crimson tide plc

annual report & accounts 2009

Crimson Tide is a leading service provider of mobile data solutions and software for business. We provide an end-to-end service that allows organisations to mobilise their staff who work away from the office.

Supplying a pda or smartphone, Crimson Tide mobilises crm, field sales & service systems and also supplies bespoke mobile forms. Information is synchronised wirelessly in real-time to hosted or integrated databases. All hardware, software and services are provided on a low monthly subscription and we can manage devices remotely for rapid support and implementation. Our solutions offer almost instant return on investment, providing real time information from the field, whether it is from orders, customer service or field audit and services. Our mobile data solutions save paperwork, time and money. Crimson Tide's mobile applications benefit businesses where information and reporting is time critical. We serve organisations from small to medium size businesses right through to blue chip corporate companies and the NHS. Through our customers, Crimson Tide's solutions are used in many of the highest profile retail outlets, banks and financial institutions.

Crimson Tide also manages mobile telecommunications connections for a wide range of businesses. This service, along with our more traditional software business in crm and call management, positions us as a trusted partner of our customers. The company is quoted on the AiM market of the London Stock Exchange and is based in the UK and Ireland.

2009 Highlights

Financial Highlights

* Profitability achieved at EBITDA level in line with expectations

* Breakeven at Operating Cash Flow

* Significantly reduced Operating Loss

Operational Highlights

* Proprietary communications architecture developed

* Disposal of Time & Attendance business in Ireland

* Proprietary software developed in facilities management and healthcare

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Haemophilia patients at home

Crimson Tide has developed a handheld system where haemophiliacs can record their drug infusion details at home using Windows Mobile devices. This solution is the first GS1 standard bar coding system in Europe allowing patients to record details in the home, synchronising vital data and managing the delivery of drugs in the most efficient manner. In Ireland, there are approximately 2,000 patients who suffer from some form of bleeding disorder such as haemophilia, 200 of whom suffer from the severe form of haemophilia that requires intensive treatment, which means they self-medicate at home, at work, at school or on vacation. This expensive life-saving medication requires cold chain delivery to the patient's home.

In 2001, a group was established to create a system that would support the safe treatment of haemophilia. There were a number of challenges, one of which was a trackand-trace system which had to be robust enough to encompass delivery to patients who self-medicate at home. The vision for their care programme utilises an electronic patient record which records in real time all aspects of a patient's treatment. Central to this vision was the need to track and trace every pack of medication within the supply chain, all the way through to the homes of patients with severe conditions. Setting a new benchmark for patient safety, the supply of life-saving drugs is meticulously administered through a combination of GS1 standards and cutting-edge technology. GS1 Standard Barcodes facilitate the real-time identification of patients, locations and medications, and they enable fast, accurate and reliable data entry through electronic scanning. Studies have shown that the error rate of manual data entry by a skilled typist is one mistake in every 300 keystrokes. The error rate with electronic barcodes is one in 1,000,000 characters.

The end-to-end medication track-and-trace service involves a rigorous series of checks and counter checks:

• Stock is transported to the cold chain supplier where product information is entered into the electronic stock management system.
• A serialized barcode is produced, the label attached to the product and validated by scanning
• The product is then stored at a validated temperature of between 2°-5° Celsius
• When a prescription is received from a hospital, the order is allocated, picked, packed, labelled and dispatched all using barcode scanning
• For those on self-treatment, the product is delivered to the patient's refrigerator where the temperature is also checked.

Once the driver delivers the product and scans it into the patient's fridge, the patient can then, using their handheld device or mobile phone, scan in the product to their home. Upon using the product the patient scans the medication and self administers.

Extending the concept of traceability to the precise point of administration in the patient's home is the final piece of the jigsaw. The mobile communications solution developed by Crimson Tide, using the patient's mobile phone, verifies the product ID (GTIN, batch/lot number, expiry date and serial number) allowing the patient to carry out self-treatment. The application can also be used to alert patients of product recalls, and, where there is more than one haemophilia patient in a household who may be on different forms of treatment, it is possible to ensure the right patient is treated with the right product. A positive response was given by the patients who were 100% satisfied with the convenience and 99% satisfied with the privacy and confidentiality of the new service. The system can reference information in the EPR to comply with the "five rights" of patient medication administration – ensuring that the right drug is administered at the right time, to the right patient, in the right dose by the right route.

For healthcare professionals, the project offers a tantalizing insight into how technology can improve processes around patient care, saving lives and saving money.

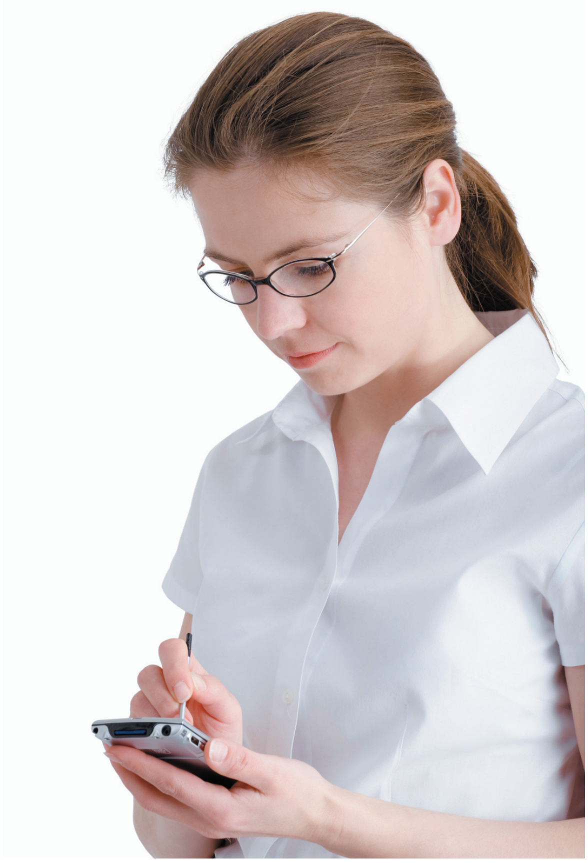
The Crimson Tide system includes the smartphone, all software and infrastructure on a 4 year subscription.

Surveying the ageing populace

Crimson Tide has developed a mobile solution which allows TILDA (The Irish LongituDinal Study on Ageing) which was launched by Minister for Health Mary Harney in November 2006, to study a representative cohort of at least 8,000 people, aged 50 years and over and resident in Ireland. It charts their health, social, and economic circumstances over a 10-year period. The study is being carried out by Trinity College Dublin in collaboration with a panel of scientific researchers with expertise in various fields of ageing. A group of international scientists advise the TILDA investigators.

TILDA's primary aims are to determine from older people their social and economic requirements, their physical and mental health needs, the health and social needs of their families and carers, the biological and environmental components of 'successful ageing' and the contributions that older people are making to society and the economy. The data collected allows TILDA to study how each of these key components (health, wealth and happiness) interact so that they can ensure that Ireland meets the needs and choices of its citizens in a personalised and positive environment and with due dignity and respect. The mobile solution provided by Crimson Tide allows this study to be carried out in a secure and confidential manner using mobile portable technology. The application is centred around the Motorola MC55 handheld device and requires the user to identify and capture each respondent's details. It enables the user to move through a series of screens, adding additional data relevant to the project, as they proceed. The information gathered is kept strictly confidential and is only used for research purposes. The system uses real time GPRS data transfer to ensure that records are updated immediately after each visit and the hand held device interacts with a number of application-based tests carried out on a laptop computer. The study delivers cutting edge research consistent with the emerging national initiative towards a "knowledge society" built on innovations in science and technology and helps provide quality research relating to older people in Ireland. The solution has been deployed across Ireland and ensures that data collection by TILDA can be undertaken in a professional, secure and confidential manner. The hand held development is at the leading edge of Data collection in Europe. Says Dr Hilary Cronin, Medical Director for TILDA:

"Crimson Tide is an exceptional company to work with and I cannot recommend them highly enough. Their people are incredibly efficient and so pleasant to deal with. They spent time ensuring that our technology interfaces were user friendly and intuitive. Our initially 'techno-phobic' research nurses now love their PDA's and can't imagine collecting data without them! Crimson Tide has significantly improved the way we conduct our clinical research. Their technologies are now an integral part of our study and I look forward to working with them again in the future."



