Annual Report & Accounts 2018

crimsontide

www.mpro5.com

mpro5

What our customers say

'We trust mpro5 and believe it is the way forward for our business.'

'mpro5 has become one of our standard audit solutions.'

'mpro5 gives our customers a better experience as rather than filling out forms everything is done through mpro5.'

'mpro5 enables our management team to really see what's happening within the business, thereby enabling us to deliver an improved service to our clients.'

2018 highlights

Financial Highlights

- Profit Before Tax ahead of market expectations at £69k (2017: £309k) after significant new investments in sales and marketing to accelerate growth potential
- Turnover increased to £2.40m (2017: £2.28m) reflecting higher percentage of SaaS contracts
- Equipment operating lease debt decreased by over 40% to £376k (2017: £639k) with net funds doubling to £237k (2017: £118k)

Operational Highlights

- mpro5's Internet of Things and Time & Attendance modules maturing and seeing first rollouts, including temperature, humidity, lux, motion sensors, NFC, fingerprint, and facial recognition
- New solutions sales channel offering data SIM, Mobile Device Management, and managed hardware subscription services
- Partner network contributing maiden revenues in Rail sector
- NHS contracts expanding

Barrie Whipp, Executive Chairman of Crimson Tide, commented:
"A year of significant investment in new Sales & Marketing resource, whilst still producing profitability and net cash, sees Crimson Tide well set for growth. mpro5 has evolved into a gold standard mobility system used in over 260,000 sites and is poised for even wider opportunities"

contents

Chairman's Statement

Barrie Whipp
Executive Chairman
5 June 2019

2018 was a year when the Board of Crimson Tide plc took the decision to increase the Company's sales and marketing effort quite dramatically, to allow us to create a platform for increased growth in the future. We asked stakeholders to recognise that such investment would be reflected in the bottom line profitability but that it would stand us well in the future. Management expectations were for a break even result for the year. I am very pleased that, in the light of adding some very senior sales people and their associated costs, as well as increasing our marketing, we were not only profitable but exceeded market expectations.

We are very confident in our new sales team, consisting of director level appointments in Partner sales, Enterprise sales and Solution sales and the team has already increased our pipeline. Our first partner sales were reflected in a new sector to Crimson Tide, the rail industry, where we completed transactions with Northern Rail and Chiltern Rail.

We have ambitious plans for growth with both IT channel and OEM partners, where we are now recognised as a Solution Partner for Samsung. In Enterprise sales, we are focused on larger transactions, including international opportunities. We have secured further business from existing clients and are hopeful that our new offerings in solution sales, such as Mobile Device Management, data SIMs and the Internet of Things (IOT) will open opportunities with new and existing clients.

Our marketing efforts are seeing very positive results in terms of pipeline and the gearing that these opportunities give us for 2019 and beyond are in excess of at any time in the past.

Internationally, we have restructured our Middle East efforts by appointing a partner to manage the transactions that we have completed and to employ our sales representative in the region. Our partner will manage existing contracts, first line support and will also market mpro5 for us to its own client base. We continue to see interest in Northern Europe for mpro5 including some new interest in Scandinavia.

Our efforts in healthcare have been part of a longer strategy and we continue to see a wide range of opportunity. We are currently enhancing mpro5 for people with autism and our pilots for a global regulatory organisation have been a success, with a substantial increase in reported cases of falsified medicines. We have also completed further work in the reporting of clinical usage of a drug for the treatment of high cholesterol with a large American pharma company. Healthcare business takes some time to come to fruition.

In terms of mpro5, our upgrade to the mobile application with our Apollo release has seen further enhancements in terms of a Time & Attendance module, which has already been sold to a number of clients and a significant upgrade in the underlying codebase allows even more features and improved performance. This has now been followed by an upgrade to our web infrastructure with Project 13, where we have modernised some of our core technologies on Microsoft Azure.

mpro5 is continually improved by client feedback and our two major investments at present are in location-based services and facial and fingerprint recognition. We continue to increase our development staff to ensure that we remain at the cutting edge of both mobile and web technologies.

In many ways, the most exciting addition to mpro5 has been our Internet of Things module and the certification of related sensors, gateways and network technologies. IOT is now available with mpro5 with approved sensors for temperature, humidity, lux, CO2 and motion sensors, which can trigger mpro5 Jobs and Flows automatically. We are experiencing high levels of interest in mpro5 with IOT and now have a dedicated sales resource and presales consultant.

Crimson Tide's organogram now shows 34 members of staff. I recall that not more than a few years ago this figure was 14. It shows that we have invested short term profits into growth; mpro5 has never been more widely used, with over 260,000 sites benefitting from our technology.

Financially, we grew at the turnover level, and increased the number of software only contracts. Additions to base subscribers were good in the second half of 2018, a trend that has continued into 2019. As I mentioned at the start of my statement, we took controlled risks in terms of growth at the sales level with a view to a breakeven result and overachieved with a small profit. Our cash position improved even in the light of over £250k of device finance repaid.

Operationally the day to day running of the business is now in the hands of Luke Jeffrey who, with over a year in the role is now putting his own stamp on the organisation. In 2018 we recruited Peter Hurter as Financial Controller and Peter will succeed Steve Goodwin as Finance Director in 2019. Steve has agreed to remain as a Non-Executive Director.

During 2018, we recognised that we had the capacity to set a strategy for more investments in the Company and that the investment in increased sales and marketing resource was going to be an investment for the future, with associated costs now. The Board believes we took the right decision. We have an enviable pipeline and our sales team is focused on delivery. The Company is set well for the future.

Chief Executive's Review

Performance Overview

2018 was a year of significant investment and restructuring within our Sales & Marketing team, both domestically and internationally.

I am incredibly excited with the opportunities created over the last year which has seen our pipeline grow to a larger number of opportunities than ever before.

Although unexpected, and not forecast, I am pleased to confirm a PBT ahead of market expectation despite this investment. This clearly illustrates both the robustness of our mpro5 SaaS platform offering, as well as the performance of the management team to manage that investment carefully.

Investing for Growth

I am very pleased to welcome our new Solutions Sales Director and Enterprise Sales Director to the fold, complementing our SME Sales Director, International Strategic Director, and Partner Channel Director accordingly.

We are optimistic as to these additions opening new verticals and subscription offerings across our entire customer base, whilst ensuring churn remains at its historical low point.

Lead generation has seen the introduction of automated marketing platforms alongside the largest presence at industry-specific tradeshows that we have ever had. This has led to the introductions of new customers and more importantly, partners for our Partner Channel Director.

The Partner Channel is already bearing fruit despite its relative infancy after Q4 inception. Partners are being recruited targeting both the SME and Enterprise, with the potential for strategic partners at an even higher level.

Investing in Product

The mpro5 platform continues to be at the cutting-edge of mobile technology, with new modules being added to mpro5 for Internet of Things (IoT) and Biometric Time and Attendance accordingly.

The IoT offering, now mature, allows for any sensor to be connected to mpro5 directly or via an API to automate the mpro5 mobile workflow platform. This has seen widespread interest within the IoT community at the aforementioned trade shows and has led to a number of new routes to market both for direct customers, and IoT sensor providers as partners.

The Biometric Time and Attendance module was our first foray into the world of biometrics, and allows our mpro5 subscribers to use fingerprint scanning and facial recognition to prove attendance at their locations. The mpro5 Time and Attendance module is also backed with machine learning, allowing the system to 'learn' to better recognise users as their appearances change over time. In this regard I believe this offering to be completely unique.

