crimsontide

crimson tide plc

annual report & accounts 2014

TRANSFORMING BUSINESS mpro5

TRANSFORMING BUSINESS

mpro5

2014 HIGHLIGHTS

FINANCIAL HIGHLIGHTS

- Profit Before Tax ahead of expectations at £84k (2013: £20k)
- Strong cash generation
- Net funds at year end of £180k (2013: Net debt £46k)

OPERATIONAL HIGHLIGHTS

- Contracted subscribers at record levels
- Landmark global agreement signed with major food & beverage company
- Further significant advances in our mpro5 software

Barrie Whipp, Executive Chairman of Crimson Tide, commented:

"Undoubtedly 2014 was our most significant year. With record subscriber numbers and excellent cash generation we are investing in an ever improving pipeline. We believe that mpro5 has evolved to be a true leader as a mobility platform in a wide range of markets."

Contents

mpro helps:-

- Deliver the Metro newspaper
- Keep most supermarkets clean
- Audit M&S
- Clean Premier Inns
- Audit The Shard
- Patients use the right drug
- Collect data on how people age
- Help the police help people with autism
- Deliver bread across Ireland
- Deliver Nestle products in Australia
- Audit Matalan stores
- Make sure your Illy coffee tastes right
- Track prosthetics in hospitals
- Record windscreen repairs
- Collect used oil from McDonalds (and KFC)
- Capture signatures
- Collect barcodes
- Clean the London underground

And many more....

CHAIRMAN'S STATEMENT

I am pleased to report on Crimson Tide's performance for the year to 31 December 2014. Undoubtedly this was the most significant year in our history. In terms of contracted subscribers we reached record levels and this translated into profitability, real cash generation and visible forward revenues. mpro5 has reached new levels of power, sophistication and scalability.

We were delighted with the landmark agreement with the major food and beverage company signed in September last year. This contract is truly global in its scope and rollout has already taken place in Australia, with Germany and North America next on our schedule. mpro5 is being used as the default Estimated Time of Arrival and Proof of Delivery system worldwide for this household name company.

mpro5 underwent several new releases in the year, and the efficiency of our platform gives us the ability to deliver scalable solutions on the Microsoft Azure platform. Our system is now available in a number of languages with more on the way. The Azure platform gives us the availability to deliver globally and we aim to capitalize on the opportunity we have, including looking at geographic expansion, through partner channels. We have added a wide range of new functionality on the mobile devices and it is testament to the robustness of the platform that new smartphone, tablet and phablet devices work seamlessly with the software. A major upgrade to our operating websites is planned in 2015, where we will be using the latest MVC web technology to give our clients true cutting edge scheduling, reporting and alerting functionality with new graphic representations.

We signed an exclusive distribution partnership in Ireland with Vodafone and the first transaction completed was for one of Ireland's best known companies, Joseph Brennan (Bread) Ltd. Brennan's is one of Ireland's most recognisable brands, and we are delighted that the delivery of their products is managed with mpro5. The system enables delivery drivers to eliminate paper and enhance the customer experience. We are hopeful that the Vodafone partnership will bear more fruit this year.

Continuing in Ireland, we have further enhanced our system for people with haemophilia for St James' hospital. The system was converted to the cross platform mpro5 system, and working with St James' we were able to add useful questionnaires including some specifically designed for children.

We have also continued to develop our system for people with autism. The system is currently being rolled out to its second geographic location in Cheshire, and we have interest in the system from a number of police constabularies.

Healthcare continues to give us a range of exciting opportunities, including asset scanning in hospitals as well as designing question flow based systems that can be used on a wider scale. The global conversation with the food and beverage client has given us confidence that the Company can play a part on the world stage. The Microsoft Azure platform gives us the infrastructure, scalability and internationalisation possibilities that allow us into markets that were not available to us a few years ago.

Financially, we produced creditable results. Our turnover was similar to that in the previous year, with a small effect due to the Euro Sterling exchange rate, but Profit before Tax increased fourfold. We still have tax losses brought forward and have cash facilities to expand.

As a company that finances equipment and development in advance, a strong indicator of our performance is cash in hand and net cash. I was very pleased that while repaying £120k of our HSBC loan we still generated net cash into the business. Early in 2015 we also secured financing facilities with Lombard Technical Services which allowed us to repay the HSBC loan in full. Available cash and facilities stands at c £750k with only £240k due to Lombard.

We have been working with an insurable risks version of mpro5 in supermarkets for some time and whilst these transactions are, by their nature, subject to pilot agreements we remain confident that once the mpro system has been successfully rolled out there is a possibility that we become the de facto standard in respect of insurance claim defence systems within the retail environment. This is but one example - opportunities in our mobility space are almost unlimited. We continue to become involved in ever larger projects and believe this trend will continue.

During the second half of 2014 we worked on tailoring mpro5 for the collection of data from patients and

CHAIRMAN'S STATEMENT CONTINUED

clinicians in respect of the outbreaks of pandemics, we are hopeful of further progress in this area in 2015.