Real World Mobile Applications

Van and truck delivery system

Crimson Tide has developed a mobile software solution specifically tailored for Frylite, a leading vegetable oil supplier and waste cooking oil collector. The solution automates routing and delivery schedules for organisations such as Frylite, that deliver by van or truck and features Bluetooth printing as well as a full cash management function.

The technology enables transfer to the drivers' handheld Motorola pdas of daily route information, order details, product and pricing data as well as each customer's purchase history and available discounts. The system allows each driver access to their orders for the day which they can then choose to accept or cancel. If accepted, drivers have real-time access to vital information on their daily route, their customers and the range of products available. The handheld system integrates into the Logiscope system from Advent Computing using web services which have also been developed by Crimson Tide. Logiscope then exports the data to the Crimson Tide system which sends the information to the relevant driver's handheld.

The technology allows for signature capture for the driver and the customer. As the handheld is linked to a printer, the receipt can be printed straight away. The system enables the issuing of cash receipts, the drivers to make comments on any changes with deliveries, daily tracking of every vehicle's mileage, tracking of collected UCO, alerts to the depots of any price changes, feedback to be sent back to the office, a summary print out from the handhelds, results to be imported back to the office, email summary of every vehicle to be sent to the depot. By automatically transferring customer details, orders, route and runs to each driver's handheld device, the Crimson Tide system can dramatically reduce back office paperwork and administrative tasks while also ensuring accurate order completion. Once the deliveries are completed, the orders are then automatically transferred back to the Logiscope system and processed by the Sage Line 200 accounting system.

Like all Crimson Tide systems, the Frylite solution is provided on a subscription contract including all hardware, software and infrastructure.

"Despite the recent economic climate we have managed to grow our business by over 6,000 customers and 13 additional delivery vehicles. This would not have been possible without having in place a fully integrated end-to-end solution that works. The LogiScope and Crimson Tide system has played a vital role in our investment strategy and has enabled us to achieve this growth without the corresponding increase in administrative overheads. This is definitely a technology investment that will pay for itself."
Eamon McCay, Managing Director, Frylite Ltd.

Chairman's Statement

I am pleased to report on the progress of Crimson Tide plc for the year to December 31, 2009.

At the time of the Company's flotation on AIM in 2006, we forecast that it would become profitable at an EBITDA level in the third year following admission - I am very pleased to report that we achieved this goal. During a period when economic conditions have been tough, management has been focused on proving our business model and on guiding the Company to profitability over the length of our original, three year business plan.

The Company achieved its goal in the most difficult operating environment that many of us have seen and, were it not for some business failures amongst some of our customers, our progress would almost certainly have been even greater. Turnover reduced during the year due to our decision to sell our Time & Attendance business in Ireland. This business only operated at a break even level and was a distraction to management. Furthermore, we considered that the sales it generated were not worth either the operational cost or the management time. Our business in Ireland is now stable on a lower cost base and is responsible for some of our most exciting handheld applications.

The year under review has seen two distinct shifts in focus. First, we are moving our mobile data solutions to a channel model. We announced a partnership in May last year with Yes Telco, part of the Vodafone family, whereby Yes' dealers are able to sell our range of products. We have since recruited four senior dealers and three of these have already introduced active deals. We are working on another major route to market partnership which we should be able to announce in due course. The second strategic change is that we have developed a number of mobile software products that can be sold "off the shelf". It is proving easier to demonstrate these products and for the dealer channel to understand and to sell them. Part of the product architecture is a piece of proprietary middleware, developed with assistance from Microsoft, which has enabled us to eliminate third party products and thereby to increase our net margin. A number of our products are in the healthcare sector and the directors believe that these products have an enormous market opportunity, both in the UK & Ireland and overseas.

The lack of bank debt available to companies such as Crimson Tide has inevitably held us back in terms of exploiting the opportunities that we have. The equity capital market has also not been easy for small companies and it is, I believe, only the lack of capital that currently holds us back from making the most of the opportunities available to us. Our current pipeline of business, both contracted and imminently closable, is very strong.

In summary, we have steered the business through turbulent economic times and achieved the goal that we set ourselves when we came to AIM.

Over the course of the coming year I believe that Crimson Tide will continue its shift away from being a service company, as we increase the amount of software that we write for our tailor made products and thereby increase the amount of Intellectual Property inherent within the Company. The recent launch of our haemophilia application and its associated contract win is a demonstration of our new capabilities.

Visible, contracted business is an increasing percentage of sales and we have a platform to deliver future growth. Our only limitation remains the capital required to finance the growth in our subscription based solutions.

Our staff have been steadfast in their commitment to Crimson Tide over the year and I thank them for their industry, belief and loyalty.

Barrie Whipp
Executive Chairman
13 April, 2010

Crimson Tide has continued to make good progress during 2009, achieving profitability before depreciation, amortisation and interest as predicted in last year's review, despite the tough economic conditions.

Operating review

Over the duration of 2009, we have benefited from a series of marketing campaigns funded mostly by smartphone manufacturers that have resulted in an encouraging number of qualified mobile data solution leads for us to pursue. In addition, we added to our market reach by creating a sales channel of high-quality mobile phone dealers who can add to their portfolios by selling our solutions to their customer bases. As a result of these initiatives and our own sales efforts, the number and size of opportunities available to us continues to build despite the general economic environment. The Return On Investment analysis which our prospective customers complete themselves prior to contract, clearly highlights the financial and operational benefits achieved by our mobility solutions, savings that are particularly vital in the current environment. These range from headcount reduction and an increased number of completed jobs/tasks, as well as less non-productive time to savings in stationery, printer ink and fast and accurate invoicing. No capital expenditure is required by our customers and our subscription model means our monthly charge is easily offset by these benefits.

The second key element to our strategy has been to eliminate the third party licence fee we incurred to link some subscribers with their back end database. The margin on relevant subscription agreements has increased, on average, by over 30%, a figure that becomes increasingly important as our subscriber base continues to grow.

The final and probably most important part of our strategy is the move to a suite of standardised applications, as mentioned in the Chairman's Statement. The experience we now have in the vertical markets we serve, in designing and building successful, user-focused mobile data applications, has allowed us to create and to be able to sell these practical solutions. Standardisation has significantly reduced our implementation time allowing the same technical team to roll-out more subscribers in a reduced time.

These three elements; channel route to market, improved margins and standardised solutions, together with our growing pipeline of opportunities, have positioned us to be able to grow our subscriber base and contracted revenues much faster. When the business is more mature, our contracted base of subscribers will be able to fund the initial cashflow requirement for new subscriber equipment. We are not yet at that stage, therefore our rate of growth at this point in our development is governed by our ability to attract new finance, a challenge we look forward to in 2010.

Financial review

Headline revenue decreased in total in 2009 from £1.78m in 2008 to £1.46m as the business continued the strategic move away from lower margin activities to focus on the much higher margin mobility solutions. When examined in more detail, the underlying trend is very positive. High quality subscription revenues and related development services were actually 22% higher in 2009 at £551,000 earning an 84% margin while mobile network commissions were broadly flat. The overall fall in revenue is a result of 42% lower sales from low margin, mostly re-selling activities, e.g. time and attendance systems. These reduced from £948,000 in 2008 to £547,000 in 2009, but the margin earned was only 47%. This trend in improving the mix and quality of revenues, thereby increasing overall margins, should continue in 2010.

The strategic move away from hardware distribution and some of our traditional software solutions has also enabled the business to make savings in headcount and other overheads. As a result, operating costs have reduced from £1,156,000 in 2008 to £910,000 in 2009.

As expected, earnings before interest, tax, depreciation and amortisation in 2009 were positive at £25,000, which, in the circumstances, was a tremendous improvement on the 2008 loss of £197,000.

The balance sheet was strengthened in August 2009 by the issue of 13,995,592 new Ordinary Shares at 1.5p per share to warrant holders. The new issue raised £206,000 for working capital purposes.

The business achieved breakeven in operating cash flow in 2009, a significant improvement on the £587,000 used in operating activities in 2008. It is worth repeating that while new subscriber business is profitable from day one, it does require us to make an upfront investment in hand-held devices and development/implementation time.