Summary

2018 has been a transitional year for the Company, we now have the building blocks in place for future success and I look forward to growing our SaaS revenues accordingly over the coming years.

Our three core values are the driving force behind our business

Partnership Teamwork Dynamism

Financial Review

Stephen Goodwin
Finance Director
5 June 2019

Financial Review

I am very pleased to comment on our results for the year to 31 December 2018.

As previously communicated, the Company's strategy is one of continuing investment in the growth of the business. In 2018 the Company re-invested the vast majority of its profits generated from long term subscription contracts to achieve this aim. Human resources, focused particularly on software development and future sales, were added throughout the year along with targeted marketing expenditure. The Company has maintained a profit before tax for the year of £69k (2017: £309k), better than the market's expectation of breakeven, on turnover up 5% to £2.40m (2017: £2.28m), reflecting more software-only contracts.

International subscribers are beginning to be added. To ensure the Company is positioned to take full advantage of the opportunities that are emerging, further investment in the Company's international operations was made during 2018. This expenditure, along with the higher other operating expenses noted above, have added over £300k more costs than in 2017, excluding amortisation and depreciation. The Company's management keep close track on this spend to ensure these investments are wisely targeted with the aim of achieving faster growth in future years. Notwithstanding this expenditure, the Company has largely maintained its cash balances, which totalled over £600k at the year end, whilst continuing to repay debt used to finance mobile devices for subscribers. Borrowings decreased by over 40% to £376k (2017: £639k) and net funds finished the year at £237k (2017: £118k).

Crimson Tide's balance sheet remains healthy. Intangible fixed assets includes goodwill of £0.8m (2017: £0.8m) and the cost of our mpro5 software, £1.1m at the 2018 year end (2017: £0.9m). During the year, the underlying platform on which our mpro5 software operates was upgraded and "Internet of Things" technology incorporated to further add to users' capabilities. The Company believes this additional investment has already created new opportunities including the ability to utilise sensor-based functionality.

The Group has previously not made fair value adjustments to intra-group loans denominated in currencies other than Sterling as the amounts were considered immaterial. Due to the decline in the value of Sterling to Euro in 2016, an adjustment to the fair value of intra-group loans denominated in Euro has become necessary. The adjustment did not impact Earnings per Share or Diluted Earnings per Share as reported in the prior year.

Future Prospects

Cash generation from organic business continues to be strong. Additional functionality and international expansion is expected to accelerate long term contracted revenue growth. Margins close to 90% and high operational gearing leads the Directors to believe that the majority of these increased revenues will positively impact profit before tax. The market for cloud, mobility and Internet of Things is undoubted and mpro5 provides clients with these fully inclusive services on a subscription basis. With the planned addition of a new biometric time and attendance module to mpro5 and an opportunity pipeline higher than ever before, the Board is excited about the continuing development of the Company and its future prospects.

Board of Directors

Barrie Reginald John Whipp (58)
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 business. 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. He has served as a non-executive Director of pump distributor Wills Group plc as well as a number of private companies. Barrie is currently a non-executive Director of Wey Education plc.

Luke Anthony Jeffrey (36)
Chief Executive Officer and Technical Director
Luke joined Crimson Tide from university in July 2005 having achieved a Masters in Advanced Computing Science and has been regularly promoted since. He has made an invaluable contribution to the development of our mobility solutions and been fully involved in many other software developments delivered to customers. Luke joined the Board in July 2012 as Technical Director responsible for the continuing evolution and implementation of our software products and services. In December 2016, Luke was promoted to Deputy Chief Executive and became Chief Executive Officer in March 2018 responsible for the day to day management of the Group.

Stephen Keith Goodwin (60)
Finance Director and Company Secretary
Steve served as Crimson Tide's Chief Executive from April 2004 to August 2013 and is now the Group's Finance Director responsible for all financial matters. Steve is a Certified Accountant with 30 years' experience at Board level. 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.

Tobias 'Toby' James Turness Hawkins (38)
Group Sales & Marketing Director
Toby joined Crimson Tide in October 2017 having held numerous sales roles in his career, most recently, Enterprise Account Director for the OpenText Corporation. Previously he was Commercial Director for Stevens Group Ltd. which develops enterprise and SaaS software solutions. Toby is responsible for leading the sales and marketing teams and achieving the Group's sales and growth targets.

Graham Basil Ashley (72)
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. 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 Audit Committee.

Robert Kenneth Todd (53)
Non-Executive Director
Robert was appointed a Director of the Company in March 2015. He founded Todd Meat Trading Co Ltd in 1989 and is a Director of that Company and a Director of United Foods Direct Limited since 2012. Robert 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 2018.

Principal Activities

The principal activity of the Group during the period was the provision of mobility solutions and related software development. The principal activity of the Company was to provide management and support to other Group companies.

Results and Dividends

The trading results for the year ended 31 December 2018 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 31 December 2018 was £2,398,484 (2017: £2,275,326) and the total profit for the period after exceptional items of £nil (2017: £44,000) and before taxation was £68,717 (2017: £315,179). 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
L A Jeffrey	Chief Executive Officer and Technical Director
S K Goodwin	Finance Director and Company Secretary
T J T Hawkins	Group Sales and Marketing Director
G B Ashley	Non-Executive Director
R K Todd	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 £0.1p	
Director	**31 December 2018**	31 December 2017
B R J Whipp	102,820,132	102,820,132
S K Goodwin*	30,611,484	30,611,484
G B Ashley	18,354,718	18,354,718
R K Todd**	8,450,000	8,450,000
L A Jeffrey	2,000,000	2,000,000

* Mr. Goodwin also had an interest as a trustee in 9,150,000 Ordinary Shares of 0.1p each as at 31 December 2018 and 31 December 2017.

** Mr. Todd's shareholding includes shares held in the Todd Meat Pension Fund of which Mr Todd is a beneficiary.

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 2018**	31 December 2017
S K Goodwin	2,500,000	2,500,000
L A Jeffrey	1,000,000	1,000,000

Directors' Report CONTINUED

Directors' interests in unapproved share options were as follows:

Director	Number of Share Options 31 December 2018	31 December 2017
B R J Whipp	2,500,000	2,500,000

Directors' Remuneration

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

	Fees and salaries	Benefits	Pension	Total 2018	Total 2017
	£	£	£	£	£
Non-Executive					
G B Ashley	6,000	-	-	6,000	12,000
R K Todd	-	-	-	-	-
Executive					
B R J Whipp	131,750	16,731	45,000	193,481	109,569
S K Goodwin	26,000	-	-	26,000	29,500
T J T Hawkins	97,724	6,281	867	104,872	31,826
L A Jeffrey	95,000	-	1,700	96,700	88,747
S J Roberts	-	-	-	-	84,254
Total	356,474	23,012	47,567	427,053	355,896

Mr Roberts resigned as Director on 30 September 2017. Mr Hawkins was appointed a Director on 17 October 2017.

Significant Shareholdings

As at 24 May 2019 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 24 May, 2019	Percentage of issued share capital
B R J Whipp	102,820,132	22.6%
Helium Special Situations Fund	86,600,106	18.9%
S K Goodwin	30,611,484	6.7%
J W F Roth	26,131,159	5.7%
Lion Trust Investment Partners LLP	22,942,885	5.0%
S J M Morris	21,707,817	4.8%
G B Ashley	18,354,718	4.0%

Financial Risk and Capital Management

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

Crimson Tide maintains a strong focus on working capital management.

