seekings MA FCA CTA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
3rd April, 2018

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2017

	Note	Year to 31 December 2017	Year to 31 December 2016
CONTINUING OPERATIONS		**£**	**£**
Revenue	*3*	16,222,732	16,423,978
Cost of sales		7,231,876	7,529,867
Gross profit		8,990,856	8,894,111
Operating expenses		6,086,516	6,040,302
Group operating profit	*4*	2,904,340	2,853,809
Finance income	*5*	65,117	48,705
Profit before tax		2,969,457	2,902,514
Tax	*6*	213,836	72,609
Profit for the year		2,755,621	2,829,905
Other Comprehensive Income			
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(189,150)	415,966
Tax relating to components of other comprehensive income		-	-
Other Comprehensive Income for the year, net of tax		(189,150)	415,966
Total Comprehensive Income for the year		2,566,471	3,245,871
Profit for the period attributable to:			
Equity holders of the parent		2,755,621	2,829,905
Total Comprehensive Income attributable to:			
Equity holders of the parent		2,566,471	3,245,871
Earnings per share			
Basic earnings per share	*8*	3.79p	3.90p
Diluted earnings per share	*8*	3.79p	3.90p

Consolidated Balance Sheet

At 31 December 2017

	Note	As at 31 December 2017 £	As at 31 December 2016 £
ASSETS			
Non-current assets			
Property, plant and equipment	*11*	482,254	414,209
Intangible assets	*12*	7,397,512	6,846,520
Deferred tax assets	*13*	170,495	112,128
		8,050,261	7,372,857
Current assets			
Inventories	*15*	3,222,800	3,239,855
Trade and other receivables	*16*	2,740,335	3,327,629
Current tax assets		135,224	93,156
Other financial assets	*18*	2,502,281	1,000,000
Cash and cash equivalents		5,892,304	6,773,083
		14,492,944	14,433,723
Total assets		22,543,205	21,806,580
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	*13*	1,473,815	1,291,468
Long term provisions	*19*	4,097	6,699
		1,477,912	1,298,167
Current liabilities			
Trade and other payables	*17*	2,332,599	2,810,655
Short term provisions	*19*	16,644	23,939
Current tax liabilities		-	-
		2,349,243	2,834,594
Total liabilities		3,827,155	4,132,761
Net assets		18,716,050	17,673,819
EQUITY			
Capital and reserves			
Share capital	*21*	739,000	739,000
Share premium account		3,699,105	3,693,818
Capital redemption reserve		256,976	256,976
Cumulative translation reserve		305,457	494,607
Profit and loss account		13,715,512	12,489,418
Equity attributable to equity holders of the parent		18,716,050	17,673,819
Total equity		18,716,050	17,673,819

Company Registered Number: 01919979

The Financial Statements were approved and authorised for issue by the Board of Directors on 3 April 2018 and signed on its behalf by:

M Collins
Chairman

G A Fawcett
Managing Director

Company Balance Sheet

At 31 December 2017

	Note	As at 31 December 2017 £	As at 31 December 2016 £
ASSETS			
Non-current assets			
Property, plant and equipment	*11*	379,474	302,095
Intangible assets	*12*	7,395,309	6,833,636
Deferred tax assets	*13*	107,829	53,240
Investments	*14*	1,389,470	1,386,766
		9,272,082	8,575,737
Current assets			
Inventories	*15*	3,222,800	3,239,855
Trade and other receivables	*16*	3,267,317	2,894,282
Current tax assets		51,992	13,542
Other financial assets	*18*	2,502,281	1,000,000
Cash and cash equivalents		2,582,125	4,577,421
		11,626,515	11,725,100
Total assets		20,898,597	20,300,837
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	*13*	1,466,773	1,297,185
Long term provisions	*19*	4,097	6,699
		1,470,870	1,303,884
Current liabilities			
Trade and other payables	*17*	2,044,191	2,577,395
Short term provisions	*19*	16,644	23,939
		2,060,835	2,601,334
Total liabilities		3,531,705	3,905,218
Net assets		17,366,892	16,395,619
EQUITY			
Capital and reserves			
Share capital	*21*	739,000	739,000
Share premium account		3,699,105	3,693,818
Capital redemption reserve		256,976	256,976
Profit and loss account		12,671,811	11,705,825
Equity attributable to equity holders of the parent		17,366,892	16,395,619
Total equity		17,366,892	16,395,619

The Parent Company retained profit for the year was £2,495,513.

Company Registered Number: 01919979

The Financial Statements were approved and authorised for issue by the Board of Directors on 3 April 2018 and signed on its behalf by:

M Collins
Chairman

G A Fawcett
Managing Director

Consolidated Cash Flow Statement

For the year ended 31 December 2017

	Note	Year to 31 December 2017 £	Year to 31 December 2016 £
Cash flows from operating activities			
Profit before tax for the period		2,969,457	2,902,514
Adjustments for:			
Finance income		(65,117)	(48,705)
Depreciation		194,529	196,370
Amortisation		1,294,457	1,254,826
Impairment loss		286,888	499,509
Loss/(profit) on disposal of property, plant and equipment (PPE)		(3,750)	233,840
Share-based payment		27,448	13,585
Exchange differences		(110,755)	76,461
Decrease/(increase) in inventories		17,055	534,430
(Increase)/decrease in trade and other receivables		587,294	(927,530)
Increase/(decrease) in trade and other payables		(487,953)	558,815
Cash generated from operations		4,709,553	5,294,115
Tax received		(83,808)	116,142
Net cash generated from operating activities		4,625,745	5,410,257
Cash flows from investing activities			
Interest received		65,117	48,705
Cash released from/(placed) on deposit		(1,502,281)	-
Purchases of property, plant and equipment (PPE)		(267,855)	(138,181)
Proceeds from sale of PPE		3,750	-
Capitalisation of development costs and purchases of intangible assets		(2,133,046)	(2,290,889)
Net cash used in investing activities		(3,834,315)	(2,380,365)
Cash flows from financing activities			
Equity dividends paid		(1,599,804)	(1,452,689)
Exercise of share options		-	51,800
Purchase of treasury shares		-	-
Net cash used in financing activities		(1,599,804)	(1,400,889)
Effects of exchange rate changes on cash and cash equivalents		(72,405)	270,265
Net increase/(decrease) in cash		(880,779)	1,899,268
Cash at beginning of period		6,773,083	4,873,815
Cash at the end of the period		5,892,304	6,773,083