We continue to work on larger opportunities and we are finding that mpro5 resonates at the large enterprise level as well as with SMEs.

I am very pleased that we are well placed in terms of our banking and finance relationship with NatWest and Lombard. Whilst we have cash available to fund the subscriber growth planned, our strategy is to match fund subscriber agreements and Lombard have done a sterling job in structuring facilities to meet our requirements.

We have been fortunate to have the commitment of our loyal and talented staff. I am very appreciative of their efforts and offer my thanks to them.

In late 2014, we agreed to add Sam Roberts to our management team as Sales & Marketing Director. Sam joined us in late February 2015 and we are already seeing an enhanced pipeline from his efforts. Rowley Ager decided he had reached his retirement age at our last Board Meeting and has been replaced as a Non-Executive Director by Robert Todd. I thank Rowley sincerely for his service since becoming a Director when we floated on AIM. Robert is a shareholder and has been a friend of the Company for many years. I welcome Robert and Sam to the Board.

Barrie Whipp
Executive Chairman
3 June 2015

OPERATING AND FINANCIAL REVIEW

I welcome the opportunity to report on our results for the year to 31 December 2014 and review the performance of the business during this period.

OPERATING REVIEW

Over recent years, we have progressively reduced non-core activities to focus on providing our own software to a range of businesses. In 2014, Crimson Tide's mpro5 solution really came of age and we are now trading at a new level, with the opportunity to not only close more deals, but also the potential to win bigger contracts with large organisations. The contract wins we have announced throughout the year, exemplified by our global agreement with one of the world's largest food companies, have benefitted profitability to some extent in 2014, but the terms of our subscription model mean that these deals will generate greater returns in 2015 and beyond.

2014 also marks a transformation in our customers' recognition of the financial returns they benefit from by using mpro5. Previously our initial sales effort required us to explain in detail the productivity gains and efficiencies that could be realised by using mpro5 on a hand-held smartphone or tablet device. Nowadays, the wide-spread use of these powerful devices means customers immediately understand where and how they will generate a significant return from an mpro5 solution.

During 2014, we have continued with our strategy of investing significant time and effort throughout the year to regularly upgrade and enhance mpro5's functionality for both the mobile client and back-end websites. This has proved successful as we have continued to see subscription contracts with existing customers renewed or extended throughout the year, supporting our belief that once mpro5 becomes an integral part of a customer's day to day processes, an alternative solution is rarely considered. Currently valued at less than £0.5m in our balance sheet, our mpro5 intangible asset, has enabled us to accumulate future contracted revenues of over £2m; a multiple expected to continue to increase.

Finally a brief tribute to all Crimson Tide's employees. The challenges referred to above placed greater pressure and responsibility on every member of staff. They responded accordingly and over the year have ensured that our customers' requirements are fully understood and catered for wherever possible. Their teamwork has permitted us to maintain a lower level of monthly operating expenditure with improved operational efficiency, while building on our reputation for first rate support. We have created a solid platform on which we continue to build a very successful business.

FINANCIAL REVIEW

Turnover in 2014 at £1.21m was broadly similar to last year's £1.27m but with overall gross margin increasing to 86% in 2014 from 80% in 2013 due to proportionately more subscription business, gross profit for the year totalled £1.04m (2013: 1.02m).

After deducting overheads of £714k (2013: £727k), depreciation/amortisation of £238k (2013: £253k) and lower interest costs, we are able to report a Profit Before Tax of £84k, four times higher than the £20k achieved in 2013.

The Group generated strong net cashflows of £439k (2013: £376k) from its operating activities. After funding new devices for subscribers, investing in mpro5, and reducing debt by £119k, we increased our net cash by £107k. Crimson Tide finished the year with Net Funds of £180k versus Net Debt of £46k in 2013. Our cash balance at the year-end of £239k has since increased as a result of significant receipts from trade debtors and the new facilities negotiated with Lombard Technical Services.

FUTURE PROSPECTS

The outlook for Crimson Tide has never been more positive. The achievements in 2014, together with the resources available to us, mean we are very well placed to invest in growth. The operational gearing in our business model means that a significant proportion of increased contracted revenues will continue to improve our long-term profitability. The Board remain very encouraged by the prospects for the business.

Stephen Goodwin
Finance Director
3 June 2015

BOARD OF DIRECTORS

Barrie Reginald John Whipp (54)
Executive Chairman and CEO
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. In September 2013, Barrie took on the role of CEO responsible for the day-to-day management of the Group. 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.

Stephen Keith Goodwin (56)
Finance Director
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 over 20 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.

Luke Anthony Jeffrey (32)
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 and is responsible for the continuing evolution and implementation of our software products and services.