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. The number of trade creditor days outstanding at the period end for the Group was 26 days (2017: 48 days). The Company is a holding company and has no significant trade creditors.

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 Parent 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 ("IFRS") as adopted by the European Union and applicable law and have also elected to prepare the Company financial statements in accordance with IFRSs as adopted by the European Union and applicable law. 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 Parent 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 Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company 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.

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.

Disclosure of information to the 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.

Independent auditors

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

Signed by order of the Board

Stephen Goodwin
Company Secretary
5 June 2019

Strategic Report

FOR THE YEAR ENDED 31 DECEMBER 2018

Strategy and objectives

The Company's strategy is to continue to develop its mobility solutions and grow the contracted number of subscribers currently using its mpro5 service. In doing so, the targeted objectives of:

- Increased contracted revenues
- Strengthened cashflows
- Geographical expansion
- Increased profitability
- Higher returns for stakeholders

will be achieved. The Company plans to continue to re-invest its profits in 2019 to grow the Company more significantly in the coming years.

Business model

The Crimson Tide group provides its mpro5 software, sometimes with a handheld mobile device or tablet, to subscribers who typically contract for three or more years. Crimson Tide incurs the up-front costs of software development and investment in equipment, such as smartphones, sensors, tags, etc. and recovers these costs as quickly as possible over the contract term.

The group is operationally geared with relatively fixed overheads so an increasing proportion of turnover growth favourably impacts profitability and net cashflow.

Review of the business

A review of the year and future developments are given in the Chairman's Statement, Chief Executive's Review and Financial Review on pages 2, 4 and 6 respectively.

At 31 December 2018 Crimson Tide had a total of 28 directors and employees analysed as follows:

	Male	Female
Directors	6	-
Senior Managers	3	-
Other employees	15	4

Key performance indicators

Crimson Tide management use a number of KPIs to measure the performance of the business and to assess current trends. These statistics are regularly reviewed and action is taken by management as appropriate.

Other measures used by management to ensure the Group is likely to perform as forecast include; expected contract wins, renewal rates and losses, and sales opportunity pipeline.
The Group uses Microsoft Dynamics as its customer relationship management system to record and monitor dealings with customers and potential new clients.

Principal risks and uncertainties

The Board of Directors and management team continually review key performance indicators and business trends, as well as regular financial information, to help identify future risks and uncertainties in the business.

The principal risks and uncertainties facing the business remain unchanged as they potentially stem from attempts to accelerate growth, for example by increasing spending on marketing and people. However, operating cashflows generated by our growing contracted subscriber book, provide increasing amounts of cash to re-invest in the business. Furthermore, the finance facilities offered by NatWest and Lombard provide additional means to fund new devices if required, and accelerate growth

Signed on behalf of the Directors

Barrie Whipp
Executive Chairman
5 June 2019

Corporate Governance Statement

This statement has been written by Chairman of the Board of Directors of Crimson Tide plc.

The Board is committed to sound Corporate Governance and have adopted the Quoted Companies Alliance (QCA) Corporate Governance Code in line with the London Stock Exchange's recent changes to the AIM Rules requiring all AIM-listed companies to adopt and comply with a recognised corporate governance code.

The Company believes the code is essential to foster business integrity and shareholders trust in the Board. High standards of Corporate Governance are a key priority of the Board and details of how the Company addresses key governance issues are set out here by reference to the 10 principles of Corporate Governance developed by the Quoted Companies Alliance.

1. Establish a Strategy and Business Model

The Board should express a shared view of the Company's vision and strategy, including detail of:

- what the Company is working to achieve;
- the period in which its objectives are to be achieved; and
- what is required to achieve these objectives.

This view should be well communicated, both internally and externally.

Compliance

Crimson Tide's vision is to invest in and develop mpro5 to deliver long term, sustainable growth in revenues, profits and shareholder value. The Company places particular focus on the quality of mpro5, its relationships with clients, staff and stakeholders. The Directors believe that mpro5 can improve operations and efficiency for a broad range of organisations, particularly in logistics, facilities management and healthcare. The Company seeks to grow its revenues consistently, taking advantage of the high margin it achieves. The Company has a three-year business plan reflecting expansion including in its home territory and overseas.

Crimson Tide has sufficient resources to grow the business further. The retention of existing staff is an area of high focus and recruitment of further employees will occur as the Company grows.

The Boards strategy and business model is set out each year in the Company's annual report, with updates provided in the full year and half year financial results

2. Meeting the needs and objectives of our Shareholders

Directors should develop a good understanding of the needs and expectations of the Company's shareholders, as well as the motivations behind shareholder voting decisions. No Board ever wants to find itself in a position where it is voted down by shareholders. Accordingly, it is in the interests of the Company to understand the view of shareholders before a potentially controversial or unusual proposal is put to them. Companies with a dominant shareholder must be particularly aware of the need to hear the voices of and protect the interests of minority shareholders and must therefore consider whether it is necessary to put in place contractual arrangements such as a relationship agreement.

Compliance

The Board is aware of the need to protect the interests of all shareholders. It seeks to balance the interests of small share-holders with those of more substantial shareholders. The Board comprises Directors with substantial holdings and small holdings.

The Board consists of the Chairman, three executive directors and two non-executive directors. Board meetings are held at least four times a year.

Crimson Tide plc publishes all relevant material, according to QCA definitions, on its website. This includes annual reports and shareholder circulars.

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

3. Taking into account wider Stakeholder and social responsibilities

Good governance includes the Board considering the Company's impact on society, the community and the environment. Every company should consider its corporate social responsibilities (CSR). Any CSR policy should include narrative on social and environmental issues and should show how these are integrated into the Company's strategy. Integrating CSR into strategy will help create long term value and reduce risk to shareholders and other stakeholders.

Compliance

The Directors are aware of the impact the business activities have on the communities in which the Group's businesses operate. The Company does not discriminate based upon race, religion, age or gender.

The Group's responsibilities to stakeholders including staff, suppliers and customers and wider society are also recognised. The Company is a respected employer and member of the community.

The environmental impact of the Group's activities is carefully considered, and the maintenance of high environmental standards applied. The Company operates a low paper strategy, recycles where possible and aims to be Carbon neutral.

4. Embed effective risk management, considering both opportunities and threats

The Board is responsible for putting in place and communicating a sound system to manage risk and implement internal control. The management of risk is an essential business practice. Boards are expected to balance risk and return, threat and opportunity. Setting strategy includes determining the extent of exposure to the critical risks the Company is willing and able to bear.

Compliance

The Board has established Audit and Remuneration Committees. Given the current size of the Company and the Board, the Board do not consider it necessary yet to create either a Nominations Committee or a Legal Matters Committee with relevant matters either dealt with by the Board or delegated accordingly. The annual budget setting process examines all areas of the Company's operations both operationally and financially. Crimson Tide plc receives regular feedback from its external auditors on the state of its internal controls.

The Board regularly reviews potential risks at Board Meetings and the Executive Directors regularly monitor KPIs.

5. Maintain the Board as a well-functioning, balanced Team led by The Chair

The Board should not be dominated by one person or a group of people. The Board must not be so large as to prevent efficient operation but must not be too small to be ineffective. The Board should be balanced between executive and non-executive directors and should have at least two independent non-executive directors.

Compliance

The Board is comprised of the Chairman, three executive Directors and two non-executive Directors.

Whilst the Company is guided by the provisions of the Combined Code in respect of the independence of directors, it gives regard to the overall effectiveness and independence of the contribution made by directors to the Board in considering their independence and does not consider a director's period of service in isolation to determine their independence.

