ANNUAL REPORT & ACCOUNTS 2020

www.crimsontide.co.uk

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.’

2020 Highlights

Financial Highlights

- Revenue increased by 21% to £3.542m (2019: £2.921m)
- EBITDA increased by 22% to £946k (2019: £775k)
- Profit before tax increased by 51% to £532k (2019: £352k)
- Cash at year-end increased to £1.175m (2019: £320k)

Operational Highlights

- Secured additional long term, contracted subscriber agreements with new and existing clients
- Contribution from Partner programme underpinning confidence in strategic direction
- IoT and machine automation capability gaining traction and increasing pipeline of opportunities
- Continued investment in people and functionality to maximise opportunity
- Completed migration to new ERP system to enable scale

Barrie Whipp, Executive Chairman of Crimson Tide, commented:

"Crimson Tide has once again delivered a very good year of progress across all of our key metrics and invested in more staff and innovation to continue to drive the business forward. We have clear opportunities in terms of the mpro5 product, upsell to our existing clients and expansion of the partner channel. Add to this international opportunities and enhancement of our healthcare and IoT capabilities and we can clearly see that the Company has significant momentum to take us to the next level".

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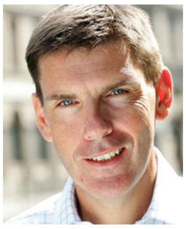
Chairman's Statement



Barrie R. J. Whipp
Founder & Chairman
3 June 2021

The investments that we have made over many years from our own resources resulted in a very pleasing year for our Company in 2020 in circumstances that none of us could have foreseen. The long term contracted subscription revenues that we added, extended and enhanced gives us a very solid platform to become more expansive in our ambitions, given the significant market opportunity we can clearly see.

The onset of the pandemic displayed our ability to seamlessly extend our already flexible working structure and our cloud-based services were uninterrupted and more relevant than ever before. We expect our staff to be agile and they displayed superbly their ability to react to circumstances that affected our clients. We experienced very limited take up of an offer of payment holidays to our clients and also gained new ones because of our positive response to challenges that all organisations faced and continue to face.

2020 saw our executive board really excel in their duties. We are busy across all areas of the business and our internal systems and management information show that our client satisfaction is high, that we are innovating to help our clients take their businesses to new levels of compliance, reporting and key performance metrics.

Our partner channel has grown not only in number, but in attributable revenues and it is this strategy that will enable us to grow domestically and internationally. We expanded our footprint in the Middle East, Europe and North America and whilst these markets contribute only a modicum of income, they are demonstrating real demand for mpro5 and the benefits it can bring.

We continue to innovate in IoT (the internet of things) and have been working hard on pilots to demonstrate the benefits of machine information to our clients. There is pent up demand for IoT and we feel that we are at a key point, where the only delays are a result of clients needing to review their own strategies before committing to this exciting technology. mpro5 is very well placed to take advantage of this technology.

Looking ahead, I see clear opportunities for Crimson Tide, particularly in IoT, healthcare and international markets. Our partner first marketing strategy showed its first significant benefits in 2020 and we are going to be working hard to expand the channel.

With a committed team, clear market opportunity and with mpro5 being in the most advanced state ever, I am extremely confident in our future. In a difficult year for many, our staff have been absolutely excellent and are fundamental to our success. I thank every one of them for their sterling efforts. I would particularly like to thank Robert Todd, who resigned as a Non-Executive Director to focus on his own business. Following the year end we welcomed Jacqueline Daniell to the Board as a Non-Executive Director and look forward to benefitting from Jacqui's excellent counsel in the future.

Following the year-end, in consultation with our advisers, we decided to embark on an exercise to structure the business for further growth. We raised £5.66m after expenses via an oversubscribed placing agreement. We were delighted that some of the City's most respected investment houses and some supportive smaller investors took the opportunity to participate.

The resultant funding will allow the Company to pursue further growth with mpro5 as well as with our healthcare version, mpro5rx and our micro-business offering, codename wrkrz.

We look forward to investing in the opportunities that are clear to us, and whilst there will be a short-term impact on our results in terms of our investments and cost base, we are excited for the future of Crimson Tide.

Chief Executive's Review

Luke Jeffrey
CEO
3 June 2021

I am delighted with the progress that the business has made during the course of the year. The unforeseeable circumstances of the global pandemic have proven the resilience of Crimson Tide's business model and highlighted the strength of our focus on building long term, contracted subscriber revenue. Furthermore, the shift away from office based working has increased the need for the kind of agile automation and analytics tools on which mpro5 has built its reputation and we have seen engagement levels increase and sales cycles shorten.

Results

Revenues increased by 21% to £3.54 million (FY19: £2.92 million), which is a reflection of new client wins as well as expanding our reach within existing clients. The majority of our client base is enterprise grade and delivery continued unabated through the pandemic. Some of our smaller clients were affected and we were proud to support them with payment holidays where appropriate. In total, customer churn of less than 5% was an excellent performance and in line with the high standards that we set ourselves. Our client contracts are typically long term in nature and we have renewed a number over the course of the year which gives us further strength in future visibility. EBITDA improved by 22% to £946k (FY19: £775k) despite the ongoing investments being made, a reflection of our strong financial discipline. Cash at the year end was particularly strong at £1.17 million (FY19: £320k).