Company Cash Flow Statement

For the year ended 31 December 2017

	Note	**Year to 31 December 2017 £**	**Year to 31 December 2016 £**
Cash flows from operating activities			
Profit before tax for the period		2,627,172	2,615,188
Adjustments for:			
Finance income		(22,454)	(26,022)
Depreciation		133,793	144,161
Amortisation		1,283,993	1,244,229
Impairment loss		286,888	499,509
Loss/(profit) on disposal of property, plant and equipment (PPE)		(3,750)	233,840
Share-based payment		24,744	13,694
Decrease/(increase) in inventories		17,055	534,430
(Increase)/decrease in trade and other receivables		(373,035)	(978,367)
Increase/(decrease) in trade and other payables		(543,101)	372,995
Cash generated from operations		3,431,305	4,653,657
Tax received		(6,994)	214,846
Net cash generated from operating activities		3,424,311	4,868,503
Cash flows from investing activities			
Interest received		22,454	26,022
Cash released from/(placed) on deposit		(1,502,281)	-
Purchases of property, plant and equipment (PPE)		(211,172)	(73,923)
Proceeds from sale of PPE		3,750	-
Capitalisation of development costs and purchases of intangible assets		(2,132,554)	(2,289,155)
Net cash used in investing activities		(3,819,803)	(2,337,056)
Cash flows from financing activities			
Equity dividends paid		(1,599,804)	(1,452,689)
Exercise of share options		-	51,800
Purchase of treasury shares		-	-
Net cash used in financing activities		(1,599,804)	(1,400,889)
Net increase/(decrease) in cash		(1,995,296)	1,130,558
Cash at beginning of period		4,577,421	3,446,863
Cash at the end of the period		2,582,125	4,577,421

Consolidated Statement of Changes in Equity

For the year ended 31 December 2017

	Share capital £	Share premium £	Capital redemption reserve £	Cumulative translation reserve £	Profit and loss account £	Total Equity £
Balance at 1 January 2016	739,000	3,693,818	256,976	78,641	11,053,09	15,821,514
Profit for the period	-	-	-	-	2,829,905	2,829,905
Exchange differences on translating foreign operations	-	-	-	415,966	-	415,966
Total comprehensive income for the period	-	-	-	415,966	2,829,905	3,245,871
Transactions with owners:						
Share-based payment	-	-	-	-	13,585	13,585
Deferred tax on share based payment	-	-	-	-	(6,262)	(6,262)
Dividends paid	-	-	-	-	(1,452,689)	(1,452,689)
Purchase of treasury shares	-	-	-	-	51,800	51,800
Balance at 31 December 2016	739,000	3,693,818	256,976	494,607	12,489,418	17,673,819
Profit for the period	-	-	-	-	2,755,621	2,755,621
Exchange differences on translating foreign operations	-	-	-	(189,150)	-	(189,150)
Total comprehensive income for the period	-	-	-	(189,150)	2,755,621	2,566,471
Transactions with owners:						
Share-based payment	-	-	-	-	27,448	27,448
Deferred tax on share based payment	-	-	-	-	48,116	48,116
Dividends paid	-	-	-	-	(1,599,804)	(1,599,804)
Transfer of treasury shares	-	5,287	-	-	(5,287)	-
Balance at 31 December 2017	739,000	3,699,105	256,976	305,457	13,715,512	18,716,050

Company Statement of Changes in Equity

For the year ended 31 December 2017

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total Equity £
Balance at 1 January 2016	739,000	3,693,818	256,976	10,466,947	15,156,741
Total profit and comprehensive income for the period	-	-	-	2,632,444	2,632,444
Transactions with owners:					
Share-based payment	-	-	-	13,585	13,585
Deferred tax on share based payment	-	-	-	(6,262)	(6,262)
Dividends paid	-	-	-	(1,452,689)	(1,452,689)
Purchase of treasury shares	-	-	-	51,800	51,800
Balance at 31 December 2016	739,000	3,693,818	256,976	11,705,825	16,395,619
Total profit and comprehensive income for the period	-	-	-	2,495,513	2,495,513
Transactions with owners:					
Share-based payment	-	-	-	27,448	27,448
Deferred tax on share based payment	-	-	-	48,116	48,116
Dividends paid	-	-	-	(1,599,804)	(1,599,804)
Transfer of treasury shares (adjustment)	-	5,287	-	(5,287)	-
Balance at 31 December 2017	739,000	3,699,105	256,976	12,671,811	17,366,892

Notes to the Financial Statements

For the year ended 31 December 2017

Note 1 **GENERAL INFORMATION**

The principal activity of Concurrent Technologies Plc ('the Company') and its subsidiaries (together 'the Group') is the design, development, manufacture and marketing of single board computers for system integrators and original equipment manufacturers.

Concurrent Technologies Plc is the Group's ultimate Parent Company. It is incorporated and domiciled in the United Kingdom. Concurrent Technologies Plc's shares are listed on the Alternative Investment Market of the London Stock Exchange.

The Group's financial statements are presented in pounds sterling (£), which is also the functional currency of the Parent Company. They have been approved for issue by the Board of Directors on 3 April 2018.

Note 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of preparation

These financial statements are for the year ended 31 December 2017. They have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. These financial statements have been prepared under the historical cost convention.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue:

IFRS 9 Financial Instruments (effective 1 January 2018)
IFRS 15 Revenue from Contracts with Customers (effective 1 January 2019)
IFRS 16 Leases (effective 1 January 2019)

The Directors anticipate that the adoption of IFRS 9 in future periods is not expected to have a material impact on the financial statements of the Group or the Parent Company.

IFRS 15 has been produced in order to bring into line the principles that a business applies when reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. The core principle of IFRS 15 dictates that a business recognises revenue to clearly show the transfer of contracted goods/services to customers in the amount that mirrors the consideration that the business is entitled to. Under IFRS 15 there are 5 steps to recognising revenue.

The Directors have considered these 5 steps and sale of goods where the risks and rewards of ownership are transferred at the point of invoice IFRS 15 has no impact, this is the case for most of the CCT sales.

The Group does offer customers the opportunity to purchase an extended warranty of one, two or three years for their boards. As the customer has the option of purchasing the additional warranty separately, this is a service-type warranty and is accounted for as a separate performance obligation. Deferred revenue is recognised (as opposed to revenue being recorded) until the performance obligation is satisfied.

The Directors have assessed that the impact of IFRS 15 would not be material on the Financial Statements of the Group.

The adoption of IFRS 16 will require the Group and Company to recognise on Balance Sheet the asset and base commitment associated with its rented properties.

The Parent Company has relied on the exemption conferred by s408 of the Companies Act 2006 in not publishing its own profit and loss account. The Parent Company retained profit for the year was £2,495,513.

The policies set out below have been consistently applied to all the years presented.

Basis of presentation

The consolidated financial statements are presented in accordance with IAS 1 Presentation of Financial Statements. The Group has elected to present the 'Income Statement' and 'Statement of Comprehensive Income' in one statement.

Going Concern

The Directors have reviewed the approved budget for the next financial year together with extended medium term forecasts, taking into account general and specific market conditions, status of suppliers, liquidity and funding requirements and the needs of subsidiary companies. The Directors believe that the company is well placed to manage its business risks successfully for the foreseeable future and have concluded that the use of the going concern basis of accounting is appropriate in preparing the annual financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertakings. A subsidiary is a company controlled directly by the Group. Control is achieved where the Group has the power over the investee, rights to variable returns and the ability to use the power to affect the investee’s returns. The consolidation method used is the acquisition method.