Crimson Tide plc has appointed two non-executive directors who provide an independent view of the Company's activities. Mr Robert Todd is the Senior Independent Non-Executive Director. Mr Graham Ashley is a Non-Executive Director. By his length of tenure, Mr Ashley does not fulfil the technical definition of "Independent" as he has served as a director for longer than the prescribed nine years. The Board unanimously supports the retention of Mr Ashley given his experience and wise counsel. Both Mr Todd and Mr Ashley are shareholders in the Company.

In exceptional cases a non-executive may also be appointed to represent the interests of a major shareholder where the Board is satisfied that he or she has the requisite experience and is fully aware of his or her fiduciary duty to act in the wider interests of shareholders as a whole.

The Board do not consider that the Company currently has a dominant shareholder where special contractual arrangements would be necessary to protect the interests of minority shareholders.

Appointments continue subject to re-election by shareholders at the Annual General Meeting. Non-executive directors must stand for election at the first Annual General Meeting after appointment and then every third anniversary, for nine years. After nine years service, each independent director must be re-elected every year. If not re-elected, the appointment is terminated automatically with immediate effect. If appointment is terminated for any reason, there is no entitlement to redundancy or compensation for unfair dismissal.

6. Ensuring that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board must have an appropriate balance of functional and sector skills and experience. The Board should be supported by committees (audit, remuneration, nomination and others) that have the necessary character, skills and knowledge to discharge their duties and responsibilities effectively.

Compliance

Directors who have been appointed to Crimson Tide plc have been chosen because of the skills and experience they offer. Full biographical details of the Directors are included within the website.

As noted above, Crimson Tide plc has put in place Audit and Remuneration committees.

Formal terms of reference have been agreed for all Board Committees and can be found on the Company's website and the Annual Report.

7. Evaluate Board Performance Based On Clear And Relevant Objectives, Seeking Continuous Improvement

The Board should periodically review its performance, as well as the performance of its Board committees and the performance of individual Board members. Performance appraisal may include external review and may also identify development needs.

The Board should ensure that it possesses the skills and experience to meet present and future business needs. Ineffective directors (whether executive or non-executive) must be identified, supported to become effective and, if that is not possible, replaced. Review, development and mentoring of directors and the wider management team are very important.

It is healthy for membership of the Board to be periodically refreshed, regardless of performance issues.

Succession planning is a vital task for Boards. No member of the Board should become indispensable. How well succession is managed (particularly of the chairman and the chief executive) represents a key measure of the effectiveness of a Board.

Compliance

Crimson Tide plc undertakes regular monitoring of personal and corporate performance using agreed key performance indicators and detailed financial reports. Responsibility for assessing and monitoring the performance of the executive directors lies with the independent non-executive directors.

Key performance indicators (KPIs) include, underlying pre-tax profit, cash generation, return on investment and earnings per share. Agreed personal objectives and targets including financial and non-financial metrics are set each year for the executive directors and performance measured against these metrics.

New executive and non-executive directors, taking into account succession planning, are appointed when deemed appropriate by the Board.

Crimson Tide has an Executive Chairman and CEO. During 2018 the CEO was promoted to the role and took over responsibility for managing and executing the Board's plan and is in charge of all day to day management of the business, supported by a management team. The Executive Chairman retains responsibility for product vision, corporate finance and City matters in line with his experience. It is anticipated that the Chairman position will become Non-Executive in a timescale appropriate to the CEO's development. As the CEO has only recently been appointed and is in his thirties, further succession planning has not been undertaken at this time.

8. Promote a corporate culture that is based on ethical values and behaviours

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.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

Crimson Tide plc should determine governance structures and processes appropriate to it, based on:

- corporate culture;
- size;
- the capacity and appetite for risk and the tolerances of the Company;
- business complexity

There should be a clear statement as to how the Company intends to fulfil its objectives. The Company's governance structures should evolve in parallel with the Company's strategy and business.

Compliance

Details of the Company's corporate governance arrangements are provided on this page and in the Corporate Governance section of its website.

10. Communicate how the Company is governed and is performing by maintaining a dialogue with Shareholders and other relevant Stakeholders

A healthy dialogue should exist between the Board and all of its shareholders to enable shareholders to come to informed decisions about the company.

Appropriate communication and reporting structures should exist between the Board and all constituent parts of its shareholder body.

This will assist:

- the communication of shareholders' views to the Board;
- shareholders' understanding of the unique circumstances and constraints faced by that company.

Compliance

The Board attaches great importance to providing shareholders with clear and transparent information on the Group's activities, strategy and financial position. Details of all shareholder communications are provided on the Company's website.

The Board holds regular meetings with larger shareholders and regards the annual general meeting as a good opportunity to communicate directly with shareholders via an open question and answer session.

Crimson Tide plc lists contact details on its website and on all announcements released via RNS, should shareholders wish to communicate with the Board.

Independent Auditor's Report to the Shareholders of Crimson Tide plc

OPINION

We have audited the financial statements of Crimson Tide plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2018 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, Consolidated and Company Cash Flow Statement and related notes including a summary of significant accounting policies. 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.

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 2018 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 a Report of the Auditor 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 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.

OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

Independent Auditor's Report to the Shareholders of Crimson Tide plc

CONTINUED

Risk	How the scope of our audit responded to the risk
Management override of controls Journals can be posted that significantly alter the Financial Statements.	We examined journals posted around the year end, specifically focusing on areas which are more easily manipulated such as accruals, prepayments, bank reconciliations and tax.
Going Concern There is a risk that the company may hold insufficient working capital to allow it to meet its financial obligations as they fall due thus giving rise to a going concern risk.	Existing cash reserves have been evidenced and future cashflow forecasts have been reviewed to ensure sufficient cash headroom exists for a period of at least one year from the date of approving these financial statements. The Group is committed to investing in new opportunities to grow the business.
Fraud in Revenue Recognition There is a risk that revenue is materially understated due to fraud.	Income was tested on a sample basis and we concluded that no evidence of fraud or other understatement was identified.
Risk of material misstatement within related party transactions There is the risk that related party transactions are potentially incomplete or materially misstated.	Correspondence, including Board Minutes, and accounting records were reviewed for evidence of material related party transactions and it is considered that all relevant items have been disclosed. Intercompany balances were tested and found to be recorded correctly.

Our audit procedures relating to these matters were designed in the context of our audit of the Financial Statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the Financial Statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

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 both in planning and in the scope of our audit work and in evaluating the results of our work.

We determine materiality for the Group to be £64,190 and this financial benchmark, which has been used throughout the audit, was determined by way of a standard formula being applied to key financial results and balances presented in the Financial Statements. Where considered relevant the materiality is adjusted to suit the specific area risk profile of the Group.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Directors Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Group 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 Group Strategic Report and the Directors Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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 Group Strategic Report or the Directors Report.

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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 11 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 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.

OUR 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 a Report of the Auditors 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 Report of the Auditors.