Samuel John Roberts (40)
Sales & Marketing Director
Sam joined the Company in February 2015 from Samsung, where he worked as Account Director, Mass Merchants. He previously worked for RIM (BlackBerry) as a Senior Commercial Manager and worked for Crimson Tide in a sales role earlier in his career. Sam is responsible for leading the sales drive to meet Company targets for retention, growth and profitability.

Graham Basil Ashley (68)
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 (49)
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 2014.

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 2014 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 2014 was £1,210,084 (2013: £1,268,204) and the total profit for the period before taxation was £84,078 (2013: £20,152). 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 and CEO
S K Goodwin	Finance Director
L A Jeffrey	Technical Director
S J Roberts	Sales Director (appointed 10 February 2015)
G B Ashley	Non-Executive Director
R S Ager	Non-Executive Director (resigned 12 March 2015)

R. K. Todd was appointed a Non-Executive Director on 20 March 2015 replacing R. S. Ager

Directors' Interests in Shares

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

	Ordinary shares of £0.01 each	
Director	31 December 2014	31 December 2013
B R J Whipp	102,710,132	115,610,132
S K Goodwin*	25,611,484	25,611,484
G B Ashley	18,354,718	18,354,718
R S Ager**	13,000,000	13,000,000

* Mr. Goodwin also had an interest as a trustee in 9,150,000 Ordinary Shares of £0.01 each as at 31 December 2014 and 31 December 2013.

** Mr. Ager's shareholding includes 5,834,250 Ordinary Shares of £0.01 each held by his wife.

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 2014	31 December 2013
S K Goodwin	7,500,000	7,500,000
L A Jeffrey	3,000,000	3,000,000

DIRECTORS' REPORT CONTINUED

Directors' interests in unapproved share options were as follows:

	Number of Share Options	
Director	31 December 2014	31 December 2013
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	Total 2014	Total 2013
	£	£	£	£
Non-Executive				
R S Ager	9,000	-	9,000	9,000
G B Ashley	9,000	-	9,000	9,000
Executive				
B R J Whipp	83,750	17,057	100,807	82,874
S K Goodwin	24,500	-	24,500	59,795
J W F Roth*	-	-	-	58,258
L A Jeffrey	55,033	247	55,280	50,898
Total	**181,283**	**17,304**	**198,587**	**269,825**

*Mr Roth resigned as a Director on 30 September 2013.

Significant Shareholdings

As at 14 May 2015 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 14 May, 2015	Percentage of issued share capital
B R J Whipp	102,710,132	23.1%
Helium Special Situations Fund	91,080,000	20.5%
Clients of W H Ireland Ltd	29,835,347	6.7%
J W F Roth	26,131,159	5.9%
S K Goodwin	25,611,484	5.7%
S J M Morris	21,707,817	4.9%
G B Ashley	18,354,718	4.1%

Financial Risk Management

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

Policy on Payments to Suppliers

It is the policy of the Company in respect of all its suppliers, where reasonably practicable, to settle the terms of payment with those suppliers when agreeing the terms of each transaction, to ensure that those suppliers are made aware of the terms of payment, and to abide by those terms. The number of trade creditor days outstanding at the period end for the Group was 44 days (2013: 45 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.

DIRECTORS' REPORT CONTINUED

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
3 June 2015

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

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 applications. In doing so, the targeted objectives of:

- Increased contracted revenues
- Strengthened cashflows
- Increased profitability
- Higher returns for stakeholders will be achieved.

Business model

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

The group is operationally geared with relatively fixed overheads so a greater proportion of turnover growth favourably impacts profitability and net cash.

Review of the business

A review of the year and future developments are given in the Operating and Financial Review on page 7.

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.

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, if this utilises cash resources that are then not available to fund devices for new subscribers. The level of risk however, is now significantly reduced. Operating cashflows generated by our growing contracted subscriber book provide increasing amounts of cash to re-invest in the business. Furthermore, the new facilities offered by NatWest and Lombard mentioned in the Executive Chairman's statement, provide additional means to finance new devices and accelerate growth

Signed on behalf of the Directors

Barrie Whipp
Executive Chairman
3 June 2015

CORPORATE GOVERNANCE REPORT

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

Shareholder communication

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

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

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

Board of Directors and Board Committees

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

Audit Committee

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

Remuneration Committee

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

Internal control

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

Going concern

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

Employment policy

The Board places considerable value on the involvement of its employees and has effective arrangements for communicating the Group's results and significant business issues to them. The Directors recognise that continued and sustained improvement of the Group depends on its ability to attract, motivate and retain employees of the highest calibre. Furthermore, the Directors believe that the Group's ability to sustain the competitive advantage in the long term depends on ensuring that all employees contribute to the maximum of their potential. The Group is committed to improving the performance of all its employees through appropriate development and training. Share ownership is at the heart of the Group's remuneration philosophy and the Directors believe that the key to the Group's future success lies in a motivated workforce holding a stake in the Group. For this reason the Board implemented an Enterprise Management Incentive share option scheme in February 2008 which is available to all Group employees subject to meeting certain qualifying rules. The Group is an equal opportunity employer. Entry into and progression within the Group is solely determined on the basis of work criteria and individual merit. The Group gives full and fair consideration to applications for employment made by disabled persons, having regard to their respective aptitudes and abilities. The policy includes, where practicable, the continued employment of those who may become disabled during their employment and the provision of training and career development and promotion, where appropriate.