There is no doubt that recognition of mpro5 is growing within the marketplace and leading to ever greater adoption. To date, marketing efforts have been centered around those business areas in which we have strong reference clients, we aim to strengthen our marketing capabilities in the coming year. With our new partner first model, we have had considerable success over the course of the year in the rail and retail sectors. In rail we are increasingly being seen as a disruptor to outdated ways of working and we have been able to create and adapt solutions which have transformed the way in which organisations operate. Similarly, in the retail sector we have been able to expand our offering within one of the UK's leading supermarket chains whilst also securing a five-year contract with one of Britain's leading neighbourhood retailers.

Our reach continues to broaden as mpro5's reputation continues to grow along with the recognition that our platform is truly industry agnostic. During the financial year we were pleased to welcome Cadent, who handle British Gas infrastructure management, Student Roost, a student accommodation firm and Capita, a multi service group, as new clients.

Operational Developments

We have continued to invest across all aspects of our business as we strive to remain the most innovative, configurable and agile digital transformation platform available. Investments made in prior years in IoT capabilities are continuing and this year we have deployed more sensors than in any prior period, providing an ever-greater number of data points which can be used to benefit our clients in a variety of ways. A multitude of sensors supply temperature, humidity, motion and other data directly into mpro5. We have also introduced new capabilities into our rules engine to allow for powerful job scheduling, and leveraged machine learning for automated anomaly detection in real-time. We are already seeing a considerable uptake of our IoT offering, as evidenced by the agreement signed with Incentive QAS for the purposes of IoT-driven cleaning compliance at London's CityPoint skyscraper.

Further technological improvements include enhancements made to the mpro5 web client, including the launch of the customer portal which enables our clients' customers to use mpro5. As well as providing another layer of functionality for our clients and embedding us deeper within their organisation, it also helps to introduce our technology to a wider audience. Similarly, we have continued development of a solution specifically designed for use in healthcare applications. mpro5 is already used for various healthcare scenarios and our reach has broadened with a pilot project with the World Federation of Haemophilia which is currently in the process of being rolled out. This award gives us further confidence that, with ongoing investment, we can make a real difference in delivering greater patient outcomes. Internally, we completed our transition to a new ERP system which will prove highly beneficial as we scale.

Chief Executive's Review CONTINUED

The Company has also invested in people, strengthening the technical teams to help deliver the ongoing improvements already described, as well as strengthening marketing as we look to continue to grow our partner programmes and take full advantage of the opportunity they represent. One of the most pleasing aspects of the year has been the progress of our partnerships. We have a much greater understanding of how we can work together with partners and the benefits that each party can bring, with their ability to introduce our market leading solutions to enterprise level organisations significantly shortening the sales cycle. The revenue contribution this year was pleasing and endorses our strategy, with the potential to add significant scale in domestic and international markets.

Outlook

The current financial year has started in line with our expectations. We continue to see a healthy pipeline of opportunities and we have a number of pilot projects underway which we hope to convert into ongoing agreements. As more and more industries continue along the path of digital transformation and as mpro5 continues its focus on adding exceptional functionality we expect to add incremental long term, contracted, subscriber revenues through both existing and new engagements, directly and increasingly through our growing partner programme. We maintain great confidence in the future.

Financial Review

Financial indicator	Year ended December 2020 £'000	Year ended December 2019 £'000	Increase %
Revenue	3,542	2,921	21%
Gross profit	2,865	2,546	13%
EBITDA	946	775	22%
Profit before tax	532	352	51%
Cash from Operations	1,387	358	287%

The financial results for 2020 reflect another year of strong growth for Crimson Tide with solid performances across all of the Company's financial KPI's.

Revenue

The Company's focus on growing its partner channel contributed to revenue growth of 21%. Annual recurring revenue (ARR) as at 31 December 2020 was £3.06 million (2019: £2.36 million). The Total Contract Value (TCV) at this date was £7.17 million (2019: £6.1 million). Revenue churn remained low at 4.9% (2019: 7.5%). While the gross profit margin has reduced slightly, the Board is confident that it will remain above its 80% target rate.

The interim results for 2020 included one-off hardware revenue of approximately £170k that was recognised due to the requirements of IFRS15. As part of growing its partner channel strategy, the Board has decided that the Company will no longer offer hardware on long-term subscriptions. IoT sensors and other hardware that interface with the mpro5 platform will be supplied by specialist partners.

Cashflow and liquidity

Cash at year-end increased by £855k to £1.17m (2019: £320k). An R&D tax credit contributed £202k (2019: £nil) to this increase. The Company made use of HMRC's VAT deferral option during the first half of 2020. VAT of £138k was deferred and will be repaid in instalments in terms of HMRC's VAT deferral payment scheme.

Trade receivables

Trade receivables at year-end amounted to £452k (2019: £649k). The Company did not experience a noticeable increase in trade receivables or bad debt related to the pandemic. The recognition requirements of IFRS15 referred to above caused an increase of £102k to accrued income at year-end.

Debt and finance costs

Loans and leases decreased to £288k (2019: £433k). This amount includes lease liabilities amounting to £96k (2019: £152k) related to right-of-use assets in respect of office rental capitalised in terms of IFRS16.