JOSEPH KINTON (Senior Statutory Auditor)
For and on behalf of SHIPLEYS LLP Chartered Accountants and Statutory Auditor
10 Orange Street Haymarket London WC2H 7DQ
5 June 2019

Consolidated Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	**Year ended 31 December 2018** £000	Year ended 31 December 2017 As restated - Note 19 £000
Total Revenue	1	2,398	2,275
Cost of sales		(324)	(231)
Gross Profit		**2,074**	**2,044**
Total operating expenses		(1,965)	(1,640)
Exceptional item	2	-	(44)
Profit from operations	2	109	360
Interest Income	3	-	-
Interest payable and similar charges	3	(40)	(51)
Profit before taxation		**69**	**309**
Taxation	5	-	(5)
Profit for the year available to equity holder of parent		69	304

Earnings per share		**Year ended 31 December 2018**	Year ended 31 December 2017
Basic earnings per ordinary share (pence)	6	0.02	0.07
Diluted earnings per ordinary share (pence)	6	0.01	0.07

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	**Year ended 31 December 2018** £000	Year ended 31 December 2017 As restated - Note 19 £000
Net Profit for the year		**69**	304
Other comprehensive income/(loss) for the year:			
Exchange differences on translating foreign operations		-	5
Total comprehensive profit for the year		**69**	309

Consolidated Statement of Financial Position

AT 31 DECEMBER 2018

	Notes	As at 31 December 2018	As at 31 December 2017 As restated - Note 19	As at 1 January 2017 As restated - Note 19
		£000	£000	£000
Assets				
Intangible assets	7	**1,904**	1,698	1,522
Equipment, fixtures & fittings	8	**401**	611	750
Total non-current assets		**2,305**	2,309	2,272
Inventories		**15**	8	7
Trade and other receivables	10	**935**	974	636
Cash and cash equivalents	11	**613**	757	878
Total current assets		**1,563**	1,739	1,521
Total Assets		**3,868**	4,048	3,793
Equity and liabilities				
Share capital	12	**457**	454	453
Share premium	13	**148**	121	112
Other Reserves	13	**478**	478	473
Reverse acquisition reserve	13	**(5,244)**	(5,244)	(5,244)
Retained earnings	13	**7,081**	7,012	6,708
Total equity		**2,920**	2,821	2,502
Trade and other payables				
Amounts falling due within one year	14	**723**	868	769
Amounts falling after more than one year	15	**225**	359	522
Total liabilities		**948**	1,227	1,291
Total equity and liabilities		**3,868**	4,048	3,793

The financial statements were approved by the board of directors on 5 June 2019 and are subject to the approval of the shareholders at the Annual General Meeting on 28 June 2019 and signed on its behalf by:

B R J Whipp
Director

S K Goodwin
Director

Company registration number: 00113845

Consolidated Statement of Changes in Equity

AT 31 DECEMBER 2018

Group	Share capital £000	Share premium £000	Other reserves £000	Reserve acquisition reserve £000	Retained earnings £000	Total £000
Balance as at 1 January 2017 as previously stated	453	112	422	(5,244)	6,759	2,502
Prior year adjustment - Note 19			51		(51)	-
Balance as at 1 January 2017 as restated	453	112	473	(5,244)	6,708	2,502
Retained profit for the year					310	310
Share options exercised	1	9				10
Translation movement			(1)			(1)
Prior year adjustment - Note 19			6		(6)	-
Balance as at 31 December 2017 as restated	454	121	478	(5,244)	7,012	2,821
Retained profit for the year					69	69
Share options exercised	3	27				30
Balance as at 31 December 2018	**457**	**148**	**478**	**(5,244)**	**7,081**	**2,920**

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2018

	Year ended 31 December 2018	Year ended 31 December 2017 As restated - Note 19
Cash flows from operating activities	£000	£000
Profit before taxation	**69**	309
Adjusted for:		
Amortisation of intangibles	**141**	120
Depreciation of equipment, fixtures and fittings	**243**	274
Unrealised currency translation losses	**-**	6
Net interest expense	**40**	51
Operating cash flows before movement in working capital	**493**	760
Increase in inventories	**(7)**	(1)
Decrease / (increase) in trade and other receivables	**70**	(338)
(Decrease) / increase in trade and other payables	**(15)**	143
Cash generated from operating activities	**541**	564
Taxes paid	**(32)**	(5)
Net cash generated from operating activities	**509**	559
Cash flows used in investing activities		
Purchases of fixed assets	**(33)**	(136)
Development expenditure capitalised	**(347)**	(295)
Net cash used in investing activities	**(380)**	(431)
Cash flows from financing activities		
Net proceeds from share issues	**30**	10
Interest paid	**(40)**	(51)
Net decrease in borrowings	**(263)**	(189)
Net cash from financing activities	**(273)**	(230)
Net decrease in cash and cash equivalents	**(144)**	(102)
Net cash and cash equivalents at beginning of period	**757**	859
Net cash and cash equivalents at end of period	**613**	757

Analysis of net funds:		
Cash and cash equivalents	**613**	757
Bank overdraft	**-**	-
	613	757
Other borrowing due within one year	**(151)**	(280)
Borrowings due after one year	**(225)**	(359)
Net funds	**237**	118

Notes to the Consolidated Financial Statements

AT 31 DECEMBER 2018

A) Corporate information

Crimson Tide plc (the "Company") is a public limited company incorporated and domicile in the United Kingdom. The address of the registered office is Oakhurst House, 77 Mount Ephraim, Tunbridge Wells, Kent TN4 8BS. 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 2018 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, except where noted.

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 G ii) and H) 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

The accounting policies are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2017 with the exception of new accounting policies in respect of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers, both of which were adopted on 1 January 2018. The effect of initially applying these standards is noted below.

IFRS 9 Financial Instruments

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. The standard applies a forward-looking impairment model that replaces the current applicable incurred loss model. In contrast to the complex and rules-based approach of IAS 39, the new hedge accounting requirements provide an improved link to risk management and treasury operations and will be simpler to apply. The adoption of IFRS 9 did not have a material impact on the Group's consolidated results or financial position and does not require a restatement of comparative figures.

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance.

Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Notes to the Consolidated Financial Statements

AT 31 DECEMBER 2018

IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaces IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. It describes the principles an entity must follow to measure and recognise revenue using a five step approach. The standard requires revenue to be recognised when goods or services are transferred to customers and the entity has satisfied its performance obligations under the contract, and at an amount that reflects the consideration to which an entity expects to be entitled in exchanged for those goods or services. The adoption of IFRS 15 did not have a material impact on the Group's consolidated results or financial position and does not require a restatement of comparative figures.

Effective for periods beginning on or after 1 January 2019:

IFRS 16 Leases

The adoption of this standard is not expected to have a material impact on the Company's profit for the year or equity. Application of this standard may result in some changes to presentation of information within the Company's financial statements in future years.

F) 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% on cost on a straight-line basis
- PDA, tablet and smartphone equipment: cost spread over useful life of 3 to 5 years
- Fixtures and fittings: 25% on a reducing balance basis.

G) Intangible assets

i) Development Expenditure
The costs of developing software for commercial resale are capitalised and amortised on a straight line basis over the expected ten year useful life of the product. This takes into account current contracts, renewal rates and ongoing development. 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.

H) 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.

I) Inventories

Inventories consist entirely of mobile devices held not for re-sale but as spares and trial equipment. All are individually stated at the lower of their cost or net realisable value.

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 related agreement. There is no recognition in the Consolidated Income Statement of the contracted values of future revenues.

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 balance sheet 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 balance sheet 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.

The Group has benefitted in the past from small research and development grants in recent years that have contributed to meeting the costs of new software development.

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.