CORPORATE GOVERNANCE REPORT CONTINUED

Corporate Responsibility

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

REPORT OF THE REMUNERATION COMMITTEE

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

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

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

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

At the last Remuneration Committee meeting it was agreed that the remuneration of certain Directors would be increased to reflect the Company's performance and and current financial circumstances. In assessing these increases, the committee took into account the market rates relevant to the individual concerned.

On behalf of the Board

Robert Todd
Chairman - Remuneration Committee
3 June 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRIMSON TIDE PLC

We have audited the financial statements of Crimson Tide plc for the year ended 31 December 2014 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement, the Company Statement of Financial Position, the Company Statement of Changes in Equity, the Company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement (set out on page 11), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion of Financial Statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and Parent Company's affairs as at 31 December 2014 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.

Opinion on other matter prescribed by The Companies Act 2006

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

Matters on which we are required to report by exception

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

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

STEWART JELL (Senior Statutory Auditor)
For and on behalf of SHIPLEYS LLP Chartered Accountants & Statutory Auditor
10 Orange Street, Haymarket, London, WC2H 7DQ
3 June 2015

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CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Year ended 31 December 2014 £000	Year ended 31 December 2013 £000
Total Revenue	1	1,210	1,268
Cost of sales		(166)	(250)
Gross Profit		**1,044**	**1,018**
Total operating expenses		(952)	(980)
Profit from operations	2	92	38
Interest Income	3	-	-
Interest payable and similar charges	3	(8)	(18)
Profit before taxation		**84**	**20**
Taxation	5	-	-
Profit for the year available to equity holder of parent		84	20

		Year ended 31 December 2014	Year ended 31 December 2013
Earnings per share			
Basic and diluted earnings per ordinary share (pence)	6	**0.02**	0.00

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Year ended 31 December 2014 £000	Year ended 31 December 2013 £000
Net Profit for the year		84	20
Other comprehensive income/(loss) for the year:			
Exchange differences on translating foreign operations		(9)	3
Total comprehensive profit for the year		75	23

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2014

	Notes	As at 31 December 2014 £000	As at 31 December 2013 £000
Assets			
Intangible assets	7	**1,260**	1,224
Equipment, fixtures & fittings	8	**339**	417
Total non-current assets		**1,599**	1,641
Inventories		**30**	48
Trade and other receivables	10	**563**	496
Cash and cash equivalents	11	**239**	132
Total current assets		**832**	676
Total Assets		**2,431**	2,317
Equity and liabilities			
Share capital	12	**7,335**	7,335
Capital redemption reserve	13	**49**	49
Share premium	13	**1,090**	1,090
Other Reserves	13	**426**	435
Reverse acquisition reserve	13	**(5,244)**	(5,244)
Retained earnings	13	**(1,786)**	(1,870)
Total equity		**1,870**	1,795
Trade and other payables			
Amounts falling due within one year	14	**561**	463
Amounts falling after more than one year	15	**-**	59
Total liabilities		**561**	522
Total equity and liabilities		**2,431**	2,317

The financial statements were approved by the board of directors on 3 June 2015 and are subject to the approval of the shareholders at the Annual General Meeting on 30 June 2015 and signed on its behalf by:

B R J Whipp
Director

S K Goodwin
Director

Company registration number: 0113845

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AT 31 DECEMBER 2014

Group	Share Capital £000	Capital redemption reserve £000	Share Premium £000	Other Reserves £000	Reverse acquisition reserve £000	Retained Earnings £000	Total £000
Balance as at 1 January 2013	7,335	49	1,090	432	(5,244)	(1,890)	1,772
Profit for the year	-	-	-	-		20	20
Translation movement	-	-	-	3	-	-	3
Balance as at 31 December 2013	7,335	49	1,090	435	(5,244)	(1,870)	1,795
Profit for the year	-	-	-	-	-	84	84
Translation movement	-	-	-	(9)	-	-	(9)
Balance as at **31 December 2014**	**7,335**	**49**	**1,090**	**426**	**(5,244)**	**(1,786)**	**1,870**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 31 DECEMBER 2014