Capitalisation of intangible asset

Software development costs of £539k (2019: £385k) were capitalised during the year, while amortisation during 2020 amounted to £216k (2019: £171k). The value of the capitalised software intangible asset at year-end was £1.64m (2019: £1.32m).

Tax

An R&D tax credit of £202k (2019: £nil) has been recognised in the Consolidated Statement of Profit or Loss. No other corporation tax charge has been included (2019: £nil) due to the availability of historic tax losses.

Earnings per share

The average number of ordinary shares in issue during the year was 457.5m (2019 457.5m). Basic and diluted earnings per share was 0.16p (2019: 0.08p).

Post year-end event

Following year-end the Company issued 200,000,000 new ordinary shares at a price of £0.03 per share. Net proceeds after expenses was £5,660,780.

Board of Directors

Barrie Reginald John Whipp (60)
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.

Luke Anthony Jeffrey (38)
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 (62)
Non-Executive Director
Steve served as Crimson Tide's Chief Executive from April 2004 to August 2013 and subsequently as the Group's Finance Director. He stepped down as an Executive Director in July 2019. 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 (40)
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 (74)
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.

Pieter Maree Hurter (44) (South African)
Finance Director and Company Secretary
Pieter was appointed a Director of the Company in July 2019 having previously been the Group's financial controller. He qualified as a Chartered Accountant with Deloitte in 2003 before joining EY as a manager. He subsequently joined Moore Stephens as a director. Peter has wide ranging experience working with businesses from start-ups to listed entities.

Jacqueline Daniell (59)
(Non-Executive Director)
Jacqueline was appointed as a non-executive director of Crimson Tide in January 2021. She has over 16 years' experience as founder, director and CEO of education businesses that use digital technology to drive positive change for young learners and the wider education sector. Jacqueline's previous background in marketing has demonstrated how she has developed excellent relationships with key clients, stakeholders, government, and corporate institutions. She also has a track record of an ability to analyse trends, data, demographics, pricing models, and other strategies for improvement. Jacqueline's early career centred on securing investment in regeneration and infrastructure projects to support public sector visions for strong local economies and good quality of life, winning the award for Global Action 2000.

Directors' Report

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2020.

Principal Activities and Review of the Business

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 and the Company'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 2020 was £3,542,069 (2019: £2,921,483) and the total profit before tax was £532,331 (2019: £352,100). The directors do not recommend payment of a final dividend.

Directors

The following directors held office during the year:

BRJ Whipp
GB Ashley
SK Goodwin
LA Jeffrey
TJT Hawkins
RK Todd (resigned 5 May 2020)
PM Hurter
JK Daniell (appointed 28 January 2021)

Directors' interest 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	
	2020	**2019**
Director		
BRJ Whipp	82,820,132	102,820,132
SK Goodwin*	30,611,484	30,611,484
GB Ashley	18,354,718	18,354,718
RK Todd**	8,450,000	8,450,000
LA 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 2020 and 31 December 2019.
** 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	
	2020	**2019**
Director		
SK Goodwin	-	2,500,000
LA Jeffrey	7,500,000	1,000,000
TH Hawkins	4,600,000	-
PM Hurter	4,600,000	-

Directors' Report CONTINUED

Directors' interests in unapproved share options were as follows:

Director	Number of Share Options 2020	2019
B R J Whipp	-	2,500,000

Directors' remuneration

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

	Fees and salaries £	Benefits £	Pension £	Total 2020 £	Total 2019 £
Non-executive					
G B Ashley	12,000	-	-	12,000	15,000
R K Todd	-	-	-	-	-
S K Goodwin	12,000	-	-	12,000	18,000
Executive					
B R J Whipp	131,354	-	45,729	177,083	194,998
T J T Hawkins	114,060	133,965	3,000	251,025	159,604
L A Jeffrey	118,400	-	3,000	121,400	113,334
P M Hurter	87,500	-	2,550	90,050	38,793
Total	475,314	133,965	54,279	663,558	539,729

Mr Todd resigned as Director on 5 May 2020.

Significant shareholdings

As at 31 December 2020 the shareholders' register showed that the following shareholders had interests in 3% or more of the share capital of the Company:

Shareholder	No.	%
Barrie Reginald John Whipp	82,820,132	18.10%
Stephen Keith Goodwin	30,611,484	6.69%
Graham Basil Ashley (Non Exec)	18,354,718	4.01%
Helium Special Situations Fund	33,025,106	7.22%
J W F Roth	26,131,159	5.71%
Lion Trust Investment Partners LLP	22,942,885	5.01%
S J M Morris	21,707,817	4.75%

Financial Risk Management

The Company's exposure to financial risk is set out in note 20 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 31 days (2019: 39 days). The Company is a holding company and has no significant trade creditors.

Health, Safety and the Environment

The company operates responsibly with regard to its shareholders, employees, other stakeholders, the environment and the wider community. The company is committed to the wellbeing 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 arms-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 financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company 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 Company will continue in business.

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

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Adequacy of information supplied to auditors

In the case of each of the persons who were Directors of the Company at the date when this report was approved:

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's Auditors are unaware; and
- each of the Directors has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information (as defined) and to establish that the Company's Auditors are aware of that information.