Notes to the Consolidated Financial Statements

AT 31 DECEMBER 2018

1. Segmental reporting

The Group has two main regional centres of operation; one in the UK, the other in Ireland but the Group's resources, including capital, human and non-current assets are utilised across the Group irrespective of where they are based or originate from. The Board via the management team, allocate these resources based on revenue generation, which due to its high margin nature and the Group's reasonably fixed overheads, in turn drives profitability and cashflow generation. The Board consider it most meaningful to monitor financial results and KPIs for the consolidated Group, and decisions are made by the Board accordingly.

In due consideration of the requirements of IFRS 8 Operating Segments, the Board consider segmental reporting by (i) region, including turnover, operating profit and non-current assets and (ii) business activity, by turnover, to be appropriate. Business activity is best split between (i) the strategic focus of the business, i.e. mobility solutions and the resulting development services that emanate from that, and (ii) non-core software solutions, including reselling third party software and related development and support services.

The analysis of each follows:

	Turnover Year ended 31 December		Operating profit / loss Year ended 31 December		Non current assets Year ended 31 December	
	2018	2017	**2018**	2017	**2018**	2017
Region:	£000	£000	£000	£000	£000	£000
UK	**2,047**	1,901	**96**	392	**2,303**	2,303
Ireland	**351**	284	**13**	(32)	**2**	6
Switzerland	**-**	87	**-**	-	-	-
USA	**-**	3	**-**	-	-	-
Total	**2,398**	2,275	**109**	360	**2,305**	2,309

Turnover can be analysed by business activity as follows:

	Year ended 31 December 2018	Year ended 31 December 2017
Business activity:	£000	£000
Mobility solutions and related development services	**2,203**	2,165
Software solutions reselling, development and support	**195**	110
Total Turnover	**2,398**	2,275

Notes to the Consolidated Financial Statements CONTINUED

AT 31 DECEMBER 2018

2. Profit from operations

	Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
Amortisation of intangible assets	**141**	120
Depreciation on equipment, and fixtures and fittings	**243**	274
Operating lease costs	**46**	11
Auditors remuneration for:		
- Audit services	**12**	10
- Other services:		
- The auditing of accounts of associates of the Company pursuant to legislation	**14**	12
- Other services supplied pursuant to such legislation	**6**	13

The exceptional item of £44,000 in 2017 represents one-off legal fees and accounting due diligence costs incurred in preparation of an acquisition that was subsequently aborted by the Company.

3. Finance income and costs

	Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
Loan interest	**8**	14
Finance lease interest	**29**	35
Other interest costs	**3**	2
Interest receivable	**-**	-
Net finance costs	**40**	51

Notes to the Consolidated Financial Statements

AT 31 DECEMBER 2018

4. Employees

Staff costs (including Directors) were as follows:

	Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
Wages and salaries	**747**	648
Non-Executive Directors' fees	**6**	12
Compulsory social security contributions	**133**	103
Other pension costs	**53**	5
Personnel costs	**939**	768

The following amounts are included above in relation to Directors:

	Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
Wages and salaries	**373**	343
Non-Executive Directors' fees	**6**	12
Compulsory social security contributions	**60**	40
Pension costs	**48**	1
Directors' costs	**487**	396

A detailed breakdown of the remuneration of the Directors is shown on page 9.

Average monthly staff numbers in the period were as follows:

	Year ended 31 December 2018 No.	Year ended 31 December 2017 No.
Sales and marketing	**9**	8
Technical	**13**	12
Management, finance and administration	**4**	4
	26	24

Notes to the Consolidated Financial Statements CONTINUED

AT 31 DECEMBER 2018

5. Taxation

The tax charge for the period ending 31 December 2018 and 31 December 2017 reflects the availability of tax losses in the Group and the utilisation of capital allowances.

	Year ended 31 December 2018	Year ended 31 December 2017 As restated - Note 19
	£000	£000
Profit on ordinary activities before tax	**69**	309
Profit on ordinary activities by rate of tax	**14**	62
Effects of:		
Expenses not deductible for taxation purposes	**7**	21
Excess capital allowances over depreciation	**2**	(5)
Utilisation of brought forward tax losses	**(23)**	(83)
Tax on profit on ordinary activities	**-**	5

Deferred tax asset

The Group has an unprovided deferred tax asset relating to carried forward taxable losses of approximately £477,000 (2017: £400,000).

6. Earnings per share

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

The calculation of diluted earnings per share is based on profit 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.

Reconciliation of the weighted average number of shares used in the calculations are set out below:

Basic earnings per share	**Year ended 31 December 2018**	Year ended 31 December 2017
Reported profit (£000)	**69**	304
Reported basic earnings per share (pence)	**0.02**	0.07
Reported diluted earnings per share (pence)	**0.01**	0.07

Weighted average number of ordinary shares:	**Year ended 31 December 2018** No.	Year ended 31 December 2017 No.
Opening balance	**454,486,234**	453,486,234
Effect of share placing during the year	**493,151**	52,055
Weighted average number of ordinary shares for basic EPS	**454,979,385**	453,538,289
Effect of options outstanding	**8,580,357**	11,282,258
Weighted average number of ordinary shares for diluted EPS	**463,559,742**	464,820,457

Notes to the Consolidated Financial Statements
AT 31 DECEMBER 2018

7. Intangible assets

Group	**Goodwill** £000	**Group development expenditure** £000	**Total** £000
Cost			
At 1 January 2017	988	1,265	2,253
Additions:			
Mobile data applications development cost	-	295	295
At 31 December 2017	988	1,560	2,548
Additions:			
Mobile data applications development cost	-	347	347
At 31 December 2018	**988**	**1,907**	**2,895**
Impairment and amortisation			
At 1 January 2017	(190)	(541)	(731)
Charge for year	-	(120)	(120)
At 31 December 2017	(190)	(661)	(851)
Charge for year	-	(141)	(141)
At 31 December 2018	**(190)**	**(802)**	**(992)**
Carrying amount			
At 31 December 2018	**798**	**1,105**	**1,904**
At 31 December 2017	798	899	1,698
At 1 January 2017	798	724	1,522

Goodwill can be further analysed by cash generating unit the recoverable amount of each has been assessed based on estimated value in use.

	Crimson Tide (IE) Ltd (Healthcare) £000	**Crimson Tide Mpro Ltd (Mobile sols.)** £000	**Callog Ltd (Telecoms)** £000	**Total** £000
Cost	400	280	308	988
Less impairment	-	-	(190)	(190)
Carrying amount	**400**	**280**	**118**	**798**

Management prudently assess value in use by estimating the cashflows each unit is expected to generate in the next four years based on current levels of business activity, reducing over time if appropriate, discounted at 8% p.a.

8. Equipment, fixtures and fittings

Group	Office and computer equipment £000	PDA, tablet & smartphone equipment £000	Fixtures and fittings £000	Total £000
Cost				
At 1 January 2017	125	1,332	22	1,479
Additions	14	92	26	132
Disposals / revaluation	(10)	(235)	-	(245)
At 31 December 2017	129	1,189	48	1,366
Additions	5	20	9	34
Disposals / revaluation	-	1	-	1
At 31 December 2018	**134**	**1,210**	**57**	**1,401**
Depreciation				
At 1 January 2017	(54)	(657)	(18)	(729)
Charge for year	(21)	(250)	(4)	(275)
Disposals / revaluation	10	239	-	249
At 31 December 2017	(65)	(668)	(22)	(755)
Charge for year	(21)	(215)	(8)	(244)
Disposals / revaluation	-	(1)	-	(1)
At 31 December 2018	**(86)**	**(884)**	**(30)**	**(1,000)**
Carrying amount				
At 31 December 2018	**48**	**326**	**27**	**401**
At 31 December 2017	64	521	26	611
At 1 January 2017	71	675	4	750

Included within the net book value of £401,000 is £335,000 (2017: £486,000) relating to PDA and smartphone equipment, computer equipment and fixtures and fittings held under finance lease agreements. The depreciation charge to the financial statements in the year in respect of such equipment amounted to £175,000 (2017: £177,000). There is no material difference between the value of the minimum lease payments and their net present value.