	Year ended 31 December 2014 £000	Year ended 31 December 2013 £000
Cash flows from operating activities		
Profit before taxation	84	20
Adjusted for:		
Amortisation of intangibles	83	102
Depreciation of equipment, fixtures and fittings	154	151
Profit on sale of assets	(6)	-
Net interest	8	18
Operating cash flows before movement in working capital	323	291
Decrease / (increase) in inventories	18	(7)
(Increase) / decrease in trade and other receivables	(67)	16
Increase in trade and other payables	159	76
Cash generated from operations	433	376
Taxes paid	-	-
Net cash generated from operating activities	433	376
Cash flows used in investing activities		
Purchases of fixed assets	(218)	(425)
Sale of fixed assets	19	-
Interest received	-	-
Net cash used in investing activities	(199)	(425)
Cash flows from financing activities		
Interest paid	(8)	(18)
Net decrease in borrowings	(119)	(122)
Net cash from financing activities	(127)	(140)
Net increase / (decrease) in cash and cash equivalents	107	(189)
Net cash and cash equivalents at beginning of period	132	321
Net cash and cash equivalents at end of period	239	132
Analysis of net funds		
Cash and cash equivalents	239	132
Bank overdraft	-	-
	239	132
Other borrowing due within one year	(58)	(117)
Borrowings due after one year	-	(58)
Finance Leases	(1)	(3)
Net funds / (debt)	180	(46)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2014

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

B) Basis of consolidation
The consolidated financial statements of the Company for the year ended 31 December 2014 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
AT 31 DECEMBER 2014

E) Changes in accounting policy

Standards, amendments to standards, and interpretations adopted in the 2014 financial statements or that have previously been early-adopted in the Company's annual financial statements

Amendments to IAS 32
Offsetting Financial Assets and Financial Liabilities

Amendments to IAS 36
Recoverable amount disclosures for non-financial assets

Future standards, amendments to standards, and interpretations not early-adopted in the 2014 financial statements

Effective for periods beginning on or after 1 January 2015:

IFRS 9 *Financial Instruments* (as revised in 2010)

Amendments to IFRS 9 and IFRS 7
Mandatory Effective Date of IFRS 9 and Transition Disclosures

Effective for periods beginning on or after 1 January 2016:
IFRS 14 Regulatory Deferral Accounts

The adoption of these standards, amendments and interpretations is not expected to have a material impact on the Company's profit for the year or equity. Application of these standards 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 useful life of the product. In 2014, the useful life of the Company's mpro software solution was re-assessed to be 10 years, differentiating it from previous solutions developed by the company considered to have a 5 year useful life. This re-assessment took into account current contracts using mpro5, renewal rates and ongoing development of the solution. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
AT 31 DECEMBER 2014

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
AT 31 DECEMBER 2014

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 CONTINUED
AT 31 DECEMBER 2014

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	
	2014	2013	2014	2013	2014	2013
Region:	£000	£000	£000	£000	£000	£000
UK	**983**	1,067	**67**	37	**1,557**	1,566
Ireland	**227**	201	**25**	(17)	**42**	75
Total	**1,210**	1,268	**92**	20	**1,599**	1,641

Turnover can be analysed by business activity as follows:

Business activity:	Year ended 31 December 2014 £000	Year ended 31 December 2013 £000
Mobility solutions and related development services	**1,081**	1,195
Software solutions reselling, development and support	**129**	73
Total Turnover	**1,210**	1,268

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
AT 31 DECEMBER 2014

2. Profit from operations

	Year ended 31 December 2014 £000	Year ended 31 December 2013 £000
Amortisation of intangible assets	83	102
Depreciation on equipment, and fixtures and fittings	154	151
Operating lease costs	22	22
Auditors remuneration for:		
- Audit services	10	10
- Other services:		
- The auditing of accounts of associates of the Company pursuant to legislation	10	10
- Other services supplied pursuant to such legislation	9	6

3. Finance income and costs

	Year ended 31 December 2014 £000	Year ended 31 December 2013 £000
Loan interest	8	17
Finance lease interest	-	1
Interest receivable	-	-
Net finance costs	8	18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
AT 31 DECEMBER 2014

4. Employees

Staff costs (including Directors) were as follows:

	Year ended 31 December 2014 £000	Year ended 31 December 2013 £000
Wages and salaries	467	532
Non-Executive Directors' fees	18	18
Compulsory social security contributions	45	57
Other pension costs	-	-
Personnel costs	530	607

The following amounts are included above in relation to Directors:

	Year ended 31 December 2014 £000	Year ended 31 December 2013 £000
Wages and salaries	181	252
Non-Executive Directors' fees	18	18
Compulsory social security contributions	21	30
Pension costs	-	-
Directors' costs	220	300

A detailed breakdown of the remuneration of the Directors is shown on page 10.

Average monthly staff numbers in the period were as follows:

	Year ended 31 December 2014 No.	Year ended 31 December 2013 No.
Sales and marketing	2	3
Technical	5	5
Management, finance and administration	4	4
	11	12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
AT 31 DECEMBER 2014

5. Taxation

No corporation tax charge has been incorporated into the consolidated accounts for the periods ended 31 December 2014 or 31 December 2013 due to the availability of tax losses.