Website publication

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

Signed by order of the board

Peter Hurter
Company Secretary
3 June 2021

Strategic Report

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 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, 3 and 4 respectively.

At 31 December 2020 Crimson Tide had a total of 34 directors and employees analysed as follows:

	Male	Female
Directors	6	0
Senior Managers	2	1
Other employees	22	3

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
Founder & Chairman
3 June 2021

Corporate Governance Statement

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 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.

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 shareholders 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 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.

3. TAKING INTO ACCOUNT WIDER STAKEHOLDER AND SOCIAL RESPONSIBILITIES

The board should understand the views of the company's other key stakeholders and describe in the annual report how their interest and the matters set out in section 172 of the Companies Act 2006 have been considered in board discussions and decision-making. 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, full details of which are contained in the Corporate Governance section. 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 nonexecutive 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 directors' 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 Stephen Goodwin and Mr Graham Ashley are Non-Executive Directors. By their length of tenure, neither Mr Goodwin nor Mr Ashley fulfil the technical definition of "Independent" as they have served as directors for longer than the prescribed nine years. The Board unanimously supports the retention of Mr Goodwin and Mr Ashley given their experience and wise counsel. Both Mr Goodwin 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.

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.

Corporate Governance Statement

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 a 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 Chairman retains responsibility for product vision, corporate finance and city matters in line with his experience. 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 this 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; and
- 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 2020 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 2020 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the group 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.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors assessment of the entity's ability to continue to adopt the going concern basis of accounting included

- We reviewed the Directors' assessment of the risks and impacts of COVID-19 on the business. We compared this assessment to our own understanding of the risks, and the nature of the company's operations and customer base.
- We then conducted a review of going concern in which included reviewing forecasts and current trading performance. The work undertaken considered a period of at least twelve months from the date of approving these financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the (entity)'s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

OUR APPROACH TO THE AUDIT

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.

Key audit matter	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 tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. In addition, we reviewed accounting estimates for biases that could result in material misstatement due to fraud. We obtained an understanding of the business rationale of significant transactions that we became aware of that were outside of the normal course of business for the group, or that otherwise appeared to be unusual given our understanding of the entity and its environment.
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.	We considered the group's immediately available assets, as well as the level of any available committed facilities. We considered the impact of the Coronavirus on the company's operations and whether the relevant disclosures have been included in the financial statements.
Fraud in Revenue Recognition There is a risk that revenue is materially understated due to fraud.	We reconciled the group records and contracts and ensured that no trading activity went through the plc.
Risk that intercompany amounts may be misstated 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. We confirmed intercompany balances through an inspection of accounting records of the other group companies. Where the subsidiary shoed a deficit on the balance sheet, we considered the need to provide against the investment.
Risk that the group is not up to date with AIM compliance requirements There is the risk of censure and fines due to non-compliance.	We performed the following work: - Discussed with management the controls in place to ensure that the group is up to date with requirements - Reviewed media announcements to ensure there were no breaches of AIM compliance We performed a disclosure checklist to ensure that the financial statements are AIM compliant.
Risk of material overstatement of investments There is a risk of impairment in investments.	We performed the following work: - Discussed with management the carrying value of investments with management in order to see if there is any indication of impairment - Inspected draft accounts of subsidiaries nothing both net asset position and underlying performance of the companies.

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 £86,529 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Strategic Report and the Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors Report have been prepared in accordance with applicable legal requirements.

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 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 10 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined the most significant are those that relate to the reporting framework ((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)) and the relevant tax compliance regulations in which the Group operates.
- We understood how the Group is complying with those frameworks by making enquiries on the management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and any correspondence received from regulatory bodies.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by enquiring with management during the planning, fieldwork and completion phase of our audit. We considered the controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud and how management monitors those controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk including revenue recognition. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of the management and focus testing.

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.

USE OF OUR REPORT

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.

Joseph Kinton (Senior Statutory Auditor)
For and on behalf of Shipleys LLP
Chartered Accountants & Statutory Auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

3 June 2021

Consolidated Statement of Profit or Loss and Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020	2019
		£000	£000
Revenue	3	3,542	2,921
Cost of Sales		(677)	(375)
Gross Profit		2,865	2,546
Other income		5	135
Administrative expenses	4	(2,309)	(2,285)
Finance costs	4	(29)	(44)
Profit before income tax expense		532	352
Income tax expense	6	202	-
Profit after income tax		734	352
Earnings per share			
Basic	7	0.16	0.08
Diluted	7	0.16	0.08

Consolidated Statement of Comprehensive Income

		2020	2019
Profit for the year		734	352
Items that may be classified subsequently to profit and loss			
Exchange differences on translating foreign operations		4	(3)
Total comprehensive income for the year		738	349