Notes to the Consolidated Financial Statements

AT 31 DECEMBER 2018

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 2018. 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

Company	Shares in subsidiary undertakings £000	Trade investments £000	Total £000
Cost			
At 31 December 2017	5,297	386	5,683
Additions	-	-	-
At 31 December 2018	**5,297**	**386**	**5,683**
Provisions			
At 31 December 2017	1,929	386	2,315
Impairment	-	-	-
At 31 December 2018	**1,929**	**386**	**2,315**
Carrying amount			
At 31 December 2018	**3,368**	**-**	**3,368**
At 31 December 2017	3,368	-	3,368

10. Trade and other receivables

Group	As at 31 December 2018 £000	As at 31 December 2017 £000
Trade receivables	**392**	512
Other receivables	**103**	29
Prepayments and accrued income	**440**	433
	935	974

As at 31 December 2018, trade receivables of £116,000 (2017: £89,000) were impaired and fully provided for.
The ageing of trade receivables not impaired are as follows:

Aged analysis of trade receivables:	As at 31 December 2018 £000	As at 31 December 2017 £000
Age from invoice date		
< 30 days	**374**	431
30 - 60 days	**7**	32
60 - 90 days	**7**	5
> 90 days	**4**	44
	392	512

Movements of the Group provision for impairment of trade receivables are as follows:

	£000
At 1 January 2017	136
Receivables collected in year previously provided for	-
Receivables written off during the year as uncollectable	(31)
Provision for receivables impairment for the year	(16)
At 31 December 2017	89
Receivables collected in year previously provided for	-
Receivables written off during the year as uncollectable	-
Provision for receivables impairment for the year	27
At 31 December 2018	**116**

Company	As at 31 December 2018 £000	As at 31 December 2017 £000
Amounts recoverable from Group undertakings	**1,388**	1,405
Other receivables	**33**	35
Prepayments and accrued income	**65**	62
	1,486	1,502

Notes to the Consolidated Financial Statements

AT 31 DECEMBER 2018

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 2018 £000	As at 31 December 2017 £000
Authorised		
Ordinary shares: 711,950,842 shares of 0.1p each (2017: 711,950,842 shares of 0.1p each)	**712**	712
Issued, called up		
Ordinary shares: 457,486,234 shares of 0.1p each (2017: 454,486,234 shares of 0.1p each)	**457**	454

Share options

The Company has granted equity-settled options to some of the Directors and employees under the Company's Enterprise Management Incentive Scheme (EMI Scheme) and under an unapproved scheme. The share options may not be exercised for two years from date of issue and thereafter, only if the target share price is achieved.

At 31 December 2018 the following options were outstanding in respect of ordinary shares.

Date of Grant	Target share price	Exercise Price	Expiry Date	Number Issued	Expired/ cancelled	Exercised in 2017	Exercised in 2018	Number outstanding and exercisable at 31 December 2018
Issued under EMI scheme								
5 November 2008	2.5p	1.0p	5 November 2018	7,000,000	3,000,000	1,000,000	3,000,000	—
5 May 2010	2.5p	1.25p	5 May 2020	17,500,000	4,500,000	—	—	13,000,000
Issued under an unapproved scheme								
5 May 2010	2.5p	1.25p	5 May 2020	2,500,000	—	—	—	2,500,000

13. Reserves

Group	Share premium £000	Other reserves £000	Reverse acquisition reserve £000	Retained earnings £000
Balance as at 1 January 2017 as previously stated	112	422	(5,244)	6,795
Prior year adjustment - Note 19		51		(51)
Balance as at 1 January 2017 as previously restated	112	473	(5,244)	6,708
Retained profit for the year				310
Share options exercised	9			
Transition movement		(1)		
Prior year adjustment - Note 19		6		(6)
Balance as at 31 December 2017 as restated	121	478	(5,244)	7,012
Retained profit for the year				69
Share options exercised	27			
Balance as at 31 December 2018	**148**	**478**	**(5,244)**	**7,081**

Company	Share premium £000	Other reserves £000	Retained earnings £000
Balance as at 1 January 2017	112	337	3,931
Loss for the year	-	-	(42)
Share options exercised	9	-	-
Balance as at 31 December 2017	121	337	3,889
Loss for the year	-	-	(156)
Share options exercised	27	-	-
Balance as at 31 December 2018	**148**	**337**	**3,733**

14. Creditors: Amounts falling due within one year

Group	**As at 31 December 2018 £000**	As at 31 December 2017 £000
Finance lease agreements	**106**	180
Secured loans	**45**	100
Bank overdraft	**-**	-
Trade creditors	**60**	93
PAYE and social security	**42**	31
VAT	**83**	89
Other creditors	**-**	11
Accruals and deferred income	**387**	364
	723	868

Company	**As at 31 December 2018 £000**	As at 31 December 2017 £000
Trade creditors	**25**	34
Amounts owed to Group undertakings	**188**	26
Accruals	**23**	39
	236	99

Notes to the Consolidated Financial Statements

AT 31 DECEMBER 2018

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

Group	As at 31 December 2018 £000	As at 31 December 2017 £000
Finance lease agreements	**196**	284
Secured loans	**29**	75
	225	359

Maturity of debt

Group	As at 31 December 2018 £000	As at 31 December 2017 £000
The loans and finance leases are repayable as follows:		
Within one year	**151**	280
Between one and two years	**122**	163
Between two and five years	**103**	196
	376	639

The secured loans in the Group are secured by fixed charges over specific PDA and smartphone equipment.

16. Operating lease commitments

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

Group	As at 31 December 2018 £000	As at 31 December 2017 £000
During next year	**64**	64
After 1 year but not more than 5 years	**194**	258
	258	322

17. Financial Instruments and Risk Management

The Group uses a limited number of financial instruments, comprising cash, short-term deposits, finance leases, 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 2018** £000	As at 31 December 2017 £000
Financial Assets		
Cash at bank and in hand	**613**	757
Financial Liabilities		
Bank overdraft (maturing on demand)	**-**	-
Secured loans	**74**	174
Finance leases	**302**	465

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. Sensitivity analysis indicates none are likely to have a material impact on the profitability or net assets of the Group.

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 euro. At the end of the year the Group held negligible net monetary assets in foreign currencies. 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 at 31 December 2018 no one customer owes more than 6% of total revenue. As a result 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 2018, no one customer accounted for more than £820,000 (2017: £1,134,000) of future contracted revenue.

c) Liquidity risk

Prudent liquidity risk and capital management implies maintaining a strong focus on working capital management and 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, finance leases 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 and fixing interest rates where possible.

Notes to the Consolidated Financial Statements

AT 31 DECEMBER 2018

Fair value risk factors

The net fair values of intangible assets approximate to their carrying value as disclosed in Notes H and 7 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.

Operational risk factors

The Board considers the key operating risk to be insufficient working capital to fund the planned growth in subscriber numbers. Funding is regularly assessed against forecasts and expected growth rates and managed accordingly to minimise this risk.

18. Related party transactions

The interests of the Directors in share options are shown on pages 8 and 9.