Note 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The acquisition method views a business combination from the perspective of the combining entity that is identified as the acquirer. The acquirer recognises the assets acquired and liabilities and contingent liabilities assumed, including those not previously recognised by the acquiree, where recognition criteria are met. Measurement of these items is generally at fair value at acquisition date. The measurement of the acquirer's assets and liabilities is not affected by the transaction, nor are any additional assets or liabilities of the acquirer recognised as a result of the transaction, because they are not the subjects of the transaction. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Revenue recognition

Revenue is measured by reference to the fair value of consideration received or receivable by the Group for goods supplied and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

The Group's principal source of revenue is from the sale of single board computers and associated products. The majority of revenue is recognised when goods are shipped or delivery and the significant risks and rewards of ownership are transferred to the customer. A small proportion of the Group’s revenue is derived from extended warranty contracts where revenue is recognised on sale of the associated hardware.

Leasing

Where substantially all the risks and rewards associated with ownership are not transferred to the lessee, leases are treated as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

Foreign currencies

The functional and presentational currency of the Company is pounds sterling (GBP). Transactions in currencies other than the functional currency of the individual entities within the Group are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year end exchange rates are recognised in profit or loss.

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than GBP are translated into pounds sterling upon consolidation. The functional currencies of the entities in the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into GBP at the closing rate at the reporting date. Income and expenses have been translated into GBP at the rates of exchange prevailing on the dates of the transactions over the reporting period. In line with IAS 21, an average rate is used for the period unless exchange rates fluctuate significantly and then the weighted average rate is used. Exchange differences are charged/credited to other comprehensive income and recognised in the cumulative translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated into GBP at the closing rate.

Inventories

Inventories are stated at the lower of cost and net realisable value on a first in first out basis. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value represents the estimated selling price after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state into a finished condition. Provision is made where necessary for obsolete, slow moving or defective inventories.

Notes to the Financial Statements (continued)

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment are stated at original historical cost, net of depreciation and any provision for impairment. Depreciation is charged so as to write off the cost of assets together with any cost directly attr butable with bringing the asset into use, less estimated residual value, on a straight line or reducing balance basis over their estimated useful lives in accordance with the table below:

Plant and machinery	5 - 15 years on a straight line basis
Fixtures, fittings and equipment	3 - 7 years on a straight line basis
Computer equipment	3 - 5 years on a straight line basis
Improvements to short leasehold property	5 - 10 years on a straight line basis

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

The residual values and useful economic lives of leasehold property, plant and equipment are reviewed annually.

Intangible assets

All intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses.

Research costs

Research costs are charged directly to operating expense in the statement of comprehensive income as incurred.

Development costs

Development costs are capitalised as intangible assets if it is probable that the project will be a commercial success, technically feasible and the costs can be reliably determined.

Capitalised development costs comprise all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management, including development-related overheads. Amortisation commences upon completion of the development or when the asset becomes available for commercial production. Capitalised development costs are amortised on a straight line basis, over the estimated product life which is generally five to seven years. The asset will be reviewed annually for impairment or whenever indicators suggest that the carrying amount may not be recovered throughout the period in which it is being used.

All other development costs are recorded under operating expense in the statement of comprehensive income in the period they are incurred.

Other intangible assets

Intang ble assets purchased separately, such as software licences that do not form an integral part of hardware, are capitalised at cost and amortised over their useful lives of three to seven years.

The carrying values of intangible assets with finite lives are reviewed for impairment when events or changes in circumstance indicate the carrying value may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which it belongs.

Impairment of property, plant and equipment and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is immediately recognised as an expense in the statement of comprehensive income.

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

Note 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Taxation

Current tax is the tax currently payable based on taxable profit for the year. Current tax for current and prior periods shall, to the extent unpaid, be recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognised as an asset.

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

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the year end date.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

(i) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition at fair value, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, other financial assets (fixed term deposits), trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

(ii) Financial liabilities

Trade and other payables are not interest bearing and are initially recognised at fair value plus transaction costs directly attributable to their acquisition and then subsequently measured at amortised cost.

(iii) Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value plus transaction costs directly attributable to their acquisition and subsequently measured at amortised cost using the effective interest method. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Investments in subsidiaries

Investments in subsidiaries, as reported in the Parent Company financial statements, are included at cost less provision for impairment.

Finance Income

Finance income comprises interest income accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable.

Dividends

Dividends to the Company's shareholders are recognised as a liability and deducted from shareholders' equity in the period in which the shareholders' right to receive payment is established.

Note 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Employee benefits

Retirement benefits
The Company operates a defined contribution retirement benefit plan. The cost of the defined contribution plan is charged to operating expenses in the statement of comprehensive income on the basis of contributions payable by the Company during the year.

Defined benefit pension scheme

The Indian subsidiary company provides retirement and termination benefits which fall within the scope of IAS 19: Retirement Benefits as defined benefit schemes. The liabilities of these schemes are measured on an actuarial basis and are discounted to their present values using a discount rate based on government bond rates in the associated country. There are no assets associated with the benefits. The liability is recognised in full on the balance sheet. An associated deferred tax balance relating to the liability is recognised.

Share-based payments
The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. In the consolidated Financial Statements, the fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis, together with a corresponding increase in equity, over the vesting period based on the Group's estimate of shares which will eventually vest. In the Financial Statements of the Company, equity-settled share-based payments issued to employees of the Company are treated in the same manner as in the consolidated Financial Statements. Equity settled share-based payments issued to employees of subsidiary undertakings are treated in the Financial Statements of the Company as an increase in investment in subsidiary companies, together with a corresponding increase in equity, over the vesting period based on the Group's estimate of shares which will eventually vest.

Fair value is measured by use of a binomial option pricing model and has been adjusted for the estimated effect of non-transferability, exercise restrictions and behavioural considerations.

Treasury shares

The Company's shares which have been purchased and not cancelled are held as treasury shares and deducted from shareholders' equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the shares.

Reserves

Share premium account represents the difference between the price received on the sale of shares and their par value.

Capital redemption reserve arose from the purchase of shares and represents their nominal value.

Cumulative translation reserve arises from the consolidation of foreign subsidiaries.

Share Capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and share based payments.

Provisions

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and amounts can be estimated reliably. Provisions are not discounted unless considered to be material.

Key judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of creating a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Inventory Provisions
Management is required to review the carrying value of the Company's inventories and provision is made where necessary for obsolete, slow moving or defective inventories. Judgement is required when estimating items of inventory for which the net realisable value is unlikely to exceed cost. Estimation uncertainty arises due to the long term period over which the Group's inventories are l kely to sell. See inventory policy for further details and also Note 15.

Development costs
To substantiate the carrying value of the capitalised development costs, management have applied the criteria of IAS 38 'Intangible Assets' and have estimated the future economic benefits which will be achieved from this investment. Judgement is required when distinguishing the research and development phases of new projects, and determining whether the recognition requirements for capitalisation of the development costs are met. In assessing impairment of capitalised development costs, management estimates the recoverable amounts of each asset or cash generating unit based on expected future cash flows, and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future results. See development cost policy for further details.

Note 3 SEGMENT REPORTING

The Directors consider that there is only one operating segment being design, manufacture and supply of high-end embedded computer products. The disclosures for this operating segment have already been provided in these financial statements. The Company's products can be supplied to more than one business sector and are sold on a global basis, and the Group does not have specific resources that are allocated to specific business sectors. All manufacturing is undertaken in the UK.