Consolidated Statement of Financial Position

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020	2019
		£000	£000
Assets			
Non-current assets			
Intangible assets	8	2,441	2,118
Property, plant and equipment	9	235	325
Right-of-use asset	10	92	149
Deferred tax asset	11	32	32
Total non-current assets		2,800	2,624
Current assets			
Inventories		6	12
Trade and other receivables	12	1,221	1,220
Cash and cash equivalents	13	1,175	320
Total current assets		2,402	1,552
		5,202	4,176
Total assets			
Liabilities			
Current liabilities			
Trade and other payables	14	907	474
Borrowings	15	8	31
Lease liabilities	16	181	228
Total current liabilities		1,096	733
Non-current liabilities			
Borrowings	15	5	9
Lease liabilities	16	94	165
Total non-current liabilities		99	174
Total liabilities		1,195	907
Net assets		4,007	3,269
Equity			
Issued capital	17	457	457
Share premium	18	148	148
Other reserves	18	479	475
Reverse acquisition reserve	18	(5,244)	(5,244)
Retained profits	18	8,167	7,433
Total equity		4,007	3,269

The financial statements were approved by the board of directors on 3 June 2021 and signed on its behalf by:

BRJ Whipp
Director

LA Jeffrey
Director

Company Registration Number 00113845

Consolidated Statement of Changes in Equity

AT 31 DECEMBER 2020

Consolidated	Issued capital £000	Share premium £000	Other Reserves £000	Reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2019	457	148	478	(5,244)	7,081	2,920
Profit after income tax expense for the year	-	-	-	-	352	352
Translation movement			(3)			(3)
Share options exercised						
Balance at 31 December 2019	457	148	475	(5,244)	7,433	3,269
Profit after income tax expense for the year	-	-	-	-	734	734
Translation movement	-	-	4	-	-	4
Balance at 31 December 2020	457	148	479	(5,244)	8,167	4,007

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020	2019
		£000	£000
Profit before taxation		532	352
Adjustments for:			
Amortisation of intangibles		216	171
Depreciation of property, plant and equipment		111	148
Depreciation of right-of-use assets		57	58
Unrealised currency translation gains		4	(3)
Interest paid		29	44
Operating cash flows before movements in working capital		949	770
Decrease/(increase) in inventories		6	3
(Increase)/decrease in trade and other receivables		(1)	(317)
Decrease in trade and other payables		433	(98)
Cash generated by operations		1,387	358
Income taxes received		202	-
Interest paid in cash		(27)	(34)
Net cash from operating activities		1,562	324
Cash flows from investing activities			
Purchases of property, plant and equipment		(21)	(72)
Development expenditure capitalised		(539)	(385)
Net cash used in investing activities		(560)	(457)
Cash flows from financing activities			
Net proceeds from share issues		-	-
Repayments of borrowings		(21)	(34)
Repayments of lease liability		(126)	(126)
Net cash used in financing activities		(147)	(160)
Net decrease in cash and cash equivalents		855	(293)
Cash and cash equivalents at the beginning of the financial year		320	613
Cash and cash equivalents at the end of the financial year	13	1,175	320

Notes to the Financial Statements

AT 31 DECEMBER 2020

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).

1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These general purpose financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Foreign currency translation

The financial statements are presented in UK Sterling, which is Crimson Tide mpro Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into UK Sterling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from at the settlement of such transactions and from the translation financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for mobility solutions and related software to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Licence fee income

Revenue from licence fee income is charged on group companies for the provision of mobile data solutions and related software.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Notes to the Financial Statements

AT 31 DECEMBER 2020

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets, other than investments in associates, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.
Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's

Notes to the Financial Statements

AT 31 DECEMBER 2020

assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office and computer equipment	5 years
PDA and smartphone equipment	3 years
Fixtures and fittings	4 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, das applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

IFRS 16 Leases

The company has adopted IFRS 16 from 1 January 2019. The standard replaces IAS 17 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under IFRS 16 will be higher when compared to lease expenses under IAS 17. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the company is able to use or sell the asset; the company has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Notes to the Financial Statements

AT 31 DECEMBER 2020

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Notes to the Financial Statements

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For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant.

External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Accounting Standards that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 31 December 2020. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements.

Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Capitalisation of Internally Generated R&D

There is a degree of estimation and judgement on the capitalization of payroll costs relating to the creation of a new asset which will generate additional revenues. It is based on the amount of time spent on this on-going improvement and direct related materials and overheads, and makes assumptions regarding the functionality of competitor products and accurate logging of time for development costs.

Where work is research or maintenance in nature, this is expensed.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Notes to the Financial Statements

AT 31 DECEMBER 2020

3. Revenue

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:

	2020 £000	2019 £000
Revenue by business activity		
Mobility solutions and related development services	3,212	2,444
Software development & support	330	477
	3,542	2,921

Revenue can be further analysed by geographic region as follows:

	Turnover		Operating profit		Non-current assets	
	2020 £000	2019 £000	2020 £000	2019 £000	2020 £000	2019 £000
Geographical regions						
UK	**3,233**	2,634	**636**	219	**2,800**	2,624
European Union	**275**	260	**64**	15	**-**	-
Rest of the world	**34**	27	**34**	27	**-**	-
	3,542	2,921	**734**	261	**2,800**	2,624