Since the year end, the loan facility set up in August 2008 to finance devices going on subscription, has been renewed for a further eighteen months. However, it should be noted that all subscriber additions made in 2009 have been financed from cash generated by the business. The lack of available bank and financing facilities remains the biggest factor restricting the growth of the business. Until this hurdle has been overcome, the directors' approach will be to continue to balance growth against financial security.

Future prospects

The hard work and achievements of Crimson Tide's employees in 2009 have ensured that we are well placed for a successful 2010, despite the continuing difficult economic circumstances in the UK and Ireland.

Our mobility solutions clearly generate immediate productivity gains and a positive return on investment for our customers. We are in an exciting and growing market and the pipeline of opportunities which we have is extremely encouraging. Given this backdrop, the directors will focus on ways of funding devices as soon as practicable to accelerate the growth of the business.

Stephen Goodwin
Chief Executive
13 April, 2010

Board of Directors

Barrie Reginald John Whipp (49)
Executive Chairman
Barrie founded Crimson Tide in 1996 and he formulated the ideas behind the Group's mobile data solutions in 2003. He is responsible for setting the Group's vision and strategy as well as setting goals and targets for the Board. After an early career in finance and business administration with Dowell Schlumberger S.A. and UDS Group plc, Barrie joined Tiphook plc where he founded the financial services arm in 1986. He became Group Managing Director of IAF Group plc, which was admitted to the Official List in April 1994. In 1996 Barrie set up Crimson Tide, where he was responsible for the day-to-day management until 2004, when he recruited the current management team. He has served as a non-executive Director of Wills Group plc as well as a number of private companies.

Stephen Keith Goodwin (51)
Chief Executive
Steve was appointed as Crimson Tide's Chief Executive in April 2004 and has responsibility for delivering the strategy, day-to-day management of the Group and financial management and control. Steve is a Certified Accountant with over 20 years' experience at Board level, 17 years' experience as a CEO. After training as an accountant working for Shell International, he joined Tiphook plc in 1988 where he became Group Financial Controller and later Finance Director of the trailer division. In 1994 Steve was appointed Managing Director of the rail division and in 1996 led the management team in a £30m management buyout. The business was sold two years later to GE Capital where he stayed on as Managing Director of GE's European rail business and gained further experience in negotiating and integrating acquisitions.

Jeremy Walter Frederick Roth (48)
Sales Director
Jeremy has over 15 years' experience in mobile telecommunications. His early career was with Connexions, a mobile telecoms dealer based in the South East in the early days of the introduction of personal mobile phones. He joined Astec Communications in 1989 which was subsequently taken over by Vodafone. Jeremy worked within Vodafone Corporate, dealing with mobile communications for some of its largest corporate accounts, and later, as a senior sales executive, was given responsibility for dealing with the NHS. During this time he built relationships with a number of NHS trusts, including ambulance services and the Department of Health. He developed these accounts from being purely users of voice communications to mobile data, introducing a number of solutions. He joined Crimson Tide in 2004 to head the Company's sales effort.

Rowley Stuart Ager (64)
Non-Executive Director
Rowley is a qualified accountant who has spent all of his working life in industry and commerce. In 1972 he joined BAT Industries Group where he held a number of finance roles. In 1986, Rowley joined Tesco PLC becoming Company Secretary from 1990 to 2004 and was a member of the Tesco PLC board from 1992 to 2004. Rowley was Chairman of Tesco Personal Finance, a joint venture with RBS Group plc, from its formation in 1995 until he retired in 2004. He is currently chairman of Tesco Pension Trustees Ltd. Rowley is Chairman of the Audit Committee.

Graham Basil Ashley (63)
Non-Executive Director
Graham has over 40 years' experience in stockbroking and corporate finance and was a founding director and shareholder of stockbrokers Greig Middleton Holdings Limited. After the merger of Greig Middleton with Gerrard Limited, he became a director of Gerrard Limited and, following its acquisition by Old Mutual Securities Limited ("OMS"), a Corporate Finance director of OMS (which subsequently became Arbuthnot Securities Limited). Graham has advised on acquisitions and disposals and fund-raisings across a wide range of sectors and industries. Graham became a Non-Executive Director of Crimson Tide Limited in April 2004. Graham was appointed as a Director of A. Cohen & Co. Plc on 20 October 2004 and was Chairman from February 2005 until the reverse acquisition of Crimson Tide Limited in August 2006. Graham is Chairman of the Remuneration Committee.

Directors' Report

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2009.

Principal Activities and Review of the Business

The principal activity of the Group during the period was the provision of mobile data solutions, software and related activities. The principal activity of the Company is to provide management and support to other Group companies.
A review of the year and future developments are given in the Operating and Financial Review.

Results and Dividends

The trading results for the year ended 31 December, 2009 and the Group's financial position at the end of the financial period are shown in the attached financial statements. The statements have been prepared under International Financial Reporting Standards ("IFRS").

Turnover for the year ended to 31 December 2009 was £1,461,201 (year ended 31 December 2008: £1,776,373) and the total loss for the period before taxation was £66,785 (year ended 31 December 2008: £279,628). The Directors do not recommend payment of a final dividend.

Directors

The following Directors have held office during the year:

Name	Position
B R J Whipp	Executive Chairman
S K Goodwin	Chief Executive
J W F Roth	Sales Director
G B Ashley	Non-Executive Director
R S Ager	Non-Executive Director

Directors' Interests in Shares

Directors' interests in the share capital of the Company, including family and pension scheme interests, were as follows:

	Ordinary shares of £0.01 each	
Director	**31 December 2009**	**31 December 2008**
B R J Whipp	115,610,132	115,610,132
S K Goodwin*	25,611,484	25,611,484
J W F Roth	30,131,159	30,131,159
G B Ashley	18,354,718	17,000,000
R S Ager	7,613,750	6,500,000

* Mr. Goodwin also had an interest as a trustee in 1,650,000 Ordinary Shares of £0.01 each as at 31 December 2009 (1,650,000 ordinary shares of £0.01 each as at 31 December 2008).

Directors' interests in the share options, issued under the Group's Enterprise Management Incentive Scheme, were as follows:

	Number of Share options	
Director	**31 December 2009**	**31 December 2008**
S K Goodwin**	5,000,000	5,000,000
J W F Roth	2,000,000	2,000,000

**Mr. Goodwin also had an interest as a trustee in an option to purchase up to 12,307,692 Ordinary Shares of £0.01 each as at 31 December 2009, issued in association with a borrowing facility secured by the Group on 5 August 2008.

Directors' Interests in Warrants

The interests of Directors in Warrants were as follows:

	Number of Warrants As at 31 December 2009	2008
G B Ashley	-	1,309,718
R S Ager	-	1,113,750

Directors' Remuneration

The remuneration of the Directors during the period is summarised below:

	Fees and salaries £	Benefits £	Total 2009 £	Total 2008 £
Non-Executive				
R S Ager	7,500	-	7,500	15,375
G B Ashley	7,500	-	7,500	15,375
Executive				
B R J Whipp	65,712	15,690	81,402	99,060
S K Goodwin	54,312	13,925	68,237	85,677
J W F Roth	54,312	12,879	67,191	84,586
Total	189,336	42,494	231,830	300,073

Significant Shareholdings

As at 31 March 2010 the shareholders' register showed that the following shareholders had interests in 3% or more of the share capital of the Company:

Shareholder	Ordinary shares currently held as at 31 March, 2010	Percentage of issued share capital
B R J Whipp	115,610,132	34.72%
J W F Roth	30,131,159	9.05%
S K Goodwin	25,611,484	7.69%
S J M Morris	21,707,817	6.52%
G B Ashley	18,354,718	5.51%
D L Massie	14,500,000	4.35%

Financial Risk Management

The Company's exposure to financial risk is set out in note 17 to the accounts

Policy on Payments to Suppliers

It is the policy of the Company in respect of all its suppliers, where reasonably practicable, to settle the terms of payment with those suppliers when agreeing the terms of each transaction, to ensure that those suppliers are made aware of the terms of payment, and to abide by those terms.

Health, Safety and the Environment

Crimson Tide operates responsibly with regard to its shareholders, the environment and the wider community. The Group and Company are committed to the well-being of all employees and ensure that their health, safety and general welfare is paramount at all times. We also maintain open and fair relationships with all clients and suppliers while ensuring that all transactions are operated on an arm's length, commercial basis.