Whilst looking at sales by business sectors the Board of the Company as the Chief Operating Decision Maker does not make decisions regarding allocation of Group resources on such a basis. Further, Group profits are not categorised for internal reporting purposes by sectors or geography. The historical and anticipated performance of the Group is therefore reported to the Board of Concurrent Technologies Plc as a single entity. Thus the Directors consider that there are no additional segments required to be disclosed under IFRS 8 - Operating Segments, but have provided the following geographic sales analysis.

Revenue	**Year to 31 December 2017 £**	**Year to 31 December 2016 £**
United Kingdom	2,104,031	3,904,060
Other Europe	2,601,495	1,878,189
North America	8,782,060	7,638,821
Rest of the World	2,735,146	3,002,908
	16,222,732	16,423,978

During 2017, £1.4m or 8.9% of Group revenue depended on a single customer. In 2016, £2.1m or 12.6% of Group revenue depended on a single customer.

Note 4 GROUP OPERATING PROFIT

	Year to 31 December 2017 £	**Year to 31 December 2016 £**
Group operating profit is stated after charging to cost of sales:		
Cost of inventories recognised as expense	6,410,775	6,808,433
Staff costs (see Note 10)	638,469	608,141
Group operating profit is stated after charging to operating expenses:		
Net foreign exchange (gains)/losses	215,784	(227,652)
Total research and development costs	3,191,185	3,387,738
Capitalisation of research and development costs	(2,132,554)	(2,273,560)
Amortisation of intangible assets	1,294,457	1,254,826
Impairment of intangible assets	286,888	499,509
Depreciation of property, plant and equipment	194,529	196,370
Operating lease rentals	424,216	265,784
Staff costs (see Note 10)	4,406,743	4,402,465
Group principal auditor's remuneration:		
Audit of financial statements pursuant to legislation	42,732	39,914
Other services relating to taxation	5,877	3,988

Note 5 FINANCE INCOME

	Year to 31 December 2017 £	**Year to 31 December 2016 £**
Interest earned on bank deposits	65,117	48,705

Note 6 TAX

	Year to 31 December 2017 £	Year to 31 December 2016 £
Current UK tax credit	(44,215)	(3,414)
Current overseas tax charge	85,955	78,535
Deferred tax (credit)/expense (see Note 13)	172,096	(2,512)
	213,836	72,609

The tax assessed on the Group's profit before tax for the year differs from the standard rate of corporation tax in the UK. The effective rate of corporation tax for the year to 31 December 2017 was 19.25% (2016: 20%); the reduction in effective rate is due to the change in UK corporation tax rates. The lowest rate of corporation tax substantively enacted at the end of the reporting period at which deferred tax liabilities are expected to be realised is 17%. The differences are explained below:

	Year to 31 December 2017 £	Year to 31 December 2016 £
Profit before tax	2,969,457	2,902,514
Corporation tax on profit before tax at standard rate	564,197	580,503
Expenses not deductible for tax purposes	424,083	339,440
UK tax credits	(428,747)	(483,989)
Effect of Capitalised R&D	(405,185)	(343,214)
Effect of change in UK tax rate	56,957	(41,920)
Tax loss carried forward	-	-
Difference in overseas effective tax rates	2,531	21,789
Adjustment in respect of previous years' UK tax credits	-	-
Tax (credit)/charge	213,836	72,609

Factors that may affect future tax charges are as follows:

In accordance with IAS 12 (Income taxes), deferred tax assets in respect of losses carried forward in Group companies amounting to £nil (2016: £nil), have been recognised.

The Directors have reviewed the recoverability of ACT and the Group has surplus ACT available for potential relief in future periods under current taxation legislation of £273,075 (2016: £273,075). In accordance with IAS 12 such ACT recoverable has not been recognised in these Financial Statements.

Note 7 DIVIDENDS

	2017 £	2016 £	2017 pence per share	2016 pence per share
Second Interim (for the previous year)	945,340	870,942	1.30	1.20
Interim	654,464	581,747	0.90	0.80
	1,599,804	1,452,689	2.20	2.00

Dividends are recognised in the Financial Statements in the period they are declared. On 08 March 2018, the Directors declared a further interim dividend of 1.30 pence per share for the year ended 31 December 2017 (2016: 1.30 pence) at a total cost of £945,340 (2016: £945,340). The Directors will not recommend a final dividend.

Notes to the Financial Statements (continued)

Note 8 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders for the period by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all contracted dilutive potential ordinary shares. The Company only has one category of dilutive potential ordinary shares, share options.

The inputs to the earnings per share calculation are shown below:

	Year to 31 December 2017 £	Year to 31 December 2016 £
Profit attributable to ordinary equity holders	2,755,621	2,829,905

	Year to 31 December 2017 N°	Year to 31 December 2016 N°
Weighted average number of ordinary shares for basic earnings per share	72,718,490	72,635,976
Adjustment for share options	3,504	2,457
Weighted average number of ordinary shares for diluted earnings per share	72,721,994	72,638,433

Note 9 DIRECTORS' EMOLUMENTS

	Year to 31 December 2017 £	Year to 31 December 2016 £
Fees and emoluments	604,931	803,099
Gain on exercise of share options	-	-
Pension contributions	44,701	44,537
	649,632	847,636
The emoluments of Directors disclosed above include in respect of the highest paid Director:		
Fees and emoluments	211,207	289,593
Pension contributions	21,655	24,773
The number of Directors to whom retirement benefits are accruing under a defined contribution scheme is:	3	2

No Director exercised share options during the year ended 31 December 2017. Detailed information concerning Directors' emoluments, shareholdings and options is provided in the Report of the Remuneration Committee.

Note 10 STAFF COSTS

	Group Year to 31 December 2017 £	Company Year to 31 December 2017 £	Group Year to 31 December 2016 £	Company Year to 31 December 2016 £
Wages and salaries	4,361,114	3,037,169	4,350,061	3,132,029
Social security costs	390,407	338,222	398,851	348,117
Defined contr bution pension costs	260,838	222,114	248,109	213,182
Share-based payment	32,853	24,744	13,585	13,694
	5,045,212	3,622,249	5,010,606	3,707,022
Average number of employees:	N°	N°	N°	N°
Production	24	24	25	25
Other	85	56	81	52
	109	80	106	77

Note 11 PROPERTY, PLANT AND EQUIPMENT

GROUP

	Improvements to Short Leasehold Property	Plant, Fixtures, & Computer Equipment	Total
	£	£	£
COST			
At 1 January 2016	170,984	3,213,719	3,384,703
Foreign exchange movement	10,928	79,130	90,058
Additions	-	138,181	138,181
Disposals	-	(233,840)	(233,840)
At 31 December 2016	181,912	3,197,190	3,379,102
Foreign exchange movement	(2,136)	(22,336)	(24,472)
Additions	-	267,855	267,855
Disposals	-	(44,897)	(44,897)
At 31 December 2017	179,776	3,397,812	3,577,588
ACCUMULATED DEPRECIATION			
At 1 January 2016	153,483	2,540,863	2,694,346
Foreign exchange movement	10,928	63,249	74,177
Charge for the year	6,552	189,818	196,370
Disposals	-	-	-
At 31 December 2016	170,963	2,793,930	2,964,893
Foreign exchange movement	(2,136)	(17,055)	(19,191)
Charge for the year	3,065	191,464	194,529
Disposals	-	(44,897)	(44,897)
At 31 December 2017	171,892	2,923,442	3,095,334
NET BOOK VALUE			
At 31 December 2016	10,949	403,260	414,209
At 31 December 2017	7,884	474,370	482,254

At 31 December 2017 there were no tangible assets held under finance leases or hire purchase contracts (2016: £nil).