Notes to the Financial Statements

AT 31 DECEMBER 2020

4. Expenses

	2020 £000	2019 £000
Profit before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	111	148
Buildings right-of-use assets	57	58
Total depreciation	168	206
Amortisation		
Development software	216	171
Total depreciation and amortisation	384	377
Finance costs		
Interest and finance charges paid/payable on lease liabilities	29	41
Finance costs expensed	4	3
Auditors remuneration for:		
Audit services	11	12
Auditing of accounts of associates of the Company	14	14
Other services supplied pursuant to such legislation	6	6

5. Employees

Staff costs (including executive directors) were as follows:	2020 £000	2019 £000
Wages and salaries	1,491	943
Non-executive directors' fees	24	33
Compulsory social security contributions	184	146
Pension costs	111	88
	1,811	1,210

Directors emoluments included in the above:	2020 £000	2019 £000
Wages and salaries	451	440
Non-executive directors' fees	24	33
Compulsory social security contributions	104	52
Pension costs	84	67
	663	592

Key management personnel are considered to be the same as the Board of Directors.

Notes to the Financial Statements

AT 31 DECEMBER 2020

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

Average monthly staff numbers in the period were as follows:

	2020 No.	2019 No.
Sales and marketing	4	9
Technical and operations	23	16
Management, finance and administration	7	4
	34	29

6. Income tax expense

No tax charge has been incorporated into the financial statements for the periods ended 31 December 2020 or 31 December 2019 due to the availability of tax losses.

	2020 £000	2019 £000
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	532	352
Tax at the statutory tax rate of 19%	101	67
Effects of:		
Expenses not deductible for taxation purposes	-	2
Utilisation of tax losses brought forward	(101)	(29)
R&D tax deduction	-	(40)
R&D tax claim	202	-
Excess capital allowances over depreciation	-	-
Income tax credit/(expense)	202	-

The Group has an unrecognised deferred tax asset relating to carried forward taxable losses of approximately £199,000 (2019: £300,000).

Notes to the Financial Statements
AT 31 DECEMBER 2020

7. 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:

	2020 £	2019 £
Basic earnings per share		
Reported profit (£000)	734	352
Reported basic earnings per share (pence)	0.16	0.08
Reported diluted earnings per share (pence)	0.16	0.08

	2020 No.	2019 No.
Weighted average number of ordinary shares		
Opening balance	457,486,234	457,486,234
Effect of share placing during the year	-	-
Weighted average number of ordinary shares for basic EPS	457,486,234	457,486,234
Effect of options outstanding	2,938,478	7,427,083
Weighted average number of ordinary shares for diluted EPS	460,424,712	464,913,317

8. Intangible assets

Group	Goodwill £000	Development expenditure £000	Total £000
Balance at 1 January 2019	799	1,105	1,904
Capitalised development expenditure	-	385	385
Amortisation expense	-	(171)	(171)
Balance at 31 December 2019	799	1,319	2,118
Capitalised development expenditure	-	539	539
Amortisation expense	-	(216)	(216)
Balance at 31 December 2020	799	1,642	2,441

Goodwill can further be 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	-	-	(189)	(189)
Carrying amount	400	280	119	799

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 at 8% p.a.

Notes to the Financial Statements

AT 31 DECEMBER 2020

9. Property, plant and equipment

Group & Company Fixed Assets	Office and computer equipment £000	PDA and smartphone equipment £000	Fixtures and fittings £000	Total £000
Cost				
At 1 January 2019	134	1,153	58	1,345
Additions	19	50	3	72
At 31 December 2019	153	1,203	61	1,417
Depreciation				
At 1 January 2019	(86)	(827)	(31)	(944)
Depreciation charge	(22)	(119)	(7)	(148)
At 31 December 2019	(108)	(946)	(38)	(1,092)
Carrying amount at 31 December 2019	45	257	23	325
Cost				
At 1 January 2020	153	1,203	61	1,417
Additions	18	-	2	20
At 31 December 2020	171	1,203	63	1,437
Depreciation				
At 1 January 2020	(108)	(946)	(38)	(1,092)
Depreciation charge	(25)	(76)	(9)	(110)
At 31 December 2020	(133)	(1,022)	(47)	(1,202)
Carrying amount at 31 December 2020	38	181	16	235

Included within the net book value of £235,000 is £151,427 (2019: £216,000) 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 £60,572 (2019: £ 100,000). There is no material difference between the value of the minimum lease payments and their net present value.

10. Right-of-use assets

Group	2020 £000	2019 £000
Land and buildings - right-of-use	207	207
Less: Accumulated depreciation	(115)	(58)
	92	149

The company leases land and buildings for its offices under agreement for up to ten years with a five year break clause. On renewal, the terms of the leases are renegotiated.

Notes to the Financial Statements

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11. Deferred tax

Group	2020 £000	2019 £000
Movements:		
Opening balance	32	-
Credited to profit or loss	-	32
Closing balance	32	32

12. Trade and other receivables

Group	2020 £000	2019 £000
Trade receivables	576	649
Other receivables	1	184
Prepayments and accrued income	644	387
	1,221	1,220

As at 31 December 2020, trade receivables of £81,458 (2019: £104,000) were impaired and fully provided for. The ageing of trade receivables not impaired are as follows:

Age analysis of trade receivables	2020 £000	2019 £000
Age from invoice date		
< 30 days	454	512
30 – 60 days	49	102
60 – 90 days	30	11
> 90 days	43	24
	576	649

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

	2020 £000	2019 £000
Opening balance	104	116
Receivables collected in year previously provided for	-	
Receivables written off during the year as uncollectable	-	-
Provision for receivables impairment for the year	(23)	(12)
	81	104

Company	2020 £000	2019 £000
Amounts recoverable from Group undertakings	1,331	1,352
Other receivables	41	27
Prepayments and accrued income	47	58
	1,419	1,437

Notes to the Financial Statements

AT 31 DECEMBER 2020

13. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits held by Group companies.