	Year ended 31 December 2014 £000	Year ended 31 December 2013 £000
Profit on ordinary activities before tax	84	20
Profit on ordinary activities by rate of tax (28%)	24	6
Expenses not deductible for taxation purposes	12	14
Carried forward taxable losses	-	-
Utilisation of brought forward tax losses	(36)	(20)
Tax on profit on ordinary activities	-	-

Deferred tax asset

The Group has an unprovided deferred tax asset relating to carried forward taxable losses of approximately £600,000 (2013: £650,000). This asset has not been recognised in the accounts due to uncertainty of the timing of future taxable profits against which it can be utilised.

6. 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 2014	Year ended 31 December 2013
Reported profit (£000)	84	20
Reported earnings per share (pence)	0.02	0.00

Weighted average number of ordinary shares:	Year ended 31 December 2014 No.	Year ended 31 December 2013 No.
Opening balance	445,486,234	445,486,234
Effect of share placing during the year	-	-
Weighted average number of ordinary shares	445,486,234	445,486,234

The diluted earnings per share is the same as the basic earnings per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
AT 31 DECEMBER 2014

7. Intangible assets

Group	Goodwill £000	Group development expenditure £000	Total £000
Cost			
At 1 January 2013	988	542	1,530
Additions:			
Mobile data applications development cost	-	162	162
Less Research and Development Grant	-	(15)	(15)
At 31 December 2013	988	689	1,677
Additions:			
Mobile data applications development cost	-	145	145
Less Research and Development Grant	-	(26)	(26)
At 31 December 2014	**988**	**808**	**1,796**
Impairment and amortisation			
At 1 January 2013	(190)	(161)	(351)
Charge for year	-	(102)	(102)
At 31 December 2013	(190)	(263)	(453)
Charge for year	-	(83)	(83)
At 31 December 2014	**(190)**	**(346)**	**(536)**
Carrying amount			
At 31 December 2014	**798**	**462**	**1,260**
At 31 December 2013	798	426	1,224
At 1 January 2013	798	381	1,179

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.
No growth is forecast for the purposes of these calculations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
AT 31 DECEMBER 2014

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 2013	52	487	25	564
Additions	9	269	-	278
Disposals	(22)	(66)	-	(88)
At 31 December 2013	39	690	25	754
Additions	29	60	-	89
Disposals	(6)	(113)	(4)	(123)
At 31 December 2014	**62**	**637**	**21**	**720**
Depreciation				
At 1 January 2013	(36)	(223)	(15)	(274)
Charge for year	(6)	(143)	(2)	(151)
Disposals	22	66	- -	88
At 31 December 2013	(20)	(300)	(17)	(337)
Charge for year	(15)	(136)	(3)	(154)
Disposals	6	100	4	110
At 31 December 2014	**(29)**	**(336)**	**(16)**	**(381)**
Carrying amount				
At 31 December 2014	**33**	**301**	**5**	**339**
At 31 December 2013	19	390	8	417
At 1 January 2013	16	264	10	290

Included within the net book value of £339,000 is £5,000 (2013: £9,000) relating to computer equipment held under finance lease agreements. The depreciation charge to the financial statements in the year in respect of such computer equipment amounted to £4,000 (2013: £5,000). There is no material difference between the value of the minimum lease payments and their net present value.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
AT 31 DECEMBER 2014

8. Equipment, fixtures and fittings (continued)

Company	Fixtures & Fittings Total £000
Cost	
At 1 January 2013	17
Disposals	(17)
At 31 December 2013	-
Additions/Disposals	-
At 31 December 2014	-
Depreciation	
At 1 January 2013	(17)
Charge for year	-
Disposals	17
At 31 December 2013	-
Charge for year	-
At 31 December 2014	-
Carrying amount	
At 31 December 2014	-
At 31 December 2013	-
At 1 January 2013	-

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 2014. 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
AT 31 DECEMBER 2014

9. Investments (continued)

Company	Shares in subsidiary undertakings £000	Trade investments £000	Total £000
Cost			
At 31 December 2013	5,297	386	5,683
Additions	-	-	-
At 31 December 2014	**5,297**	**386**	**5,683**
Provisions			
At 31 December 2013	1,929	386	2,315
Impairment	-	-	-
At 31 December 2014	**1,929**	**386**	**2,315**
Carrying amount			
At 31 December 2014	**3,368**	**-**	**3,368**
At 31 December 2013	3,368	-	3,368

10. Trade and other receivables

Group	As at 31 December 2014 £000	As at 31 December 2013 £000
Trade receivables	**446**	316
Other receivables	**70**	75
Prepayments and accrued income	**47**	105
	563	496

As at 31 December 2014, trade receivables of £90,000 (2013: £59,000) 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 2014 £000	As at 31 December 2013 £000
Age from invoice date		
< 30 days	**293**	247
30 - 60 days	**106**	26
60 - 90 days	**13**	14
> 90 days	**34**	29
	446	316