Note 11 **PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

COMPANY

	Improvements to Short Leasehold Property	Plant, Fixtures, & Computer Equipment	Total
	£	£	£
COST			
At 1 January 2016	105,179	2,780,689	2,885,868
Additions	-	73,923	73,923
Disposals	-	(233,840)	(233,840)
At 31 December 2016	105,179	2,620,772	2,725,951
Additions	-	211,172	211,172
Disposals	-	(44,897)	(44,897)
At 31 December 2017	105,179	2,787,047	2,892,226
ACCUMULATED DEPRECIATION			
At 1 January 2016	87,678	2,192,017	2,279,695
Charge for the year	6,552	137,609	144,161
Disposals	-	-	-
At 31 December 2016	94,230	2,329,626	2,423,856
Charge for the year	3,065	130,728	133,793
Disposals	-	(44,897)	(44,897)
At 31 December 2017	97,295	2,415,457	2,512,752
NET BOOK VALUE			
At 31 December 2016	10,949	291,146	302,095
At 31 December 2017	7,884	371,590	379,474

Note 12 INTANGIBLE ASSETS

GROUP	Development Costs £	Other £	Total £
COST			
At 1 January 2016	16,469,661	820,723	17,290,384
Foreign exchange movement	-	22,424	22,424
Additions	2,273,560	17,329	2,290,889
Disposals	-	-	-
At 31 December 2016	18,743,221	860,476	19,603,697
Foreign exchange movement	-	(6,897)	(6,897)
Additions	2,132,554	492	2,133,046
Disposals	-	-	-
At 31 December 2017	20,875,775	854,071	21,729,846
AMORTISATION			
At 1 January 2016	10,213,729	769,611	10,983,340
Foreign exchange movement	-	19,502	19,502
Charge for the year	1,216,563	38,263	1,254,826
Disposals	-	-	-
Impairment loss	499,509	-	499,509
At 31 December 2016	11,929,801	827,376	12,757,177
Foreign exchange movement	-	(6,188)	(6,188)
Charge for the year	1,271,772	22,685	1,294,457
Disposals	-	-	-
Impairment loss	286,888	-	286,888
At 31 December 2017	13,488,461	843,873	14,332,334
NET BOOK VALUE			
At 31 December 2016	6,813,420	33,100	6,846,520
At 31 December 2017	7,387,314	10,198	7,397,512

Other Intang ble Assets comprise software licences.

All amortisation and impairment charges (or reversals if any) are included within 'Operating Expenses'.

Impairment Loss

At the end of the year the Directors reviewed the development projects and a number were written down to their recoverable value based on expected future cash flows attr butable to these projects. Each project is considered to be a cash generating unit. Recoverable amounts are based on value in use. The discount rate applied in 2017 was 1.87%.

The net book value of one development project has been fully impaired during the year with a charge to the Income statement of £254,550.

In addition four minor investigative programs were fully (2) or partially (2) impaired generating a charge of £32,338. The positive Net Present Value of the partially impaired projects at the end of the year was estimated at £16,839.

Note 12 INTANGIBLE ASSETS (CONTINUED)

COMPANY

	Development Costs £	Other £	Total £
COST			
At 1 January 2016	16,469,661	694,630	17,164,291
Additions	2,273,560	15,595	2,289,155
At 31 December 2016	18,743,221	710,225	19,453,446
Additions	2,132,554	-	2,132,554
At 31 December 2017	20,875,775	710,225	21,586,000
AMORTISATION			
At 1 January 2016	10,213,729	662,343	10,876,072
Charge for the year	1,216,563	27,666	1,244,229
Impairment loss	499,509	-	499,509
At 31 December 2016	11,929,801	690,009	12,619,810
Charge for the year	1,271,772	12,221	1,283,993
Impairment loss	286,888	-	286,888
At 31 December 2017	13,488,461	702,230	14,190,691
NET BOOK VALUE			
At 31 December 2016	6,813,420	20,216	6,833,636
At 31 December 2017	7,387,314	7,995	7,395,309

Other Intang ble Assets comprise software licences.

All amortisation and impairment charges (or reversals if any) are included within 'Operating Expenses'.

Impairment Loss

At the end of the year the Directors reviewed the development projects and a number were written down to their recoverable value based on expected future cash flows attr butable to these projects. Each project is considered to be a cash generating unit. Recoverable amounts are based on value in use. The discount rate applied in 2017 was 1.87%.

The net book value of one development project has been fully impaired during the year with a charge to the Income statement of £254,550.

In addition four minor investigative programs were fully (2) or partially (2) impaired generating a charge of £32,338. The positive Net Present Value of the partially impaired projects at the end of the year was estimated at £16,839.

Note 13 DEFERRED TAX

	Share-based payments	Accelerated capital allowances	Tax Losses	Other	Total
	£	£	£	£	£
GROUP					
At 1 January 2016	59,429	(1,305,237)	25,499	44,719	(1,175,590)
Credited/(charged) to statement of comprehensive income	73	13,769	(25,499)	14,169	2,512
Credited/(charged) to equity	(6,262)	-	-	-	(6,262)
At 31 December 2016	53,240	(1,291,468)	-	58,888	(1,179,340)
Credited/(charged) to statement of comprehensive income	6,473	(182,347)	7,680	(3,902)	(172,096)
Credited/(charged) to equity	48,116	-	-	-	48,116
At 31 December 2017	107,829	(1,473,815)	7,680	54,986	(1,303,320)

	Share-based payments	Accelerated capital allowances	Tax Losses	Other	Total
COMPANY					
At 1 January 2016	59,429	(1,303,510)	-	-	(1,244,081)
Credited/(charged) to statement of comprehensive income	73	6,325	-	-	6,398
(Charged) to equity	(6,262)	-	-	-	(6,262)
At 31 December 2016	53,240	(1,297,185)	-	-	(1,243,945)
Credited/(charged) to statement of comprehensive income	6,473	(169,588)	-	-	(163,115)
Credited/(charged) to equity	48,116	-	-	-	48,116
At 31 December 2017	107,829	(1,466,773)	-	-	(1,358,944)

Notes to the Financial Statements (continued)

Note 14 INVESTMENTS

COMPANY

	31 December 2017 £	31 December 2016 £
Investment in subsidiary companies:		
Shares at cost	19,705	19,705
Capital contribution	1,361,656	1,361,656
Equity-settled share-based payment	8,109	5,405
Total investment in subsidiary companies	1,389,470	1,386,766

Subsidiary undertakings included in these accounts, which are all wholly owned, at 31 December 2017 are:

Name	Place of Incorporation	Class of Share	Percentage Held	Nature of Business
By Company:				
Concurrent Tech India Private Ltd	Bangalore, India	Ordinary	99.999 %	R&D Services for Company
Concurrent Technologies Inc	California, USA	Ordinary	100 %	Sale & Service of Company products and R&D Services for Company
By Concurrent Technologies Inc:				
Omnibyte Corporation	Illinois, USA	Ordinary	100 %	Dormant
Concurrent Tech India Private Ltd	Bangalore, India	Ordinary	0.001 %	R&D Services for Company

Note 15 INVENTORIES

	Group 31 December 2017 £	Company 31 December 2017 £	Group 31 December 2016 £	Company 31 December 2016 £
Raw materials	1,271,333	1,271,333	1,451,795	1,451,795
Work in progress	1,827,677	1,827,677	1,631,372	1,631,372
Finished goods	123,790	123,790	156,688	156,688
	3,222,800	3,222,800	3,239,855	3,239,855

During 2017 a decrease has been made to the provision for obsolete and slow moving inventories of £125,057 (2016: increased by £108,183). The fair value of inventories less selling costs is expected to exceed balance sheet value.

Note 16 TRADE AND OTHER RECEIVABLES

	Group 31 December 2017 £	Company 31 December 2017 £	Group 31 December 2016 £	Company 31 December 2016 £
Trade receivables	2,309,487	1,267,763	2,888,371	2,340,359
Prepayments and accrued income	430,848	190,182	439,258	178,312
Amounts due from subsidiary undertakings	-	1,809,372	-	375,611
	2,740,335	3,267,317	3,327,629	2,894,282

The Directors consider that the carrying amount of trade and other receivables is approximate to their fair value. Trade receivables have been reviewed for indicators of impairment and a provision has been recorded as outlined below.

	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
At 1 January	877	210	764	210
Charged/(credited) to statement of comprehensive income	(59)	-	113	-
At 31 December	818	210	877	210

In addition, some of the trade receivables are past due as at the reporting date. The age of the trade receivables past due but not impaired is as follows:

	Group 31 December 2017 £	Company 31 December 2017 £	Group 31 December 2016 £	Company 31 December 2016 £
Less than 60 days	31,965	19,616	122,566	109,012
More than 60 days	4,228	4,084	32,190	32,032
	36,193	23,700	154,756	141,044

Note 17 TRADE AND OTHER PAYABLES

	Group 31 December 2017 £	Company 31 December 2017 £	Group 31 December 2016 £	Company 31 December 2016 £
Trade payables	1,431,018	1,415,677	1,658,209	1,642,198
Amounts owed to subsidiary undertakings	-	69,484	-	80,467
Other payables	380,920	243,620	412,966	268,420
Other taxes and social security costs	126,288	120,993	129,270	124,578
Accruals	394,373	194,417	610,210	461,732
	2,332,599	2,044,191	2,810,655	2,577,395

The Directors consider that the carrying amount of trade and other payables is approximate to their fair value.

Notes to the Financial Statements (continued)

Note 18 **FINANCIAL INSTRUMENTS**

Financial Instruments by category

The carrying amount of financial assets presented in the balance sheets relate to the following measurement categories as defined in IAS 39:

	Loans and receivables £	Other (non-IAS 39) £	Total for line item £
GROUP			
2016 Current:			
Trade and other receivables	2,888,371	439,258	3,327,629
Other financial assets	1,000,000	-	1,000,000
Cash and cash equivalents	6,773,083	-	6,773,083
Total for category	10,661,454	439,258	11,100,712
2017 Current:			
Trade and other receivables	2,309,487	430,848	2,740,335
Other financial assets	2,502,281	-	2,502,281
Cash and cash equivalents	5,892,304	-	5,892,304
Total for category	10,704,072	430,848	11,134,920
COMPANY			
2016 Current:			
Trade and other receivables	2,715,970	178,312	2,894,282
Other financial assets	1,000,000	-	1,000,000
Cash and cash equivalents	4,577,421	-	4,577,421
Total for category	8,293,391	178,312	8,471,703
2017 Current:			
Trade and other receivables	3,077,135	190,182	3,267,317
Other financial assets	2,502,281	-	2,502,281
Cash and cash equivalents	2,582,125	-	2,582,125
Total for category	8,161,541	190,182	8,351,723

The carrying amount of financial liabilities presented in the balance sheets relate to the following measurement categories as defined in IAS 39:

	Financial Liabilities measured at amortised cost £	Other (non-IAS 39) £	Total for line item £
GROUP			
2016 Current:			
Trade and other payables	2,681,385	129,270	2,810,655
2017 Current:			
Trade and other payables	2,206,311	126,288	2,332,599
COMPANY			
2016 Current:			
Trade and other payables	2,452,817	124,578	2,577,395
2017 Current:			
Trade and other payables	1,923,198	120,993	2,044,191

Other financial assets

Loans & receivables above include UK sterling high interest bank deposits, under the heading of Other financial assets.

Note 19 PROVISIONS

GROUP AND COMPANY	Product Warranty £
Carrying amount at 1 January 2017	30,638
Increase in provisions	24,683
Amount utilised	(34,580)
Carrying amount at 31 December 2017	20,741
Provisions have been analysed between current and non-current as follows:	
Current	16,644
Non-current	4,097

Warranties are provided for on the basis of management's best estimate of the Group's liability under 24 month warranties granted on its hardware products, based on past experience.

Note 20 COMMITMENTS

Operating Leases

The Group leases various premises and plant and machinery under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Group 31 December 2017 £	Company 31 December 2017 £	Group 31 December 2016 £	Company 31 December 2016 £
Within 1 year	203,801	154,742	194,951	143,206
Within 2-5 years	541,404	500,811	575,239	502,546
After 5 years	460,531	460,531	585,531	585,531
	1,205,736	1,116,084	1,355,721	1,231,283

The Company's operating lease commitment is substantially the amount due under the lease of its main UK site terminating on 31 August 2026.

In addition, the Group's operating lease commitments include the amount due under the lease of its US offices terminating on 31 July 2020.

At the end of the year there were capital expenditure commitments of £13,500 (2016: £26,610).

Note 21 SHARE CAPITAL

	31 Dec 2017 £	31 Dec 2016 £	31 Dec 2015 £
Authorised share capital:			
Ordinary shares (240,000,000 of 1p each)	2,400,000	2,400,000	2,400,000
Allotted, issued and fully paid share capital:			
Ordinary shares (73,900,012 of 1p each)	739,000	739,000	739,000

During 2017 the Company purchased no Ordinary Shares (2016: nil) with an aggregate nominal value of £nil (2016: £nil) to hold in Treasury.

At 31 December 2017 the Company held 1,181,522 Ordinary Shares (2016: 1,181,522) with an aggregate nominal value of £11,815 (2016: £11,815) in Treasury.

Note 22 PENSION SCHEME

The Company operates a Group Personal Pension Scheme, which all permanent employees may join. The Scheme, which is a defined contribution scheme, is independent of the Company's finances. The Company's contributions are based on between 5.5% and 13.5% of members' gross salaries, dependent upon the length of service of the individual. The Company has also chosen NEST (National Employment Savings Trust) as its workplace pension scheme to meet its employer duties under the Auto Enrolment rules. Contributions to the NEST scheme are at the minimum rates. The total charge to operating expenses in the statement of comprehensive income is disclosed in Note 10 Staff Costs. Pension contr butions payable to the Schemes at the end of the year were £nil (2016: £nil).