	2020 £000	2019 £000
	1,175	320
	1,175	320

14. Trade and other payables

Group	2020 £000	2019 £000
Trade payables	83	43
PAYE and social security	128	41
VAT	359	132
Accruals and deferred income	337	258
	907	474

Company	2020 £000	2019 £000
Trade payables	29	17
Amounts owed to Group undertakings	423	280
Accruals	23	18
	475	315

15. Borrowings

Group	2020 £000	2019 £000
Secured bank loans – current	8	31
Secured bank loans – non-current	5	9
Secured bank loans	13	40

Notes to the Financial Statements

AT 31 DECEMBER 2020

16. Lease liabilities

Group	2020 £000	2019 £000
Maturity analysis:		
Year 1	181	228
Years 2 – 5	94	165
After five years	-	-
Lease liabilities	275	393

17. Share capital

Authorised	2020 Shares	2019 Shares	2020 £000	2019 £000
Ordinary shares of 0.1p each	711,950,842	711,950,842	712	712

Issued, called up	2020 Shares	2019 Shares	2020 £000	2019 £000
Ordinary shares - fully paid	457,486,234	457,486,234	457	457

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 2020 the following options were outstanding in respect of ordinary shares.

Date of grant	Expiry date	Number issued	Expired/ cancelled	Exercised in 2019	Outstanding at 31 December 2020
Issued under EMI scheme					
5 May 2010*	5 May 2020	17,500,000	17,500,000	-	-
22 December 2020**	22 December 2030	24,700,000	-	-	24,700,000
Issued under an unapproved scheme					
5 May 2010**	5 May 2020	2,500,000	2,500,000	-	-

* Target share price of 2.5p and exercise price of 1.25p

** Target share price of 4.5p and exercise price of 3.35p

Notes to the Financial Statements

AT 31 DECEMBER 2020

18. Reserves

	Share premium £000	Other reserves £000	Reverse acquisition reserve £000	Retained earnings £000
Balance as at 1 January 2019	148	478	(5,244)	7,081
Retained profit for the year		(3)		352
Share options exercised				
Balance as at 31 December 2019	148	475	(5,244)	7,433
Retained profit for the year				734
Translation movement		4		
Balance as at 31 December 2020	148	479	(5,244)	8,167

Company	Share premium £000	Other reserves £000	Retained earnings £000
Balance as at 1 January 2019	148	337	3,733
Retained loss for the year			(151)
Share options exercised			
Balance as at 31 December 2019	148	337	3,582
Retained loss for the year			(198)
Balance as at 31 December 2020	148	337	3,384

19. Investments

The Company is the holding company of the Group. The following table shows details of the Company's subsidiary undertakings at 31 December 2020. 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 operations
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
Owned by Crimson Tide Mpro Limited		
Moneymotive Limited (100%)	Non-trading	England and Wales
Owned by Moneymotive Limited		
Callog Limited (100%)	Telecoms	England and Wales

Company	2020 £000	2019 £000
Shares in subsidiary undertakings - at cost	5,297	5,297
Less: Impairment	(1,929)	(1,929)
	3,368	3,368
Trade investment - at cost	386	386
Less: Impairment	(386)	(386)
	-	-

Notes to the Financial Statements

AT 31 DECEMBER 2020

20. Financial instruments

Financial risk management objectives
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:

	2020	2019
Group	**£000**	**£000**
Financial assets		
Cash at bank and in hand		
	1,175	320
Financial liabilities		
Secured loans	99	40
Finance leases	189	393

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.

Foreign currency risk
The company undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The company obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The company does not hold any collateral.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year

Liquidity risk

Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

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.

Fair value risk factors
The net fair value of intangible assets approximate to their carrying value as disclosed in Note 8 is 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 the 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.

21. Post year end event

Following year-end the company issued 200,000,000 new ordinary shares at a price of £0.03 per share. Net proceeds after expenses were £5,660,780.00.

22. 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.

Company Statement of Financial Position

AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Assets			
Non-current assets			
Investments	19	3,368	3,368
Total non-current assets		3,368	3,368
Current assets			
Trade and other receivables	12	1,419	1,437
Cash and cash equivalents	13	14	34
Total current assets		1,433	1,471
Total assets		4,801	4,839
Liabilities			
Current liabilities			
Trade and other payables	14	475	315
Total current liabilities		475	315
Total liabilities		475	315
Net assets		4,326	4,524
Equity			
Issued capital	17	457	457
Share premium	18	148	148
Other reserves	18	337	337
Retained profits	18	3,384	3,582
Total equity		4,326	4,524

As permitted by Section 408 of the Companies Act 2006, 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 £198,076 (2019 loss: £151,365).