Political and Charitable Contributions

No political or significant charitable donations were made during the period.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.
UK Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law the directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and have also elected to prepare the Company financial statements in accordance with 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 of the Group and Company and of the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;

- make judgements and estimates that are reasonable and prudent;

- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statement on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Adequacy of information supplied to auditors
In the case of each of the persons who were Directors of the Company at the date when this report was approved:

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's Auditors are unaware; and

- each of the Directors has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information (as defined) and to establish that the Company's Auditors are aware of that information.

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

Independent Auditors

Shipleys LLP has indicated its willingness to remain in office and a resolution to reappoint them as Auditors will be proposed at the Annual General Meeting.

Signed by order of the Board

Stephen Goodwin
Company Secretary
13 April 2010

The requirements of the combined code of principles of corporate governance set out in the listing rules of the Financial Services Authority are not mandatory for companies traded on AIM. However, the Directors are committed to complying with best practice in this area, and have adopted its principles where they have been considered appropriate.

Shareholder communication

The Group seeks to ensure that all shareholders are kept informed about the Group and its activities. A comprehensive annual report and accounts and an interim report are made available to shareholders on the Group's website and sent to those shareholders requesting a paper copy.

The Annual General Meeting is a forum for shareholders' participation with the opportunity to meet and question Board members including the non-executive members and the Chairmen of the Board committees.

Additionally, the Group operates an investors section on its website to provide further details of the Group's activities.

Board of Directors and Board Committees

The Board of Directors, which consists of three Executive and two Non-Executive Directors, is responsible for the Group's system of corporate governance. The role of the Non-Executive Directors is to bring independent judgement to Board discussions and decisions. The Board meets regularly throughout the year. It has a schedule of matters referred to it for decision, which includes Group strategy and future developments, allocation of financial resources, investments, annual and interim results, and risk management. The Group has two Board committees, which operate within defined terms of reference.

Audit Committee

The Audit Committee, comprising Mr. Ager (Chairman), Mr. Ashley, Mr. Whipp and Mr. Goodwin, is responsible for reviewing the full and half year results. In addition, the Audit Committee monitors the framework of internal control.

Remuneration Committee

The Remuneration Committee, comprising Mr. Ashley (Chairman), Mr. Ager, Mr. Whipp and Mr. Goodwin, reviews the remuneration of the Executive Directors and any senior executive of the Group and considers the grant of options and payment of performance related bonuses.

Internal Control

The Directors are responsible for ensuring that the Group maintains a system of internal control to provide them with reasonable assurance regarding the reliability of financial information used within the business and for publication and that assets are safeguarded. There are inherent limitations in any system of internal financial control. On the basis that such a system can only provide reasonable but not absolute assurance against material mis-statement or loss and that it relates only to the needs of the business at the time, the system as a whole was found by the Directors at the time of approving the accounts to be generally appropriate to the size of the business.

Going Concern

After reviewing budgets and forecasts, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue as an operational business for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

Employment Policy

The Board places considerable value on the involvement of its employees and has effective arrangements for communicating the Group's results and significant business issues to them. The Directors recognise that continued and sustained improvement of the Group depends on its ability to attract, motivate and retain employees of the highest calibre. Furthermore, the Directors believe that the Group's ability to sustain the competitive advantage in the long term depends on ensuring that all employees contribute to the maximum of their potential. The Group is committed to improving the performance of all its employees through appropriate development and training. Share ownership is at the heart of the Group's remuneration philosophy and the Directors believe that the key to the Group's future success lies in a motivated workforce holding a stake in the Group. For this reason the Board implemented an Enterprise Management Incentive share option scheme in February 2007 which is available to all Group employees subject to meeting certain qualifying rules. More share options will be issued to key staff in May 2010. The Group is an equal opportunity employer. Entry into and progression within the Group is solely determined on the basis of work criteria and individual merit. The Group gives full and fair consideration to applications for employment made by disabled persons, having regard to their respective aptitudes and abilities. The policy includes, where practicable, the continued employment of those who may become disabled during their employment and the provision of training and career development and promotion, where appropriate.

Corporate Responsibility

Crimson Tide plc operates responsibly with regard to its shareholders, employees, other stakeholders, the environment and the wider community. The Group is committed to the wellbeing of all employees and ensures that their health, safety and general welfare is paramount at all times. We also maintain open and fair relationships with all clients and suppliers while ensuring that all transactions are operated on an arm's length, commercial basis. As part of this culture, the Group ensures that all suppliers are paid in a timely fashion, unless there are sound commercial reasons why payment should not be made.

Report of the Remuneration Committee

The Remuneration Committee was established to determine the Group's policy on executive remuneration and to consider and approve the remuneration packages for the Directors, subject to ratification by the Board.

The Group's current and ongoing remuneration policy aims to ensure executive directors and senior executives are fairly rewarded for their individual contributions to the Group's overall performance and is designed to retain and motivate executives of the right calibre and experience. The Committee is responsible for recommendations on all elements of directors' remuneration including basic salary, annual bonus, share options and any other incentive awards.

The Committee determines the Group's policy on executive directors' remuneration with reference to comparable companies and the achievement of the Group's strategic objectives. In designing and reviewing schemes for performance related remuneration, the Committee gives full consideration to the provisions of Schedule A to the Combined Code.

The Board determines the Company's policy on Non-Executive Directors' fees and will set fees with reference to the individual director's role, the Company's market capitalisation and business sector.

At the last Remuneration Committee meeting the Committee took note that the Directors remain focused on achieving sustained profitability. It was agreed that the Directors' remuneration would continue to be reviewed based upon on the Company's performance and financial circumstances prevailing at the time.

On behalf of the Board

Graham Ashley
Chairman — Remuneration Committee
13 April 2010

Independent Auditors Report to the Members of Crimson Tide Plc

We have audited the financial statements of Crimson Tide PLC for the year ended 31 December 2009 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement, the Company Statement of Financial Position, the Company Statement of Changes in Equity, the Company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement (set out on page 13), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and Parent Company's affairs as at 31 December 2009 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

JOSEPH KINTON (Senior Statutory Auditor)
For and on behalf of
SHIPLEYS LLP
Chartered Accountants & Statutory Auditor
10 Orange Street, Haymarket, London, WC2H 7DQ
18 May 2010

Consolidated Income Statement
for the year ended 31 December 2009

	Notes	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Revenue		**1,461**	1,776
Cost of Sales		**(526)**	(817)
Gross Profit		**935**	959
Total operating expenses		**(956)**	(1,209)
Loss from operations		**(21)**	(250)
Interest income	3	**-**	4
Interest payable and similar charges	3	**(46)**	(33)
Loss before taxation		**(67)**	(279)
Tax on loss on ordinary activities	5	**-**	-
Loss for the period attributable to equity holders of parent		**(67)**	(279)
Loss per share			
Basic and diluted loss per Ordinary Share	6	**(0.02p)**	(0.09p)

All amounts relate to continuing activities

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2009

	Notes	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Net loss for the year		**(67)**	(279)
Other comprehensive income / (loss) for the year			
Exchange differences on translating foreign operations		1	(28)
Total comprehensive loss for the year		**(66)**	(307)

Consolidated Statement of Financial Position at 31 December 2009

	Notes	As at 31 December 2009 £	2008 £
Assets			
Intangible assets	7	**868**	868
Equipment, fixtures & fittings	8	**17**	24
Total non-current assets		**885**	892
Inventories		**33**	39
Trade and other receivables	10	**449**	597
Cash and cash equivalents	11	**96**	89
Total current assets		**578**	725
Total Assets		**1,463**	1,617
Equity and liabilities			
Share capital	12	**6,210**	6,070
Capital redemption reserve	13	**49**	49
Share premium	13	**1,124**	1,058
Other Reserves	13	**431**	430
Reverse acquisition reserve	13	**(5,244)**	(5,244)
Retained earnings	13	**(1,917)**	(1,850)
Total equity		**653**	513
Creditors			
Amounts falling due within one year	14	**528**	791
Amounts falling after more than one year	15	**282**	313
Total liabilities		**810**	1,104
Total equity and liabilities		**1,463**	1,617

The financial statements were approved by the board of directors on 13 April 2010 and signed on its behalf by:

B R J Whipp
Director

S K Goodwin
Director

Consolidated Statement of Changes in Equity at 31 December 2009

Group	Share Capital £000	Capital redemption reserve £000	Share Premium £000	Other Reserves £000	Reverse acquisition reserve £000	Retained Earnings £000	Total £000
Balance as at 1 January 2008	5,790	49	1,006	507	(5,244)	(1,571)	537
Loss for the year	-	-	-	-		(279)	(279)
Proceeds from new shares issued during the year	248	-	24	-	-	-	272
Shares issued for acquisition of IDL	32	-	28	(60)	-	-	-
Equity reserve	-		-	11		-	11
Translation movement	-	-	-	(28)	-	-	(28)
Balance as at 31 December 2008	6,070	49	1,058	430	(5,244)	(1,850)	513
Loss for the year	-	-	-	-	-	(67)	(67)
Proceeds from new shares issued during the year	140	-	66	-	-	-	206
Translation movement	-	-	-	1	-	-	1
Balance as at 31 December 2009	6,210	49	1,124	431	(5,244)	(1,917)	653

Note: “IDL” means Intelligent Data Limited, acquired by Crimson Tide on 7 December 2006.