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

	£000
At 1 January 2013	131
Receivables collected in year previously provided for	(4)
Receivables written off during the year as uncollectable	(89)
Provision for receivables impairment for the year	21
At 31 December 2013	59
Receivables collected in year previously provided for	(10)
Receivables written off during the year as uncollectable	(13)
Provision for receivables impairment for the year	54
At 31 December 2014	**90**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
AT 31 DECEMBER 2014

Company	As at 31 December 2014 £000	As at 31 December 2013 £000
Amounts recoverable from Group undertakings	**1,392**	1,525
Other receivables	**30**	30
Prepayments and accrued income	**5**	7
	1,427	1,562

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 2014 £000	As at 31 December 2013 £000
Authorised		
Ordinary shares: 711,950,842 shares of 1p each	**7,120**	7,120
(2013: 711,950,842 shares of 1p each)		
Deferred shares: 15,160,482 shares of 19p each	**2,880**	2,880
	10,000	10,000
Issued, called up		
Ordinary shares: 445,486,234 shares of 1p each	**4,455**	4,455
(2013: 445,486,234 shares of 1p each)		
Deferred shares: 15,160,482 shares of 19p each	**2,880**	2,880
	7,335	7,335

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
AT 31 DECEMBER 2014

At 31 December 2014 the following options were outstanding in respect of ordinary shares.

Date of Grant	Target share price	Exercise Price	Expiry Date	Number Issued	Exercised in 2014	Expired/ cancelled	Number outstanding at 31 December 2014	Number exercisable at 31 December 2014
Issued under EMI scheme								
5 February 2007	2.5p	1.5p	5 February 2017	11,000,000	—	3,000,000	8,000,000	—
5 November 2008	2.5p	1.0p	5 November 2018	7,000,000	—	3,000,000	4,000,000	—
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	Capital redemption reserve £000	Share premium £000	Other reserves £000	Reverse acquisition reserve £000	Retained earnings £000
Balance as at 1 January 2013	49	1,090	432	(5,244)	(1,890)
Profit for the year	-	-	-	-	20
Translation movement	-	-	3	-	-
Balance as at 31 December 2013	49	1,090	435	(5,244)	(1,870)
Profit for the year	-	-	-	-	84
Translation movement	-	-	(9)	-	-
Balance as at 31 December 2014	**49**	**1,090**	**426**	**(5,244)**	**(1,786)**

Company	Capital redemption reserve £000	Share premium £000	Other reserves £000	Retained earnings £000
Balance as at 1 January 2013	49	1,090	337	(3,959)
Loss for the year	-	-	-	(55)
Balance as at 31 December 2013	49	1,090	337	(4,014)
Loss for the year	-	-	-	(55)
Balance as at 31 December 2014	**49**	**1,090**	**337**	**(4,069)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
AT 31 DECEMBER 2014
14. Creditors: Amounts falling due within one year

Group	As at 31 December 2014 £000	As at 31 December 2013 £000
Secured bank loan	58	117
Bank overdraft	-	-
Trade creditors	61	94
PAYE and social security	13	10
VAT	62	40
Finance lease agreements	1	2
Other creditors	-	3
Accruals and deferred income	366	197
	561	463

Company	As at 31 December 2014 £000	As at 31 December 2013 £000
Secured bank loan	58	117
Trade creditors	16	10
Amounts owed to Group undertakings	4	4
Accruals	47	25
	125	156

The secured bank loan in the Group and the Company is secured by fixed and floating charges over the undertaking and all property and assets present and future including goodwill, book debts, uncalled capital, buildings, fixtures and fixed plant and machinery. The loan comprises a fixed rate amortising loan at a total interest rate of 7.4%. This was paid in full in 2015 by quarterly instalments of £29,167.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
AT 31 DECEMBER 2014
15. Creditors: Amounts falling due after more than one year

Group	As at 31 December 2014 £000	As at 31 December 2013 £000
Finance lease agreements	-	1
Bank Loans	-	58
	-	59

Company	As at 31 December 2014 £000	As at 31 December 2013 £000
Bank Loans	-	58

Maturity of debt

Group	As at 31 December 2014 £000	As at 31 December 2013 £000
The loans and finance leases are repayable as follows:		
Within one year	59	119
Between one and two years	-	59
Between two and five years	-	-
	59	178

Company	As at 31 December 2014 £000	As at 31 December 2013 £000
The loans and finance leases are repayable as follows:		
Within one year	58	117
Between one and two years	-	58
Between two and five years	-	-
	58	175

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
AT 31 DECEMBER 2014

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

Group	**As at 31 December 2014 £000**	As at 31 December 2013 £000
During next year	**22**	22
After 1 year but not more than 5 years	**22**	44
	44	66

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

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

Group	**As at 31 December 2014 £000**	As at 31 December 2013 £000
Financial Assets		
Cash at bank and in hand	**239**	132
Financial Liabilities		
Bank overdraft (maturing on demand)	**-**	-
Bank loans	**58**	175

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

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

a) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and 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 2014 no one customer owes more than 10% of total revenue and this debt has been paid since the year end. 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, 2014, no one customer accounted for more than £742,000 (2013: £942,000) of future contracted revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
AT 31 DECEMBER 2014

c) Liquidity risk

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

d) Interest rate risk

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

Fair value risk factors

The net fair values of intangible assets approximate to their carrying value as disclosed in Note 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 9 and 10.