The wholly owned Indian subsidiary has a financial obligation to employees on termination of employment, once the employee has completed five years continuous service or on earlier death in service and is calculated at the rate of 15 days pay for each completed full 6 months employment. In accordance with IAS 19, the obligation is accounted for as a defined benefit scheme and the retirement and termination provision are based on actuarial valuations. The most recent valuation was carried out as at 31 March 2017. The total expense recognised in the year ended 31 December 2017 was £43,783 (2016: £27,562).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

- Retirement age of 58
- Interest rate of 7.83% p.a.
- Salary increase of 12% p.a.
- Attrition rate of 5% p.a.
- Benefits payable are as defined in the Payment of Gratuity Act 1972
- Mortality rate is based on the Indian Assured Lives Mortality (2006-08) Ultimate

Note 23 FINANCIAL RISK MANAGEMENT

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 18. The main types of risks are market risk, credit risk and liquidity risk. The Group's policy in respect of financial risk management is referred to in the report on Corporate Governance.

The Group does not actively engage in the trading or holding of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below.

Market Risk analysis

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk which results from its operating activities.

Foreign currency sensitivity

A number of transactions are conducted by companies in the Group in currencies other than their functional currency which give rise to monetary assets and liabilities denominated in other currencies. The Group's exposure to foreign currency exchange risk is mitigated to a large extent by natural hedging, as assets in currency are matched by liabilities in the same currency. The value of monetary assets and liabilities of the Group and Company not held in functional currencies at the balance sheet date were as follows:

Net foreign currency monetary assets/(liabilities)

	2017 US Dollar	2017 Euro	2016 US Dollar	2016 Euro
	£	£	£	£
Company	2,443,428	265,223	1,492,528	274,736
Group	634,056	265,223	1,116,917	274,736

	2017 US Dollar	2017 Euro
	£	£
If sterling had strengthened by 5% against both currencies:		
Impact on net Company result for the year	(116,354)	(12,630)
Impact on net Group result for the year	(30,193)	(12,630)
If sterling had weakened by 5% against both currencies:		
Impact on net Company result for the year	128,601	13,959
Impact on net Group result for the year	33,371	13,959

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the exposure to currency risk.

Note 23 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit Risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, investment in bonds, etc. The maximum exposure to credit risk for the Group and Company is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	Group	Company	Group	Company
	31 December	31 December	31 December	31 December
Classes of financial assets	2017	2017	2016	2016
carrying amounts:	£	£	£	£
Fixed term cash deposits	2,502,281	2,502,281	1,000,000	1,000,000
Cash and cash equivalents	5,892,304	2,582,125	6,773,083	4,577,421
Trade and other receivables	2,309,487	3,077,135	2,888,371	2,715,970
	10,704,072	8,161,541	10,661,454	8,293,391

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available, appropriate and at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality. None of the Group's financial assets are secured by collateral or other credit enhancements.

Some of the unimpaired trade receivables are past due as at the reporting date. Information on financial assets past due but not impaired is given in Note 16.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables are spread over a number of customers in various industries and geographical areas. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents and fixed term cash deposits is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk analysis

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring forecast cash inflows and outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a week-to-week basis and by monthly forecasting. Long-term liquidity needs for a 12 month lookout period are identified monthly.

The Group's objective is to maintain cash to meet its liquidity requirements for the forseeable future. This objective was met for the reporting periods. Funding for long-term liquidity needs is assessed by the Board on a regular basis.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables (see Note 18) exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within 3 months.

Note 24 CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

(i) to ensure the Group's ability to continue as a going concern
(ii) to provide an adequate return to shareholders

by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the Consolidated Balance Sheet.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, purchase its own shares to hold in treasury, issue new shares or sell assets. There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Capital for the reporting periods under review is summarised as follows:

	Group 2017 £	Group 2016 £
Total Equity	18,716,050	17,673,819
Cash and cash equivalents	(5,892,304)	(6,773,083)
Capital	12,823,746	10,900,736
Total Equity & Overall financing	18,716,050	17,673,819
Capital to Overall financing ratio	0.69	0.62

Note 25 RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with its subsidiaries during the period:

	Company 2017 £	Company 2016 £
Sales to subsidiaries	7,085,396	5,473,977
Purchases from subsidiaries	1,562,690	1,538,912
Equity-settled share-based payment to employees of subsidiaries	2,704	(109)
Amounts owed by subsidiaries as at 31 December (Note 16)	1,809,372	375,611
Amounts owed to subsidiaries as at 31 December (Note 17)	(69,484)	(80,467)
Dividends paid to Directors during the year amounted to:	199,256	180,942

Transactions with Key Management Personnel during the period:

Key Management Personnel are the Company's Board. Key Management Personnel remuneration includes the following expenses:

	Group & Company 2017 £	Group & Company 2016 £
Short term employee benefits	711,231	938,046
Post-employment benefits	44,701	44,537
Share based payment (IFRS 2)	-	-
	755,932	982,583

Note 26 **SHARE-BASED PAYMENT**

The Company operates an Enterprise Management Incentive Share Option Scheme.

The Scheme provides for a grant price equal to the quoted market price of the Company's shares on the date of grant. Options cannot be exercised until three years after grant date and exercise is conditional upon Group average basic earnings per Ordinary Share, for the complete years commencing 1 January of the year of grant and ending with the year most immediately prior to the exercise of the option, having increased by 2.5% or 5% compound over such period. The latest date for exercise of options is ten years after grant date and exercise of options is subject to continued employment with the Group.

	2017 Options N°	2017 Weighted average price pence	2016 Options N°	2016 Weighted average price pence
Outstanding at 1 January	2,408,890	39.11	3,033,890	39.35
Granted	-	-	-	-
Exercised	-	-	(150,000)	37.83
Forfeited / Lapsed	(190,000)	40.44	(475,000)	41.04
Outstanding at 31 December	2,218,890	39.13	2,408,890	39.11
Weighted average share price at date of exercise		-		67.29
Exercisable at 31 December	10,000	49.50	10,000	49.50

Options outstanding at 31 December 2017 had exercise prices ranging from 31.5 pence to 65.5 pence and a weighted average remaining contractual life of 4.90 years.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Concurrent Technologies Plc (the "Company") will be held at the Company's offices at 4 Gilberd Court, Newcomen Way, Colchester, Essex, CO4 9WN, on 22 May 2018 at 2.30 p.m. for the purpose of considering and, if thought fit, passing the following Resolutions which will be proposed as Ordinary Resolutions in the cases of Resolutions 1, 2, 3, 4 and 5 and as Special Resolutions in the case of Resolutions 6 and 7.

ORDINARY BUSINESS

Resolution 1. To receive the audited Financial Statements of the Company for the year ended 31 December 2017 and the Reports of the Directors and Auditors thereon.