Consolidated Statement of Cash Flows for the year ended 31 December 2009

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Loss from operations	**(21)**	**(250)**
Adjustment for:		
Amortisation of intangibles	**33**	**42**
Depreciation of equipment, fixtures and fittings	**12**	**11**
Operating cash flows before movement in working capital and provisions	**24**	**(197)**
Decrease / (Increase) in inventories	**6**	**(14)**
Decrease / (Increase) in trade and other receivables	**148**	**(212)**
Decrease in trade and other payables	**(176)**	**(164)**
Cash generated / (used) in operations	**2**	**(587)**
Income tax paid	**-**	**-**
Net cash generated /(used) in operating activities	**2**	**(587)**
Cash flows used in investing activities		
Purchase of fixed assets	**(75)**	**(27)**
Interest received	**-**	**2**
Net cash used in investing activities	**(75)**	**(25)**
Cash flows from financing activities		
Net proceeds from issue of shares	**206**	**272**
Interest paid	**(8)**	**(33)**
Net (decrease) / increase in borrowings	**(59)**	**209**
Net cash from financing activities	**139**	**448**
Net increase / (decrease) in cash and cash equivalents	**66**	**(164)**
Net cash and cash equivalents at beginning of period	**11**	**175**
Net cash and cash equivalents at end of period	**77**	**11**
Analysis of Net Funds		
Cash and cash equivalents	**96**	**89**
Bank overdraft	**(19)**	**(78)**
	77	**11**
Other borrowing due within one year	**(48)**	**(71)**
Borrowings due after one year	**(282)**	**(313)**
Finance Leases	**(6)**	**(11)**
Net debt	**(259)**	**(384)**

Notes to the Consolidated Financial Statements At 31 December 2009

A) Corporate Information

Crimson Tide plc (the “Company”) is a public limited company incorporated in the United Kingdom. The address of the registered office is 10 Orange Street, London, WC2H 7DQ. Crimson Tide plc’s shares are publicly traded on the Alternative Investment Market of the London Stock Exchange (AIM).

B) Basis of consolidation

The consolidated financial statements of the Company for the year ended 31 December 2009 comprise the Company and its subsidiaries (together referred to as the “Group”).

On an acquisition, fair values are attributed to the Group’s share of net assets. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill, which is capitalised and subjected to annual impairment reviews. The results of acquired companies are brought in from the date of their acquisition.

C) Basis of preparation

The consolidated financial statements of Crimson Tide plc have been prepared in accordance with applicable law and International Financial Reporting Standards incorporating International Accounting Standards and Interpretations (collectively “IFRS”) as endorsed by the European Union.

The financial statements have been prepared on the historical cost basis except for certain assets and liabilities which have been measured at fair value. Non-current assets are stated at the lower of carrying amount and fair value less costs to sell.

The financial statements are presented in UK sterling and have been prepared on a going concern basis.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in a period of the revision and future periods if the revision affects both current and future periods.

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

D) Significant judgements and major causes of estimation uncertainty

As noted above, the Group makes estimates and assumptions concerning the future. Those that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Estimated impairment of goodwill
The Group tests semi-annually whether Goodwill has suffered any impairment in accordance with the accounting policies stated in Notes H ii) and I) below. The recoverable amounts of cash generating units have been determined based on value-in-use calculations requiring the use of estimates.

ii) Fair value of development costs
Research costs are not capitalised. Development costs, however, are capitalised from the point that it is sufficiently certain that future economic benefits to the Group will cover all selling, administration and support costs as well as the development costs themselves. The Board will continue to review the nature of the Group’s development activities on an ongoing basis and consider whether the conditions are being satisfied. Development costs include work completed on mobility software applications.

E) Changes in accounting policy

i) Adoption of new and revised International Accounting Standards (IAS/IFRS) and Interpretations affecting current or prior periods:
IAS 1 - 'Presentation of Financial Statements - Revised 2007' has introduced terminology changes, including revised titles for the financial statements.

ii) International Accounting Standards (IAS/IFRS) and interpretations not yet adopted:
At the date of authorisation of these financial statements, the following Standards and Interpretations that have not been applied in these financial statements were in issue but not yet effective or endorsed (unless otherwise stated)

IFRS 3 Business Combinations - Revised 2008 (effective 1 July 2009)

IFRS 9 Financial instruments (effective 1 January 2013)

IAS 24 Related party disclosures - Revised 2009 (effective 1 January 2011)

IAS 27 Consolidated and separate Financial Statements - Revised 2008 (effective 1 July 2009)

IAS 39 Amendments to Financial Instruments Recognition and Measurement - Eligible Hedged Items

IFRS 1 Amendment to Additional exemptions for First time adopters (effective 1 January 2010)

IFRS 2 Amendments to Group cash settled share based payment transactions (effective 1 January 2010)

Various Improvements to IFRSs 2009 (various effective dates 1 July 2009 - 2010)

IAS 32 Amendments to Classification of rights issues (effective 1 February 2010)

IFRIC 14 Amendments to Prepayments of a minimum funding requirement (effective 1 January 2011)

IFRIC 17 Distributions of Non-cash Assets to Owners (effective 1 July 2009)

IFRIC 18 Transfers of Assets from Customers (effective prospectively for transfers on or after 1 July 2009)

IFRIC 19 Extinguishing Financial liabilities with equity instruments (effective 1 July 2010)

In January 2008, the IASB issued a revised version of IFRS 3 'Business Combinations' The revised standard will introduce some changes to the existing accounting treatment of business combinations. For example, all transaction costs will be expensed. The standard is applicable to business combinations occurring in accounting periods beginning on or after 1 July 2009. Assets and liabilities arising from business combinations occurring before the date of adoption by the Group will not be restated and thus there will be no effect on the Group's reported income or net assets on adoption.

The Directors anticipate that the adoption of the remaining Standards and Interpretations in future periods will have no material impact on the financial statements of the Group.

F) Foreign currency transactions and translation

Foreign currency transactions by Group companies are booked in their functional currencies at the exchange rate ruling on the date of transaction. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included in profit or loss for the period and are classified as either operating or financing depending on the nature of the monetary item giving rise to them.

On consolidation, the assets and liabilities of the Group's overseas operations are translated into the presentation currency of the Group at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period where these approximate the rates at the dates of transactions. Exchange differences arising, if any, are classified within equity and transferred to the Group's currency translation reserve. Exchange differences on foreign currency loans that form part of the Group's net investment in these foreign operations are offset in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets of the foreign entity and translated at the closing rate.

G) Equipment, fixtures and fittings

i) Owned assets
Items of equipment, fixtures and fittings are stated at historic cost less accumulated depreciation with different useful lives (see below).

ii) Leased assets
Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired in terms of finance leases are capitalised at their fair value at inception of the lease, and depreciated over the estimated useful life of the asset. The capital element of future obligations under the leases is included as a liability in the balance sheet.

iii) Depreciation
Depreciation is charged to the income statement over the estimated useful lives of each part of an item of equipment, fixtures and fittings. The depreciation rates are as follows:

- Office and computer equipment: 20% of cost on a straight-line basis
- Fixtures and fittings: 25% on a reducing balance basis
- Motor Vehicles: 20% of cost on a straight-line basis

H) Intangible assets

i) Development Expenditure
The costs of developing software for commercial resale are capitalised and amortised over the expected useful life of the product. Amortisation commences when revenues from the product begin to be received. The carrying value of development costs is reassessed semi-annually.

ii) Goodwill
Goodwill represents the excess of the fair value of the consideration given for investments in subsidiary undertakings over the fair value of the underlying assets at the date of their acquisition. The carrying value of goodwill is reassessed semi-annually.

I) Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of its net selling price and its value in use. For intangible assets that are not yet available for use, goodwill or intangible assets with an indefinite useful life, an impairment test is performed at each balance sheet date.

In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised in the income statement whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years. For goodwill, a recognised impairment loss is not reversed.

J) Turnover and revenue recognition

The turnover shown in the profit and loss account represents amounts receivable for services provided to customers, exclusive of Value Added Tax. Subscription income and support and maintenance income is credited to turnover in equal monthly instalments over the period of the agreement.

K) Expenses

i) Operating lease payments
Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.
ii) Finance lease payments
The capital element of finance lease repayments is treated as a reduction in the balance sheet liability and the interest element is charged to the profit and loss account on a "sum of digits" basis.

L) Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the reporting date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantially enacted by the reporting date.

M) Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to capital expenditure are deducted in calculating the carrying amount of the asset. The grant is recognised in profit or loss over the life of the asset as a reduced amortisation expense. Revenue related grants are credited to the income statement when the related expenditure is expensed.

N) Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of the financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the Statement of Financial Position. Finance costs and gains or losses relating to financial liabilities are included in the Income Statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited to equity.

1. Segmental reporting

	Turnover Year ended 31 December		Operating profit / (loss) Year ended 31 December		Net Assets Year ended 31 December	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
UK	**1,067**	1,213	**(67)**	(315)	**574**	435
Ireland	**394**	563	**46**	65	**79**	78
Total	**1,461**	1,776	**(21)**	(250)	**653**	513

2. Loss from operations

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Amortisation of intangible assets	**33**	42
Depreciation on equipment, and fixtures and fittings	**12**	11
Operating lease costs	**50**	52
Auditors remuneration for:		
- Audit services	**10**	10
- Other services:		
- The auditing of accounts of associates of the Company pursuant to legislation	**8**	5
- Other services supplied pursuant to such legislation	**4**	10

3. Finance income and costs

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Bank interest payable	**7**	18
Other loan interest	**38**	12
Finance lease interest	**1**	3
Interest receivable	**-**	(4)
Net finance cost	**46**	29

4. Employees

Staff costs (including Directors) were as follows:

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Wages and salaries	**589**	695
Non-Executive Directors' fees	**15**	31
Compulsory social security contributions	**71**	85
Other pension costs	**-**	4
Personnel costs	**675**	815

The following amounts are included above in relation to Directors:

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Wages and salaries	**217**	269
Non-Executive Directors' fees	**15**	31
Compulsory social security contributions	**24**	32
Directors' costs	**256**	332

A detailed breakdown of the remuneration of the Directors is shown on page 12.

Average monthly staff numbers in the period were as follows:

	Year ended 31 December 2009 No.	Year ended 31 December 2008 No.
Sales and marketing	**5**	6
Technical	**6**	6
Management, finance and administration	**4**	4
	15	16

5. Taxation

No tax charge has been incorporated into the consolidated accounts for the periods ended 31 December 2009 or 31 December 2008 due to the availability of tax losses.

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Loss on ordinary activities before tax	**(67)**	**(279)**
Loss on ordinary activities by rate of tax	**(19)**	**(78)**
Expenses not deductible for taxation purposes	**10**	**10**
Carried forward taxable losses	**9**	**68**
Utilisation of brought forward tax losses	**-**	-
Tax on loss on ordinary activities	**-**	-

Deferred tax asset

The Group has an unprovided deferred tax asset relating to carried forward taxable losses of approximately £710,000 (2008: £700,000). This asset has not been recognised in the accounts due to uncertainty of the timing of future taxable profits against which it can be utilised.

6. Loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the period.

The calculation of diluted loss per share is based on loss per share attributable to ordinary shareholders and the weighted average number of ordinary shares that would be in issue, assuming conversion of all dilutive potential ordinary shares into ordinary shares.

Reconciliations of the loss and weighted average number of shares used in the calculations are set out below:

Basic loss per share	**Year ended 31 December 2009**	Year ended 31 December 2008
Reported loss (£000)	**(67)**	(279)
Reported loss per share (pence)	**(0.02)**	(0.09)

Weighted average number of ordinary shares:	**Year ended 31 December 2009 No.**	Year ended 31 December 2008 No.
Opening balance	**318,990,642**	290,940,440
Effect of share placing during the year	**-**	16,728,346
Effect of share warrants exercised during year	**4,984,731**	14,116
Effect of shares issued in acquisition of Crimson Tide (IE) Ltd	**-**	2,139,178
Weighted average number of ordinary shares	**323,975,373**	309,822,080

Due to the Group's loss for the period, the diluted loss per share is the same as the basic loss per share.

7. Intangible assets

Group	Goodwill £000	Group development expenditure £000	Total £000
Cost			
At 31 December 2008	**988**	**93**	**1,081**
Additions			
Mobile data applications development cost	**-**	**33**	**33**
At 31 December 2009	**988**	**126**	**1,114**
Impairment and amortisation			
At 31 December 2008	**(159)**	**(54)**	**(213)**
Charge for year	**(31)**	**(2)**	**(33)**
At 31 December 2009	**(190)**	**(56)**	**(246)**
Carrying amount			
At 31 December 2009	**798**	**70**	**868**
At 31 December 2008	829	39	868

8. Equipment, fixtures and fittings

Group	Office and computer equipment £000	Fixtures and fittings £000	Motor Vehicles £000	Total £000
Cost				
At 31 December 2008	**34**	**14**	**10**	**58**
Additions	**5**	**-**	**-**	**5**
At 31 December 2009	**39**	**14**	**10**	**63**
Depreciation				
At 31 December 2008	**(19)**	**(9)**	**(6)**	**(34)**
Charge for year	**(10)**	**-**	**(2)**	**(12)**
At 31 December 2009	**(29)**	**(9)**	**(8)**	**(46)**
Carrying amount				
At 31 December 2009	**10**	**5**	**2**	**17**
At 31 December 2008	15	5	4	24

Included within the net book value of £17,000 is £10,000 (2008: £15,000) relating to assets held under finance lease agreements. The depreciation charge to the financial statements in the year in respect of such assets amounted to £7,000 (2008: £6,000).

8. Equipment, fixtures and fittings (continued)

Company	Fixtures & Fittings Total £000
Cost	
At 31 December 2008	**17**
Additions	**-**
Disposals	**-**
At 31 December 2009	**17**
Depreciation	
At 31 December 2008	**(17)**
Charge for year	**-**
Disposals	**-**
At 31 December 2009	**(17)**
Carrying amount	
At 31 December 2009	-
At 31 December 2008	-

9. Investments

Company

The Company is the holding company of the Group. The following table shows details of the Company's subsidiary undertakings at 31 December 2009. Each of these companies is wholly owned by Crimson Tide plc, the issued share capital of each is fully paid and each is included in the consolidated accounts of the Group:

Name of company	Activity	Country of incorporation or registration and operation
Owned directly by Crimson Tide plc		
Crimson Tide mPro Limited	Mobile data solutions	England and Wales
Crimson Tide Services Limited	Mobile data solutions	England and Wales
A. Cohen & Co. (GB) Limited	Non-trading	England and Wales
Crimson Tide (IE) Limited	Mobile data solutions	Ireland
A.Cohen (Aust) Pty Limited	Non-trading	Victoria, Australia
Owned by Crimson Tide mPro Limited		
Moneymotive Limited	Non-trading	England and Wales
Owned by Moneymotive Limited		
Callog Limited	Telecoms	England and Wales

9. Investments (continued)

Company	Shares in subsidiary undertakings £000	Trade investments £000	Total £000
Cost			
At 31 December 2008	**5,297**	**386**	**5,683**
Additions	**-**	**-**	**-**
At 31 December 2009	**5,297**	**386**	**5,683**
Provisions			
At 31 December 2008	**1,929**	**386**	**2,315**
Impairment	**-**	**-**	**-**
At 31 December 2009	**1,929**	**386**	**2,315**
Carrying amount			
At 31 December 2009	**3,368**	**-**	**3,368**
At 31 December 2008	3,368	-	3,368

10. Trade and other receivables

Group	As at 31 December 2009 £000	As at 31 December 2008 £000
Trade receivables	**164**	325
Other receivables	**22**	92
Prepayments and accrued income	**263**	180
	449	597

Company	As at 31 December 2009 £000	As at 31 December 2008 £000
Amounts recoverable from Group undertakings	**854**	777
Other receivables	**2**	4
Prepayments and accrued income	**2**	5
	858	786

11. Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term deposits held by Group companies. The carrying amount of these assets approximates their fair value.