The financial statements were approved by the board of directors on 3 June 2021 and signed on its behalf by:

BRJ Whipp
Director

LA Jeffrey
Director

Company Registration Number 00113845

Company Statement of Changes in Equity

AT 31 DECEMBER 2020

	Issued capital £000	Share premium £000	Reserves £000	Retained earnings £000	Total equity £000
Company					
Balance at 1 January 2019	457	148	337	3,733	4,675
Profit after income tax expense for the year	-	-	-	(151)	(151)
Share options exercised	-	-	-	-	-
Balance at 31 December 2019	457	148	337	3,582	4,524
Profit after income tax expense for the year	-	-	-	(198)	(198)
Balance at 31 December 2020	457	148	337	3,384	4,326

Company Statement of Cash Flows from Operating Activities

AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Profit before taxation		(198)	(151)
Adjustments for:			
Decrease in trade and other receivables		18	49
Decrease in trade and other payables		160	79
Net cash from operating activities		(20)	(23)
Cash flows from financing activities			
Net proceeds from share issues		-	-
Net cash used in financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(20)	(23)
Cash and cash equivalents at the beginning of the financial year		34	57
Cash and cash equivalents at the end of the financial year	13	14	34

Officers and Professional Advisors

Board of Directors	GB Ashley JK Daniell SK Goodwin TJT Hawkins PM Hurter LA Jeffrey BRJ Whipp (Chairman)
Secretary	PM Hurter
Registered office	Oakhurst House 77 Mount Ephraim Tunbridge Wells Kent TN4 8BS
Registered number	00113845
Bankers	NatWest Bank 19 Mount Ephraim Tunbridge Wells Kent TN1 1EN
Auditors	Shipleys LLP 10 Orange Street Haymarket London WC2H 7DQ
Nominated Adviser and Broker	finnCap 60 New Broad Street London EC2M 1JJ
Solicitors	DAC Beachcroft LLP 125 Old Broad Street London EC2N 1AR
Website	www.crimsontide.co.uk

Notice of Annual General Meeting

Notice is hereby given that the 2021 Annual General Meeting ("AGM") of Crimson Tide plc will be convened at Oakhurst House, 77 Mt. Ephraim, Tunbridge Wells TN4 8BS on 29 June 2021 at 11:00 am to transact the following business and consider and, if thought fit, pass the following resolutions, each such resolution to be considered as an ordinary resolution.

Ordinary Resolutions:

1 To receive the report and accounts of the Company for the year ended 31 December 2020.

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

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

4 To re-appoint SK Goodwin as a Director of the Company.

5 To re-appoint JK Daniell as a Director of the Company.

6 To re-appoint TJT Hawkins as a Director of the Company.

By order of the Board
PM Hurter
Company Secretary
Registered Office
Oakhurst House
77 Mount Ephraim
Tunbridge Wells
Kent TN4 8BS
3 June 2021

Notes

1 COVID-19

In light of the Government's response to the COVID-19 outbreak, which includes banning all non-essential travel and gatherings of more than two people, the Company has determined that the resolutions to be proposed at the AGM shall be voted on through a poll rather than on a show of hands. The Company believes that this is the best and fairest way to ensure that the votes of all shareholders can be taken into account, whilst also preventing the Company and shareholders breaching applicable regulations. Accordingly, the Company encourages all shareholders to either submit their form of proxy or use the CREST proxy voting service, rather than attend the meeting in person. In accordance with the Company's articles of association, whilst completion and return of the form of proxy or using the CREST proxy voting service would not preclude shareholders from attending, speaking and voting in person at the AGM should they so wish, shareholders are reminded that to do so would potentially be in breach of Government regulations in relation to the containment and control of COVID-19 and accordingly shareholders are strongly encouraged to either submit their form of proxy or use the CREST proxy voting service, rather than attend the meeting in person.

2 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.

3 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.

4 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 6.30 pm on 25 June 2021 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.

5 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 29 June 2021 at 11:00 am

I/We (name in full) ....

of ....

hereby appoint the Chairman of the Meeting or .... (delete as appropriate) my/our proxy to attend, to speak and to vote in respect of the shares registered in my/our name(s) at the Annual General Meeting of Crimson Tide plc to be held on 29 June 2021 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 2020			
2 To re-appoint Shipleys LLP as auditors			
3 To re-appoint GB Ashley as director			
4 To re-appoint SK Goodwin as director			
5 To re-appoint JK Daniell as director			
6 To re-appoint TJT Hawkins 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 the annual general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes. Please see the important notice set out in note 1 to the Notice of Annual General Meeting concerning the implications that COVID-19 will have on attendance at the annual general meeting and the measures that the Company is putting in place in respect of the same.
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. However, please see the important notice set out in note 1 to the Notice of Annual General Meeting concerning the implications that COVID-19 will have on attendance at the annual general meeting and the measures that the Company is putting in place in respect of the same.
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 at Oakhurst House, 77 Mt. Ephraim, Tunbridge Wells TN4 8BS; and
- received no later than 25 June 2021 at 11.00 pm.

6. If your shares are held through CREST, you may use the CREST proxy voting 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

crimson tide 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

Web www.crimsontide.co.uk