Resolution 2. To re-appoint Grant Thornton UK LLP, as Auditors to the Company and to authorise the Directors to determine the amount of their remuneration.

Resolution 3. To re-appoint as a Director of the Company Mr C Thomson, who retires under the Articles of Association of the Company and, being eligible, offers himself for re-election.

Resolution 4. To re-appoint as a Director of the Company Mr D Evans-Hughes, who retires under the Articles of Association of the Company and, being eligible, offers himself for re-election.

SPECIAL BUSINESS
ORDINARY RESOLUTION

Resolution 5. THAT:

in substitution for all existing and unexercised authorities the Directors be and are hereby generally and unconditionally authorised for the purposes of s551 of the Companies Act 2006 ("the Act") during the period commencing on the date of the passing of this Resolution and expiring on the date of the conclusion of the Annual General Meeting of the Company to be held in 2019 to exercise all or any powers of the Company to allot relevant securities of the Company (as defined in s560 of the Act) provided that the maximum amount of relevant securities which may be allotted pursuant to the authority set out in this Resolution shall be an amount equal to 5 per cent of the aggregate nominal value of the issued ordinary share capital of the Company at the date of the passing of this Resolution unless renewed or extended prior to such time except that the Directors of the Company may before the expiry of such period make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTIONS

Resolution 6. THAT:

in substitution for all existing and unexercised authorities subject to the passing of the immediately preceding Resolution, the Directors of the Company be and they are hereby empowered pursuant to s570 of the Act to allot equity securities (as defined in s560 of the Act) of the Company pursuant to the authority conferred upon them by the preceding Resolution as if s561(1) of the Act did not apply to such allotment provided that the power conferred by the Resolution, unless previously revoked or varied by Special Resolution of the Company in general meeting, shall be limited:

(a) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interest of all such shareholders are proportionate (as nearly as may be) to the respective numbers of the ordinary shares held by them subject only to such exclusions or other arrangements as the Directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in, any territory; and

(b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of 5 per cent of the aggregate nominal value of the issued ordinary share capital of the Company in respect of any other issues for cash consideration;

and shall expire on the earlier of the date of the next Annual General Meeting of the Company to be held in 2019 or 15 months from the date of the passing of the Resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred by this Resolution had not expired.

Notice of Annual General Meeting (continued)

Resolution 7. THAT:

the Company be generally and unconditionally authorised to make one or more market purchases (within the meaning of s693(4) of the Act) of ordinary shares provided that:

(a) the maximum aggregate number of ordinary shares authorised to be purchased is 7,390,012 (representing 10 per cent of the issued ordinary share capital);

(b) the minimum price which may be paid for an ordinary share is one penny;

(c) the maximum price which may be paid for an ordinary share is an amount equal to 105 per cent of the average of the middle market quotations for an ordinary share on The London Stock Exchange Alternative Investment Market for the five business days immediately preceding the day on which that ordinary share is purchased;

(d) this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2019 or within 15 months from the date of the passing of this Resolution whichever is earlier; and

(e) the Company may make a contract or contracts to purchase ordinary shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of ordinary shares in pursuant of any such contract or contracts.

By order of the Board

Cargil Management Services Limited
Company Secretary
3 April 2018

Notes:

1. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001 and paragraph 18(c) of The Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, the Company specifies that only those members registered on the Company's register of members 48 hours before the time of the Meeting shall be entitled to attend and vote at the Meeting. In calculating the period of 48 hours mentioned above no account shall be taken of any part of a day that is not a working day.
2. Members who have general queries about the Meeting should telephone Share Registrars Ltd on 01252 821 390, (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of Annual General Meeting or any related documents (including the proxy form), to communicate with the Company for any purposes other than those expressly stated.
3. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
4. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
5. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the space provided. If you sign and return the proxy form with no name inserted in the space, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give him or her the relevant instructions directly.
6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
7. To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
8. To appoint a proxy using the proxy form, the form must be:
    - completed and signed;
    - sent or delivered to Share Registrars Ltd at The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR or by facsimile transmission to 01252 719 232;
    - alternatively, the completed proxy form can be scanned and emailed to proxies@shareregistrars.uk.com;
    - and received by Share Registrars Ltd no later than 48 hours (excluding non-business days) prior to the Meeting.
9. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
10. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form and received by the registrars no later than 48 hours (excluding non-business days) prior to the Meeting.
11. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
12. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
13. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Ltd on 01252 821 390.
14. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

THIS PAGE IS THE REVERSE SIDE OF THE FORM OF PROXY

CONCURRENT TECHNOLOGIES PLC

Form of Proxy

I / We …………………………………………………………………………………….…. (names in full)

of ………..

hereby appoint the Chairman of the Meeting or …………………………………………………. (delete as appropriate) as my/our proxy to attend, to speak and to vote in respect of the shares registered in my/our name(s) at the Annual General Meeting of Concurrent Technologies Plc to be held at the Company's offices at 4 Gilberd Court, Newcomen Way, Colchester, Essex, CO4 9WN, on 22 May 2018 and at any adjournment thereof.

Ordinary Business:	**FOR**	**AGAINST**	**ABSTAIN**
1. To receive the Report and Accounts for year ended 31 December 2017			
2. To re-appoint Grant Thornton UK LLP as Auditors			
3. To re-appoint Mr C Thomson as a Director			
4. To re-appoint Mr D Evans-Hughes as a Director			

Special Business Ordinary Resolution:	**FOR**	**AGAINST**	**ABSTAIN**
5. To give authority under s551 of the Companies Act 2006			

Special Business Special Resolution:	**FOR**	**AGAINST**	**ABSTAIN**
6. To disapply the statutory pre-emption rights under s570 Companies Act 2006			
7. To approve the purchase of the Company's Ordinary Shares			

Please indicate with an "X" in the appropriate space how you wish your vote to be cast. If you do not indicate how you wish your proxy to use your vote on any particular matter, the proxy will exercise discretion as to how to vote or whether to abstain from voting.

Signature(s) or Common Seal:

………

Dated: ………………………..

Please cut along this line and return the completed Form to the Registrars.

Company Information

Company Registered Number:	01919979
Registered Office:	4 Gilberd Court Newcomen Way Colchester, Essex CO4 9WN
Directors:	M Collins LLB (Non-exec, Chairman) C M Thomson FSI (Non-exec) G A Fawcett BSc, MIET (Managing Director) J B Annear (Commercial Director) D Evans-Hughes BSc, MIET (Engineering Director)
Company Secretary:	Cargil Management Services Ltd
Brokers & Nominated Advisor:	Cenkos Securities plc 3rd Floor 66 Hanover Street Edinburgh EH2 1EL
Registrars:	Share Registrars Ltd The Courtyard 17 West Street Farnham, Surrey GU9 7DR
Auditors:	Grant Thornton UK LLP 80 Compare Crescent Ipswich, Suffolk IP2 0EH
Solicitors:	Birketts LLP Brierly Place New London Road Chelmsford, Essex CM2 0AP
Public Relations:	Newgate Communications Ltd Sky Light City Tower 50 Basinghall Street London EC2V 5DE
Bankers:	National Westminster Bank Plc 25 High Street Colchester, Essex CO1 1DG

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