12. Share capital

	As at 31 December 2009 £000	2008 £000
Authorised		
Ordinary shares: 711,950,842 shares of 1p each (2008: 711,950,842 shares of 1p each)	**7,120**	7,120
Deferred shares: 15,160,482 shares of 19p each	**2,880**	2,880
	10,000	10,000
Issued, called up and fully paid		
Ordinary shares: 332,986,234 shares of 1p each (2008: 318,990,642 shares of 1p each)	**3,330**	3,190
Deferred shares: 15,160,482 shares of 19p each	**2,880**	2,880
	6,210	6,070

Warrants

On admission to AIM, the Company issued an aggregate of 22,574,048 warrants to shareholders on the basis of 1 warrant for every 2 ordinary shares held and to placees on the basis of 1 warrant for every 4 ordinary shares subscribed for.

Total warrants exercised and expired in the year to 31 December 2009 over 1p ordinary shares in the Company are summarised below:

Date of Grant	Exercise Price	Expiry Date	Number Issued	Number outstanding 31 December 2008	Exercised in period	Expired in period	Number outstanding 31 December 2009
22 August 2006	1.5p	22 August 2009	22,574,048	22,498,784	13,995,592	8,503,192	-

Share options

On 5 February 2007 and 5 November 2008 the Company granted equity-settled options to some of the Directors and employees under the Company's Enterprise Management Incentive Scheme. The share options may not be exercised for two years and thereafter, only if the target share price is achieved.

At 31 December 2009 the following options were outstanding in respect of ordinary shares.

Date of Grant	Target share price	Exercise Price	Expiry Date	Number Issued	Exercised in period	Number outstanding at 31 December 2009	Number exercisable at 31 December 2009
5 February 2007	2.5p	1.5p	5 February 2017	11,000,000	—	11,000,000	—
5 November 2008	2.5p	1.0p	5 November 2018	7,000,000	—	7,000,000	—

No expense has been recognised during the period (2008:£0) in respect of a share based payment charge as in the opinion of the Directors, having considered the Company's share price at the date of grant and the market based performance criteria attached to the options, the level of any charge would not be material.

13. Reserves

Group	Capital redemption reserve £000	Share premium £000	Other reserves £000	Reverse acquisition reserve £000	Retained earnings £000
Balance as at 1 January 2008	49	1,006	507	(5,244)	(1,571)
Loss for the year	-	-	-	-	(279)
Proceeds from new shares issued during the year	-	24	-	-	-
Shares issued for acquisition of IDL	-	28	(60)	-	-
Convertible loan - equity component	-	-	11	-	-
Translation movement	-	-	(28)	-	-
Balance as at 31 December 2008	49	1,058	430	(5,244)	(1,850)
Loss for the year	-	-	-	-	(67)
Proceeds from new shares issued during the year	-	66	-	-	-
Translation movement	-	-	1	-	-
Balance as at 31 December 2009	49	1,124	431	(5,244)	(1,917)

Note: "IDL" means Intelligent Data Limited, acquired by Crimson Tide on 7 December 2006.

Company	Capital redemption reserve £000	Share premium £000	Other reserves £000	Retained earnings £000
Balance as at 1 January 2008	49	1,006	383	(3,540)
Loss for the year	-	-	-	(136)
Proceeds from new shares issued during the year	-	24	-	-
Shares issued for acquisition of IDL	-	28	(60)	-
Balance as at 31 December 2008	49	1,058	323	(3,676)
Loss for the year	-	-	-	(87)
Proceeds from new shares issued during the year	-	66	-	-
Balance as at 31 December 2009	49	1,124	323	(3,763)

Note: "IDL" means Intelligent Data Limited, acquired by Crimson Tide on 7 December 2006.

14. Creditors: Amounts falling due within one year

Group	As at 31 December 2009 £000	As at 31 December 2008 £000
Bank loans	48	71
Bank overdraft	19	78
Trade creditors	130	271
PAYE and social security	27	30
VAT	42	12
Finance lease agreements	6	11
Directors' current account	22	19
Other creditors	11	5
Accruals and deferred income	223	294
	528	791

Company	As at 31 December 2009 £000	As at 31 December 2008 £000
Bank loans	40	46
Trade creditors	10	30
Amounts owed to Group undertakings	239	239
Other creditors and accruals	18	17
	307	332

15. Creditors: Amounts falling due after more than one year

Group	As at 31 December 2009 £000	As at 31 December 2008 £000
Bank Loans	**37**	**68**
Other loan	**245**	**245**
	282	**313**

Other loans comprise of a convertible loan that matures in August 2011 – see note 18. Up to £150,000 can be converted into Ordinary Shares of 1p on or prior to maturity at the holder's option. The fair value of the liability component is included in amounts falling due after more than one year. The residual amount, representing the value of the equity conversion option, is included in shareholders' equity in other reserves – see note 13.

Company	As at 31 December 2009 £000	As at 31 December 2008 £000
Bank loans	**37**	**68**

Maturity of debt

Group	As at 31 December 2009 £000	As at 31 December 2008 £000
The loans and finance leases are repayable as follows:		
Within one year	**92**	**82**
Between one and two years	**282**	**279**
Between two and five years	**-**	**34**
	374	**395**

Company	As at 31 December 2009 £000	As at 31 December 2008 £000
The loans and finance leases are repayable as follows:		
Within one year	**40**	**46**
Between one and two years	**37**	**34**
Between two and five years	**-**	**34**
	77	**114**

16. Operating lease commitments

At the period end, total future minimum rental commitments under non-cancellable operating leases were:

Group	**As at 31 December 2009 £000**	As at 31 December 2008 £000
Not later than 1 year	**5**	17
After 1 year but not more than 5 years	**85**	-
	90	17

17. Financial Instruments and Risk Management

The Group uses a limited number of financial instruments, comprising cash, short-term deposits, loans and bank overdrafts to fund the Group's operations. The Group has other financial instruments such as trade receivables and payables, that arise directly from operations. The Group does not trade in financial instruments.

Trade and other short-term debtors/creditors have been excluded from the following disclosures

Group	**As at 31 December 2009 £000**	As at 31 December 2008 £000
Financial Assets		
Cash at bank and in hand (maturing on demand)	**96**	89
Financial Liabilities		
Bank overdraft (maturing on demand)	**19**	78
Bank loans — floating rate	**85**	139
Other loans at a rate of 12.5% p.a.	**245**	245

An analysis of the maturity of the loans is given in note 15.

Financial risk factors

Exposure to currency, credit, liquidity and interest rate risk arise in the normal course of the Group's business. The Directors review and agree policies for managing each of these risks to minimise potential adverse effects on the Group's financial performance.

a) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the UK pound and the euro. At the end of the year the Group held negligible net monetary assets in euros. Foreign exchange differences on retranslation of these assets and liabilities are taken to the income statement.

b) Credit risk

The Group has no significant concentrations of credit risk and has policies in place to ensure that sales are made to customers with an appropriate credit history. Receivables balances are monitored on an ongoing basis and no one customer represents more than 4% of total revenue, as a result that the Group's exposure to bad debts is not significant. The Group is exposed to the loss of future subscription revenues if subscriber customers go into liquidation. At 31 December, 2009, no one customer accounted for more than £80,000 of future contracted revenue.

c) Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and available funding through an adequate amount of committed credit facilities. The Group ensures it has adequate cover through the availability of bank overdraft and loan facilities to satisfy forecast requirements taking into account all known and forecast factors.

d) Interest rate risk
The Group's policy is to minimise interest rate risk by regularly reviewing and agreeing actions to limit the Group's exposure to adverse movements in interest rates.