Other than the above, no transactions with related parties were undertaken such as are required to be disclosed under International Accounting Standard 24.

19. Prior year adjustment

Group	Share capital	Share premium	Other reserves	Reserve acquisition reserve	Retained earnings	Total
	£000	£000	£000	£000	£000	£000
Balance as at 1 January 2017 as previously stated	453	112	422	(5,244)	6,759	2,502
Effect of intra-group foreign currency fair value adjustment			51		(51)	-
Balance as at 1 January 2017 as restated	**453**	**112**	**473**	**(5,244)**	**6,708**	**2,502**

The Group has previously not made fair value adjustments to intra-group loans denominated in currencies other than Sterling as the amounts were considered immaterial. Due to the decline in the value of Sterling to Euro in 2016, an adjustment to the fair value of intra-group loans denominated in Euro has become necessary.

This adjustment has the effect of reducing the Group's profit for the prior year, while increasing the value of the Group's Irish subsidiary. The Irish subsidiary's value is increased by means of the Cumulative Translation Adjustment, which forms part of "Other Reserves" on the Consolidated Statement of Financial Position. The increase in the Cumulative Translation Adjustment is reported in the Consolidated Statement of Comprehensive Income.

The adjustment did not impact Earnings per Share or Diluted Earnings per Share as reported in the prior year. The following table summarises the impact of the prior period error on the financial statements of the Group.

Consolidated Income Statement	**Year ended December 2017 £000**
Administration expenses	
Decrease in profit for the financial year	(6)

Consolidated Statement of Other Comprehensive Income	**Year ended December 2017 £000**
Other comprehensive income/(loss) for the year:	
Increase in exchange differences on translating foreign operations	6

Company Statement of Financial Position

AT 31 DECEMBER 2018

		As at 31 December	
		2018	2017
	Notes	£000	£000
Assets			
Tangible assets	8	-	-
Investments	9	3,368	3,368
Total non-current assets		**3,368**	3,368
Trade and other receivables	10	1,486	1,502
Cash and cash equivalents	11	57	30
Total current assets		**1,543**	1,532
Total assets		**4,911**	4,900
Equity and liabilities			
Share capital	12	457	454
Share premium	13	148	121
Other Reserves	13	337	337
Retained earnings	13	3,733	3,889
Total equity		**4,675**	4,801
Trade and other payables			
Amounts falling due within one year	14	236	99
Amounts falling after more than one year	15	-	-
Total liabilities		**236**	99
Total equity and liabilities		**4,911**	4,900

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 £156,192 (2017 loss: £42,174).

The financial statements were approved by the Board of Directors on 5 June 2019 and are subject to the approval of the shareholders at the Annual General Meeting on 28 June 2019 and signed on its behalf by:

B R J Whipp
Director

S K Goodwin
Director

Company registration number: 00113845

Companies Statement of Changes in Equity

AT 31 DECEMBER 2018

Company	Share Capital £000	Share Premium £000	Other Reserves £000	Retained Earnings £000	Total £000
Balance as at 1 January 2017	453	112	337	3,931	4,833
Loss for the year		-	-	(42)	(42)
Share options exercised	1	9	-	-	10
Balance as at 31 December 2017	454	121	337	3,889	4,801
Loss for the year	-	-	-	(156)	(156)
Share options exercised	3	27	-	-	30
Balance as at **31 December 2018**	**457**	**148**	**337**	**3,733**	**4,675**

Company Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2018

	Year ended 31 December	
	2018	2017
	£000	£000
Cash flows from operating activities		
Loss before taxation	**(156)**	(42)
Adjusted for:		
Decrease / (increase) in trade and other receivables	**16**	(145)
Increase in trade and other payables	**137**	67
Interest paid	-	-
Net cash (used) / generated from operating activities	**(3)**	(120)
Cash flows used in investing activities		
Acquisition of subsidiaries	-	-
Purchases of fixed assets	-	-
Interest received	-	-
Net cash used in investing activities	-	-
Cashflows from financing activities		
Net proceeds from share issues	**30**	10
Interest paid	-	-
Net decrease in borrowings	-	-
Net cash from financing activities	**30**	10
Net increase / (decrease) in cash and cash equivalents	**27**	(110)
Net cash and cash equivalents at beginning of period	**30**	140
Net cash and cash equivalents at end of period	**57**	30

Analysis of Net Debt		
Cash and cash equivalents	**57**	30
Bank overdraft	-	-
	57	30
Other borrowing due within one year	-	-
Borrowings due after one year	-	-
Net funds	**57**	30

Officers and Professional Advisors

Board of Directors	B R J Whipp (Executive Chairman) G B Ashley S K Goodwin T J T Hawkins L A Jeffrey R K Todd
Secretary	S K Goodwin
Registered office	Oakhurst House 77 Mount Ephraim Tunbridge Wells Kent TN4 8BS
Registered Number	00113845
Bankers	NatWest Bank 19 Mount Ephraim Road Tunbridge Wells Kent TN1 1EN
Auditors	Shipleys LLP 10 Orange Street Haymarket London WC2H 7DQ
Nominated Adviser and Broker	Arden Partners plc 125 Old Broad Street London EC2N 1AR
Solicitors	DAC Beachcroft LLP 125 Broad Street London EC2N 1AR
Website	www.crimsontide.co.uk

Notice of Annual General Meeting

Notice is hereby given that the 2019 Annual General Meeting of Crimson Tide plc will be convened at Shipleys, 10 Orange Street, Haymarket, London WC2H 7DQ on 28 June 2019 at 2:30 pm 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 2018

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

3 To re-appoint G. B. Ashley as a Director of the Company

By order of the Board
Stephen Goodwin
Company Secretary
Registered Office
Oakhurst House
77 Mount Ephraim
Tunbridge Wells
Kent TN4 8BS
5 June 2019

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.

3 The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, hereby specifies that only those shareholders registered on the Register of Members of the Company at 2.30 pm on 26 June 2019 shall be entitled to attend or vote at the meeting in respect of shares registered in their name at the time. Changes to entries on the relevant Register of Members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting, notwithstanding any provisions in any enactment, the articles of association of the Company or other instrument to the contrary.

4 The Company, pursuant to Regulation 41(3) of the Uncertificated Securities Regulations 2001, hereby gives notice of its determination that only those shareholders registered on the Register of Members of the Company at the close of business on the date of this notice shall be entitled to receive notice of this meeting.

Form of Proxy

Crimson Tide plc
("Crimson Tide" or "the Company")
Annual General Meeting on 28 June 2019 at 2.30 pm

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 28 June 2019 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 for year ended 31 December 2018			
2 To re-appoint Shipleys LLP as auditors			
3 To re-appoint G. B. Ashley 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 26 June 2019 at 2.30 pm.
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).
10. 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.
11. 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.

Second fold

Please
Affix
Stamp
Here

The Company Secretary
Crimson Tide plc
Oakhurst House
77 Mount Ephraim
Tunbridge Wells
TN4 8BS

First fold

Third fold

mpro5

Crimson Tide plc Registered in England No. 00113845

Our registered office: Oakhurst House,
77 Mount Ephraim,
Tunbridge Wells,
Kent TN4 8BS

Telephone: 01892 542444
Fax: 01892 510441
General email address: info@crimsontide.co.uk

Ireland office: Citywest Business Centre,
3013 Lake Drive,
Citywest Campus,
Dublin 24

Telephone: +353 (0) 1 4693728
Fax: +353 (0) 1 4693115
General email address: info@crimsontide.ie

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