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

19. Profit of the Parent Company

As permitted by Section 408 of the Companies Act, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's loss for the financial year amounted to £54,798 (2013 loss: £54,809).

COMPANY STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2014

	Notes	As at 31 December 2014 £000	2013 £000
Assets			
Tangible assets	8	-	-
Investments	9	**3,368**	3,368
Total non-current assets		**3,368**	3,368
Trade and other receivables	10	**1,427**	1,562
Cash and cash equivalents	11	**72**	81
Total current assets		**1,499**	1,643
Total Assets		**4,867**	5,011
Equity and liabilities			
Share capital	12	**7,335**	7,335
Capital redemption reserve	13	**49**	49
Share premium	13	**1,090**	1,090
Other Reserves	13	**337**	337
Retained earnings	13	**(4,069)**	(4,014)
Total equity		**4,742**	4,797
Trade and other payables			
Amounts falling due within one year	14	**125**	156
Amounts falling after more than one year	15	**-**	58
Total liabilities		**125**	214
Total equity and liabilities		**4,867**	5,011

The financial statements were approved by the Board of Directors on 3 June 2015 and are subject to the approval of the shareholders at the Annual General Meeting on 30 June 2015 and signed on its behalf by:

B R J Whipp
Director

S K Goodwin
Director

Company registration number: 0113845

COMPANY STATEMENT OF CHANGES IN EQUITY
AT 31 DECEMBER 2014

	Year ended 31 December 2014 £000	Year ended 31 December 2013 £000
Loss after tax for the year being total recognised income and expense for the year	**(55)**	(55)
Issue of share capital	-	-
Total changes in equity	**(55)**	(55)
Total equity as at 1 January	**4,797**	4,852
Total equity as at 31 December	**4,742**	4,797

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COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Year ended 31 December	
	2014	2013
	£000	£000
Cash flows from operating activities		
Loss before taxation	(55)	(55)
Adjusted for:		
Decrease in trade and other receivables	135	-
Increase in trade and other payables	28	8
Interest paid	8	17
Net cash generated / (used in) operating activities	116	(30)
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		
Interest paid	(8)	(17)
Net decrease in borrowings	(117)	(117)
Net cash from financing activities	(125)	(134)
Net decrease in cash and cash equivalents	(9)	(164)
Net cash and cash equivalents at beginning of period	81	245
Net cash and cash equivalents at end of period	72	81
Analysis of Net Debt		
Cash and cash equivalents	72	81
Bank overdraft	-	-
	72	81
Other borrowing due within one year	(58)	(117)
Borrowings due after one year	-	(58)
Net funds / (debt)	14	(94)

OFFICERS AND PROFESSIONAL ADVISERS

Board of Directors	B R J Whipp (Executive Chairman & CEO) G B Ashley S K Goodwin L A Jeffrey S J Roberts R K Todd
Secretary	S K Goodwin
Registered office	10 Orange Street Haymarket London WC2H 7DQ
Registered Number	0113845
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	W H Ireland Ltd 24 Martin Lane London EC4R ODR
Solicitors	Gordons Partnership LLP 22 Great James Street London WC1N 3ES
Website	www.crimsontide.co.uk

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2015 Annual General Meeting of Crimson Tide plc will be convened at 10 Orange Street, Haymarket, London WC2H 7DQ on 30 June 2015 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 2014

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

3 To re-appoint B. R. J. Whipp as a Director of the Company

4 To re-appoint S. J. Roberts as a Director of the Company

5 To re-appoint R. K. Todd as a Director of the Company

By order of the Board
Stephen Goodwin
Company Secretary
Registered Office
10 Orange Street, London WC2H 7DQ
3 June 2015

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 2015 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 30 June 2015 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 30 June 2015 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 2014			
2 To re-appoint Shipleys LLP as auditors			
3 To re-appoint B.R.J. Whipp as a director			
4 To re-appoint S. J. Roberts as director			
5 To re-appoint R.K. Todd 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 2015 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).
11. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
12. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, a proxy may vote or abstain from voting at his or her discretion. A proxy may vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

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Please
Affix
Stamp
Here

The Company Secretary
Crimson Tide plc
Heathervale House
Vale Avenue
Tunbridge Wells
TN1 1DJ

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TRANSFORMING BUSINESS

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NOTES

TRANSFORMING BUSINESS

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Crimson Tide plc

Our registered office:	10 Orange Street, London, WC2H 7DQ
UK office:	Heathervale House, Vale Road, Royal Tunbridge Wells, Kent, TN1 1DJ
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
Web	www.crimsontide.co.uk