Fair value risk factors
The net fair values of intangible assets approximate to their carrying value as disclosed in Note 7 and are regularly assessed. The aggregate net fair values and carrying amounts of all other assets and liabilities, including financial assets and financial liabilities, are disclosed in the Statement of Financial Position and Notes.

18. Related party transactions

On 5 August 2008 the Group secured a borrowing facility with the Goodwin Accumulation & Maintenance Trust, a trust of which Mr. S K Goodwin is a trustee. The loan facility for up to £300,000 matures on 5 August, 2011 at a fixed interest rate of 12.5% and an associated option to purchase Ordinary Shares up to the value of £150,000 at an exercise price of 1.21875 pence per share. The option lapses at the end of the loan facility term.

The interests of the Directors in share options under the Group's Enterprise Management Incentive Scheme are shown on page 11.

Other than the above and the Director's current account (monies owed to Mr. B R J Whipp), no transactions with related parties were undertaken such as are required to be disclosed under International Accounting Standard 24.

19. Profit of the Parent Company

As permitted by Section 408 of the Companies Act, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's loss for the financial year amounted to £86,561 (year to 31 December 2008: £136,353).

20. Post-balance sheet events

On 18 March 2010, the existing loan facility with the Goodwin Accumulation and Maintenance Trust, a trust of which Stephen Goodwin, the Company's Chief Executive, is a trustee, was extended to 5 August 2011. Interest accrued over the initial term of £43,377 has been added to the capital amount outstanding.

On 7 May, 2010 the Company granted options over 20 million new Ordinary Shares of £0.01 in the Company, including 7.5 million to the Executive Directors at an exercise price of 1.25 pence. The options may be exercised between the second and tenth anniversary of the date of grant, provided the target share price, being a bid price of 2.5 pence, is achieved.

Company Statement Of Financial Position at 31 December 2009

	Notes	As at 31 December 2009 £000	2008 £000
Assets			
Tangible assets	8	**-**	-
Investments	9	**3,368**	3,368
Total non-current assets		**3,368**	3,368
Trade and other receivables	10	**858**	786
Cash and cash equivalents	11	**61**	70
Total current assets		**919**	856
Total Assets		**4,287**	4,224
Equity and liabilities			
Issued capital	12	**6,210**	6,070
Capital redemption reserve	13	**49**	49
Share premium	13	**1,124**	1,058
Other Reserves	13	**323**	323
Retained earnings	13	**(3,763)**	(3,676)
Total equity		**3,943**	3,824
Creditors			
Amounts falling due within one year	14	**307**	332
Amounts falling after more than one year	15	**37**	68
Total liabilities		**344**	400
Total equity and liabilities		**4,287**	4,224

The financial statements were approved by the Board of Directors on 13 April 2010 and are signed on its behalf by:

B R J Whipp
Director

S K Goodwin
Director

Company Statement of Changes in Equity at 31 December 2009

	Year ended 31 December 2009 £000	Year ended 31 December 2008 £000
Loss after tax for the year being total recognised income and expense for the year	**(87)**	(136)
Issue of share capital	**206**	272
Total changes in equity	**119**	136
Total equity as at 1 January, 2009	**3,824**	3,688
Total equity as at 31 December, 2009	**3,943**	3,824

Company Statement of Cash Flows for the year ended 31 December 2009

	Year ended 31 December 2009 £000	2008 £000
Operating cash flows before movement in working capital and provisions	**(85)**	(129)
Increase in trade and other receivables	**(72)**	(231)
(Decrease) / Increase in trade and other payables	**(19)**	145
Income tax paid	**-**	-
Net cash used in operating activities	**(176)**	(215)
Cash flows used in investing activities		
Acquisition of subsidiaries	**-**	(4)
Purchases of fixed assets	**-**	-
Interest received	**-**	2
Net cash used in investing activities	**-**	(2)
Cashflows from financing activities		
Net proceeds from issue of shares	**206**	272
Interest paid	**(2)**	(9)
Net decrease in borrowings	**(37)**	(27)
Net cash from financing activities	**167**	236
Net (decrease) / increase in cash and cash equivalents	**(9)**	19
Net cash and cash equivalents at beginning of period	**70**	51
Net cash and cash equivalents at end of period	**61**	70
Analysis of Net Funds		
Cash and cash equivalents	**61**	70
Bank overdraft	**-**	-
	61	70
Other borrowing due within one year	**(40)**	(46)
Borrowings due after one year	**(37)**	(68)
Net funds	**(16)**	(44)

OFFICERS AND PROFESSIONAL ADVISERS

Board of Directors	B R J Whipp (Executive Chairman) R S Ager G B Ashley S K Goodwin J W F Roth
Secretary	S K Goodwin
Registered office	10 Orange Street Haymarket London WC2H 7DQ
Registered Number	0113845
Bankers	HSBC Bank plc 9 Wellesley Road Croydon Surrey CR9 2AA
Auditors	Shipleys LLP 10 Orange Street Haymarket London WC2H 7DQ
Nominated Adviser and Broker	Arbuthnot Securities Limited Arbuthnot House 20 Ropemaker Street London EC2Y 9AR
Solicitors	Gordons Partnership LLP 22 Great James Street London WC1N 3ES
Website	www.crimsontide.co.uk

Notice of Annual General Meeting

Notice is hereby given that the 2010 Annual General Meeting of Crimson Tide plc will be convened at Tavern Cellars, 39-41 The Pantiles, Tunbridge Wells, Kent TN2 5TE on 29 June 2010 at 11:00 am to transact the following business and consider and, if thought fit, pass the following resolutions, each such resolution to be considered as an ordinary resolution.

Ordinary Resolutions:

1 To receive the report and accounts of the Company for the year ended 31 December 2009

2 To re-appoint Messrs Shipleys LLP as Auditor and authorise the Directors to fix their remuneration

3 To re-appoint Graham Basil Ashley as a Director of the Company

4 To re-appoint Barrie Reginald John Whipp as a Director of the Company

By order of the Board
Stephen Goodwin
Company Secretary
Registered Office
10 Orange Street
London WC2H 7DQ
28 May 2010

Notes
1 Proxies
Any member of the Company entitled to attend and vote at the above meeting may appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member.
2 Contracts of Service
All Directors' contracts of service having more than one year's unexpired term are available for inspection by members at the Company's registered office during business hours and will be available for inspection at the location of the meeting for the period commencing 15 minutes prior to the commencement of the meeting and ending at the conclusion of the meeting.

Form of Proxy

Crimson Tide plc
("Crimson Tide" or "the Company")
Annual General Meeting on 29 June 2010 at 11.00 am

I/We (name 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 Crimson Tide plc to be held on 29 June 2010 and at any adjournment thereof. I/We direct my/our proxy to vote on the following resolution as I/we have indicated by marking the appropriate box with an 'X'.

RESOLUTION	FOR	AGAINST	ABSTENTION
1 To approve accounts			
2 To re-appoint auditors			
3 To re-appoint G B Ashley as director			
4 To re-appoint B R J Whipp as director			

Signature . . . . Date . . . .

Notes on completion:
1. 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.
2. 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.
3. 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 this 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 them the relevant instructions directly.
4. 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.
5. 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.
To appoint a proxy using this form, the form must be:
• completed and signed;
• sent or delivered to Company Secretary; and
• received no later than 27 June 2010 at 11.00 am.
6. If your shares are held through CREST, you may use the CREST electronic proxy appointment service.
7. In the case of a member which is a company, this 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.
8. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
9. 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).
11. 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.
12. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, a proxy may vote or abstain from voting at his or her discretion. A proxy may vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

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The Company Secretary
Crimson Tide Plc
Tavern Cellars
39/41 The Pantiles
Tunbridge Wells
TN2 5TE

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NOTES

Notes

Crimson Tide plc Registered in England No. 0113845

Our registered office:	10 Orange Street, London, WC2H 7DQ
UK office:	Tavern Cellars, 39/41 The Pantiles, Royal Tunbridge Wells, Kent, TN2 5TE
Telephone:	01892 542444
Fax:	01892 510441
General email address:	info@crimsontide.co.uk
Ireland Office:	3013 Lake Drive, Citywest Business Campus Dublin 24
Telephone:	+353 (0) 1 4693719
Fax:	+353 (0) 1 4693115
General email address:	info@crimsontide.ie
Web	www.crimsontide.co.uk